



RAHUL MERCHANDISING LIMITED

CIN: L74899DL1993PLC052461

25th ANNUAL REPORT 2017-18

TABLE OF CONTENTS

S.No.	Content	Page No.
1.	Notice	3
2.	Board's Report	10
3.	Corporate Governance Report	32
4.	Compliance Certificate on Corporate Governance	46
5.	CEO/CFO Certification	47
6.	Compliance with code of conduct	48
7.	Management Discussion & Analysis Report	49
8.	Standalone:	
	• Independent Auditor's Report	52
	• Balance Sheet	58
	• Profit and Loss Account	59
	• Cash Flow Statement	60
9.	Proxy Form	78
10.	Ballot Form	80
11.	Attendance Slip	81
12.	Green Initiative Form/E-mail Updation Form	82
13.	Route Map	83

REFERENCE INFORMATION

BOARD OF DIRECTORS

Ms. Snehlata Kaim	Independent Director
Ms. PriyankaRana	Independent Director
Mr. Sunny Kumar	Non-Executive Independent Director <i>*Till 12.02.2018</i>
	Executive Director <i>*From 12.02.2018</i>
Mr. Pardeep Kumar	Whole Time Director <i>*Resigned on 13.09.2017</i>
Ms. Vandna	Additional Director <i>*Appointed as on 08.08.2018</i>

KEY MANAGERIAL PERSONNEL

Mr. Pardeep Kumar	Whole Time Director & Chief Financial Officer <i>*Resigned on 13.09.2017</i>
Mr. Sunny Kumar	Chief Financial Officer <i>*From 03.09.2018</i>

AUDIT COMMITTEE

Ms. Snehlata Kaim	Chairperson
Mr. PriyankaRana	Member
Mr. Pardeep Kumar	Member (Till 13.09.2017)
Mr. Sunny Kumar	Member

NOMINATION & REMUNERATION COMMITTEE

Ms. Snehlata Kaim	Chairperson
Mr. Sunny Kumar	Member
Ms. PriyankaRana	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Snehlata Kaim	Chairperson
Mr. PriyankaRana	Member
Mr. Pardeep Kumar	Member (Till 13.09.2017)
Mr. Sunny Kumar	Member

SECRETARIAL AUDITOR

M/s Tanay Ojha & Associates
(Mr. Tanay Ojha)
Practicing Company Secretary

STATUTORY AUDITOR

M/s Jagdish Sapra & Co. LLP
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

SHARES LISTED AT

BSE Limited

E-MAIL

rahulmerchandising@gmail.com

WEBSITE

www.rahulmerchandising.com

NOTICE

NOTICE is hereby given that the **25th Annual General Meeting** of the members of **Rahul Merchandising Limited** will be held on **Friday, 28th day of September, 2018** at **04:30 P.M.** at the **registered office** of the Company situated at **204, Siddhartha Building, 96, Nehru Place, New Delhi- 110019** to transact the following businesses:

ORDINARY BUSINESS:

1. *Ordinary Resolution* to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on **31st March, 2018** together with the reports of the Auditor's and Directors' thereon.
2. Ordinary Resolution to appoint a Director in place of **Mr. Sunny Kumar (DIN: 07648718)** who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for Re-appointment.
3. Ordinary Resolution to ratify the appointment of **M/s Jagdish Sapa & Co., LLP, Chartered Accountants (FRN: 001378N)** as the Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General meeting till the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

In this regard, if thought fit, the members will 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, and pursuant to the recommendation of the audit committee, the appointment of the Statutory Auditors of Company **M/s Jagdish Sapa & Co. LLP, Chartered Accountants (FRN: 001378N)** be and is hereby ratified by the members of the company for the financial year **2018-19** at such remuneration as may be determined by the Board of Directors of the Company in consultation with the auditor.”

SPECIAL BUSINESS:

4. Ordinary Resolution for appointment of **Ms. Vandna (DIN: 07646818)** as a **“Non-Executive Independent Director”**.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Ms. Vandna (DIN: 07646818)**, who was appointed as an Additional Director w.e.f. 08.08.2018 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention to propose as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company upto the conclusion of Annual General Meeting to be held in calendar year 2023 and whose office shall not be liable to retire by rotation.”

5. Ordinary resolution for appointment of **Mr. Sunny Kumar (DIN: 07648718)** as Whole Time Director

To consider the appointment of **Mr. Sunny Kumar (DIN: 07648718)** as Whole Time Director of the Company, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of the Memorandum and Articles of Association of the

Company and on the recommendation of Nomination and Remuneration Committee consent of the Company be and is hereby accorded to appoint **Mr. Sunny Kumar (DIN: 07648718)** as a Whole Time Director of the Company for a period of Five years with effect from 28th September, 2018 to 27th September, 2023, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to by and between the Company and Mr. Sunny Kumar, provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force. Terms, conditions and remuneration as detailed below:

Terms & Conditions

- 1) **Designation:** Whole Time Director
- 2) **Term:** 5 years starting with effect from 28.09.2018
- 3) **Salary:** As mutually decided between the Company and Mr. Sunny Kumar, subject to the limits laid down in the Companies Act, 2013 for the time being in force.
- 4) **Functions:** He shall exercise duties and functions as may be delegated/ assigned to him by the Board of Directors/Committee of Directors from time to time.
- 5) **Sitting fees:** He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

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

Date: 03.09.2018

Place: New Delhi

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

NOTES:

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

A person can act as a proxy on behalf of members **not exceeding fifty** and holding in aggregate **not more than ten percent of the total share capital** of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person(s) or shareholder(s).

3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Relevant documents as referred to in the accompanying Notice along with the Statements are open for inspection by members at Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
5. Brief details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) forms part of the notice.

6. The Register of Members and Share Transfer Books will remain closed from **Saturday, 22nd day of September, 2018 to Friday 28th day of September, 2018** (both days inclusive).
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as required under the amended SEBI guidelines and regulations to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or its Registrar & Share Transfer Agent (RTA), for assistance in this regard.
8.
 - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to its Registrar & Share Transfer Agent (RTA) promptly.
 - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
9. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above, the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of service where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, **M/s Skyline Financial Services Private Limited**.
10. The shares of the Company are at presently listed on **BSE Limited**.
11. 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. Pursuant to the provisions under Section 108 of Companies Act, 2013 to be read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time along with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote at the ensuing Annual General Meeting by Electronic Means. The business(s) proposed to be transacted as mentioned in the Annual General Meeting Notice may be transacted through voting by Electronic Means (Remote e-voting) as well. For this, Company is availing the services provided by **National Securities Depository Limited ("NSDL")**. The facility for voting through Ballot Paper will also be made available at the meeting venue, for the members who have not cast their votes by remote e-voting. They shall also be able to exercise their voting rights at the AGM by voting through ballot paper. Members who have already cast their vote by remote e-voting process prior to the date of meeting shall be eligible to attend the Annual General Meeting but shall not be entitled to cast their votes again through ballot process.
The instructions for e-voting by members are annexed to the Notice.
13. The Board of Directors of the Company has appointed **Ms. Preeti Mittal** (Formerly known as *Preeti Jain*), **Practicing Company Secretary (C. P. No. 17079) (M. No. 41759)** as **Scrutinizer** for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
14. The Scrutinizer, after scrutinizing the votes cast at the meeting through Poll and through remote e-voting, shall, not later than three days of conclusion of the Meeting, make a **"Consolidated Scrutinizer's Report"** and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on website of the Company at www.rahulmerchandising.com and on the website of Stock Exchange at www.bseindia.com. The Report shall simultaneously be placed on Notice Board of the Company at premises of the Registered Office.

15. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the General Meeting.
16. The login ID and password for remote e-voting along with Process, Manner and Instructions for remote e-voting is being sent to Members who have not registered their E-mail ID(s) with the Company / their respective Depository Participants along with physical copy of the Notice.

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

17. Voting rights shall be reckoned on the Paid-up value of shares registered in the name of Member / Beneficial Owner (in case of shares in Dematerialized form) as on the **cut-off** date i.e., **21st September, 2018**.
18. 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, shall only be entitled to avail the facility of e-voting / Poll.

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

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

Date and Time of commencement of e-voting	E-Voting period commence from Tuesday, 25 th day of September, 2018 at 09:00 A.M.
Date and Time of Conclusion of e-voting	E-Voting period ends on Thursday, 27 th day of September, 2018 at 05:00 P.M.

- i. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date through remote E-voting would not be entitled to vote at the meeting venue through Poll.
- iii. The instructions for remote e-voting are as under:
 - a. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company/Depository Participants(s)]:-
 - i. Open e-mail and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser and type the following URL: <https://www.evoting.nsdl.com> .
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

- vii. Once the remote e-voting home page opens, click on remote e-voting> Active Voting Cycles.
- viii. Select “EVEN” (Remote E-voting Event Number) of RAHUL MERCHANDISING LIMITED Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to preeticsjain@gmail.com or rahulmerchandising@gmail.com with a copy marked to evoting@nsdl.co.in .
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the “Downloads” section of www.evoting.nsdl.com .
- xiv. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the **cut-off date**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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

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

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

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

Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting

Name	Vandna	Sunny Kumar
Director Identification Number (DIN)	07646818	07648718
DOB	10/07/1986	27/02/1989
Qualification	Graduate	Graduate
Expertise in specific area	Administration	Administration & Management
Date of First appointment on the Board of the Company	08/08/2018	11/11/2016
Shareholding in the Company (Only In case the Director to be appointed is a Non- Executive Director)	Nil	N/A
List of Directorship held in other companies	Shree Vijay Industries Ltd. & SueryaaKnitwear Limited	Nil
Names of Listed Entities in which the person holds membership of Committees of the Board	Shree Vijay Industries Ltd. & Sueryaa Knitwear Limited	Nil
Relationship between Directors Inter-se	None	None

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

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

Item No. 4:

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

Therefore, as per the provisions of Section 161 of the Companies Act, 2013 the Board of Directors of your company at its Board Meeting held on 8th August, 2018 had appointed Ms. Vandna (DIN: 07646818) as an Additional Independent Director of the company. In terms of Section 161(1) of the Companies Act, 2013, she holds office up to the conclusion of this Annual General Meeting of the Company. The Company has received a notice in writing from Ms. Vandna pursuant to the provisions of the Companies Act, 2013, signifying intention to propose herself as candidate for the office of Independent Director.

In opinion of the Board, Ms. Vandna (DIN: 07646818) fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an independent Director of the Company and is independent of the management and hence recommend her to be appointed for **five consecutive years** under section 149 of the Companies Act, 2013.

A brief profile of Ms. Vandna (DIN: 07646818) whose appointment is proposed at Item Number 4 of the accompanying Notice, has been given in the 'annexure' attached.

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

Except Ms. Vandna, None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

Item No. 5:

Mr. Sunny Kumar (DIN: 07648718) is proposed to be appointed as Whole Time Director of the company. The Duties of the Whole time Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the company in the ordinary course of business including all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or are in the interest of the company.

In view of his extensive experience, knowledge and dedicated efforts made for the Company, Board is considering his involvement, a necessity for Company's future growth.

Therefore, after consideration of all facts and circumstances, the Board recommends appointment of **Mr. Sunny Kumar (DIN: 07648718)** as Whole Time Director by members of the Company.

The Board of Directors recommends the resolution as set out in the Item No. 5 by way of Ordinary Resolutions

Except **Mr. Sunny Kumar (DIN: 07648718)**, none of the Director(s) is/are interested in the said resolution.

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

Date: 03.09.2018

Place: New Delhi

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

DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present to the valued stakeholders, the **25th Annual Report of Rahul Merchandising Limited** along with the Audited Financial Statements of the Company for the Year ended March 31st, 2018.

FINANCIAL HIGHLIGHTS- AT A GLANCE

- **Overall Performance of your Company**
 - The Financial Year 2017-18 has shown a conventional performance during the year under review. The net Loss of your Company had gone down from **Rs. 188/-** in the Financial Year **2016-17** to **Nil** in the Financial Year **2017-18**.
- **The financial summary, performance highlights operations/state of affair of your Company for the year are summarized below:**

Amount (In Rs.)

PARTICULARS	Standalone	
	2017-18	2016-17
Income from Business Operations	0.00	0.00
Other Income	2,04,000	3,06,000
Total Income	2,04,000	3,06,000
Less: Expenditure except Depreciation	2,04,000	3,06,188
Profit/Loss before Interest, Depreciation and Tax	0.00	(188)
Less: Interest and other Financial Charge(s)	0.00	0.00
Profit/Loss before Depreciation and Tax	0.00	(188)
Less: Depreciation	0.00	0.00
Profit/Loss before Tax	0.00	(188)
Less: Tax Expense	0.00	0.00
Add: Deferred Tax Asset	0.00	0.00
Net Profit/Loss after Tax	0.00	(188)
Earnings per share		
Basic	0.00	0.00
Diluted	0.00	0.00

DIVIDEND

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

RESERVES

The Board proposes no amount to transfer to the reserves as the Company does not have any profit during the year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared or paid by the Company, the provisions of Section 125 of the Companies Act, 2013 do not apply.

DEPOSITS

During the year under review, the Company has not accepted any deposits in terms of *section 73* of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

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

SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES OF THE COMPANY

The Company is not having any Subsidiary Company/ Joint Venture/ Associate Company during the financial year 2017-18. Form AOC-1 has also been attached with this report as “**Annexure B**”.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

CHANGE IN NATURE OF BUSINESS

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

CHANGE IN DIRECTORS /KEY MANAGERIAL PERSONNEL DURING THE YEAR

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

S. No.	Name	Designation	Nature of Change	With Effect From
1.	Mr. Pardeep Kumar	Whole Time Director	Retire by rotation & re-appointment	05.09.2017
2.	Mr. Pardeep Kumar	CFO	Cessation	13.09.2017
3.	Mr. Pardeep Kumar	Whole Time Director	Cessation	13.09.2017
4.	Mr. Sunny Kumar	Independent Director	Change in designation	05.09.2017
5.	Mr. Sunny Kumar	Executive Director	Re-Designation	12.02.2018

The Board places on record its appreciation for the services rendered by **Mr. Pardeep Kumar** who resigned from the office due to their personal occupancy. The resignation for the same was accepted by the Board. The Board places on record its appreciation for the services rendered by them during their tenure as a Whole Time Director & CEO of the Company.

Mr. Sunny Kumar (DIN:07648718), -----Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself/himself for re-appointment. The Board recommends his re-appointment to the Board of the Company at the ensuing Annual General Meeting.

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

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

DISCLOSURE OF CHANGE IN ACCOUNTING TREATMENT IN FINANCIAL STATEMENTS

During the period under review, the Company has adopted Indian Accounting Standards for Accounting treatment in the Financial Statements.

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

During the year under review, 6 (Six) Board Meetings, 4 (Four) Audit Committee Meetings, 1 (One) Nomination & Remuneration Committee Meetings,-----4 (Four) Stakeholders' Relationship Committee Meetings and 1 (One) Internal Compliant Committee Meetings were convened and held. All the Meetings including Committee Meetings were duly held and convened and the intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 to be read with the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015.

The details in respect of the dates of the meetings along with attendance has been provided in the Corporate Governance Report which forms part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 to be read with Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Composition of Audit Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 20 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

BOARD ANNUAL EVALUATION

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

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

REMUNERATION POLICY OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board on the recommendation of Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and fixation of their remuneration thereof. The Policy

contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director, etc.

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

In the financial year 2017-2018, Company did not enter into any contracts or arrangements with any related party. Form AOC-2 has also been attached with this report as "**Annexure C**".

FAMILIARIZATION POLICY

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

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

A. STATUTORY AUDITOR

In the Annual General Meeting held on September 5, 2017 Company had appointed **M/s Jagdish Spara & Co., Chartered Accountants (Firm Registration No. 001378N)** as Statutory Auditors of the Company for a period of 2 years to hold office till the conclusion of 26th Annual General Meeting of the Company subject to ratification at every AGM. Their period of office needs ratification at the ensuing Annual General Meeting. Therefore, the auditors have expressed their willingness to continue to act as Statutory Auditor for the Financial Year 2018-19.

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

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

B. SECRETARIAL AUDITOR

Pursuant to provision of section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Company has appointed **M/s Tanay Ojha & Associates, Company Secretaries** to undertake Secretarial Audit of the Company.

The Secretarial Audit was conducted by **Mr. Tanay Ojha**, Company Secretary, and the report thereon is annexed herewith as "**Annexure- D**".

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

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

1. ***The Company has not appointed a Whole Time Company Secretary pursuant to Section 203 of the Companies Act, 2013.***
2. ***The Company has not appointed a Whole Time Director pursuant to Section 196 of the Companies Act, 2013 after resignation of Mr. Pardeep Kumar from the post of Whole Time Director on 13/09/2017.***
3. ***The Company has not appointed a CFO pursuant to Section 203 of Companies Act after resignation of Mr. Pardeep Kumar from the post of CFO on 13/09/2017.***

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

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

2. The Company is making efforts to appoint Whole Time Director for the Company and hope to finalize the candidate for the requisite post at the earliest.
3. The Company is making efforts to appoint CFO for the Company and hope to finalize the candidate for the requisite post at the earliest.

INTERNAL AUDIT

The Company had appointed Internal Auditor of the Company to carry out the Internal Audit Functions. The Internal Auditor submits a “Quarterly Report” to the Audit Committee for its review.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR

There were no instances of fraud, those have been observed by the Statutory Auditor during audit of the financial statements for the financial year 2017-18, which are required to be disclosed by the company in its Board Report under Section 143 (12) of the Companies Act, 2013.

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

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

FINANCIAL POSITION

A) Issue of equity shares with differential voting rights

No equity shares with differential voting rights has been issued by the company during the financial year 2017-18.

B) Issue of sweat equity shares

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year.

C) Issue of employee stock options

The Company has not issued shares under employee’s stock options scheme pursuant to provisions of Section Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014, so question does not arise about voting rights not exercised by employee during the year under review.

D) Buy Back Of Securities

The Company has not bought back any of its securities pursuant to the provisions of Section 67 and Section 68 of the Companies Act 2013 during the year under review.

D1) Voting Rights of Employees

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of the Companies Act, 2013. Therefore the company is not required to make disclosure as per rule 6 (4) of the Companies (Share Capital and Debentures) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes or commitments noticed by the Board between the end of financial year of the company on 31st March, 2018 and the date of this Report.

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

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

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

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Regulation 22 of the SEBI Regulations, 2015, in order to ensure that the activities of the Company & its employees are conducted in a fair & transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a vigil mechanism policy. This policy is explained in "Corporate Governance Report" and is also posted on website of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain and adhere to the highest standard of Corporate Governance Practices. Pursuant to regulation 34 (3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report of Corporate Governance have been included in this report as separate section. A certificate from **M/s Jagdish Sapra & Co., Chartered Accountants**, regarding compliance of condition of Corporate Governance as stipulated in regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been included in this Annual Report.

HUMAN RESOURCE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

LISTING AGREEMENT

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

PERSONNEL RELATIONS

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

CODE OF CONDUCT

The Board of Directors has laid down the code of conduct for all Board Members and members of the Senior Management of the Company. Additionally, all Independent Directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 to be read with SEBI Listing Regulations, 2015.

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

PARTICULARS OF EMPLOYEES

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

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

The company has One Executive Directors and no remuneration paid to him during the year. **Further, no sitting fee has been paid to any director during the year.**

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

- (e) The Directors had laid down Internal Financial Controls to be followed by the Company and such controls are adequate and are operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

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

Date: 03.09.2018

Place: New Delhi

**Snehlata Kaim
Director
DIN: 06882968**

**Sunny Kumar
Director
DIN: 07648718**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L74899DL1993PLC052461
2	Registration Date	3/9/1993
3	Name of the Company	RAHUL MERCHANDISING LIMITED
4	Category of the Company	Company Limited by Shares
5	Sub-category of the Company	Indian Non-Government Company
6	Address of the Registered office & contact details	204, Siddhartha Building, 96, Nehru Place, New Delhi- 110019
		Contact: 011-26212295
7	Whether listed company	Yes, BSE Limited
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Skyline Financial Services Pvt. Ltd. Add: D-153A, First Floor, Okhla, Industrial Area, Phase-1, New Delhi- 110020 Ph.: 011-26812683

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Nil		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shareheld	Applicable Section
	NIL				

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	724,200	-	724,200	20.62%	724,200	-	724,200	20.62%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	289,600	-	289,600	8.25%	289,600	-	289,600	8.25%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	1,013,800	-	1,013,800	28.86%	1,013,800	-	1,013,800	28.86%	0.00%
(2) Foreign									
a) NRI Individuals		-	0.00%	-		-	0.00%	0.00%	
b) Other Individuals		-	0.00%	-		-	0.00%	0.00%	
c) Bodies Corp.		-	0.00%	-		-	0.00%	0.00%	
d) Any other		-	0.00%	-		-	0.00%	0.00%	
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,013,800		1,013,800	28.86%	1,013,800	-	1,013,800	28.86%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	300	300	0.01%	-	300	300	0.01%	0.00%
b) Banks / FI	400	-	400	0.01%	400	-	400	0.01%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	400	300	700	0.02%	400	300	700	0.02%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	810,084	3,400	813,484	23.16%	808,951	3,400	812,351	23.13%	-0.14%
ii) Overseas			-	0.00%			-	0.00%	0.00%

b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	37,903	407,000	444,903	12.67%	38836	406600	445,436	12.68%	0.02%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	512,362	686,000	1,198,362	34.12%	512862	686000	1,198,862	34.13%	0.01%
c) Others (specify)									
Non Resident Indians		4,200	4,200	0.12%		4200	4,200	0.12%	0.00%
Overseas Corporate Bodies		6,300	6,300	0.18%		6,300	6,300	0.18%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Resident Indian HUF		30,501	30,501	0.87%		30601	30,601	0.87%	0.00%
Sub-total (B)(2):-	1,390,850	1,106,900	2,497,750	71.12%	1,391,250	1,106,500	2,497,750	71.12%	0.00%
Total Public (B)	1,391,250	1,107,200	2,498,450	71.14%	1,391,650	1,106,800	2,498,450	71.14%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,405,050	1,107,200	3,512,250	100.00%	2,405,450	1,106,800	3,512,250	100.00%	0.00%

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2017]			Shareholding at the end of the year [As on 31-March-2018]			% 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	492,600	14.03%	Nil	492,600	14.03%	Nil	0.00%
2	Uma Mansharamani	224,100	6.38%	Nil	224,100	6.38%	Nil	0.00%
3	Reliable Engineering Pvt Ltd	289,600	8.25%	Nil	289,600	8.25%	Nil	0.00%
4	Veena Balani	2,500	0.07%	Nil	2,500	0.07%	Nil	0.00%
5	Anoop Kumar Gajwani	2,500	0.07%	Nil	2,500	0.07%	Nil	0.00%
6	Deepak Jotwani	2,500	0.07%	Nil	2,500	0.07%	Nil	0.00%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year						
1	Suresh Mansharamani			492600	14.03%	492600	14.03%
2	Uma Mansharamani			224100	6.38%	224100	6.38%
3	Reliable Engineering Pvt Ltd			289600	8.25%	289600	8.25%
4	Veena Balani			2500	0.07%	2500	0.07%
5	Anoop Kumar Gajwani			2500	0.07%	2500	0.07%
6	Deepak Jotwani			2500	0.07%	2500	0.07%
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)				NO CHANGE		
	At the end of the year						
1	Suresh Mansharamani			492600	14.03%	492600	14.03%
2	Uma Mansharamani			224100	6.38%	224100	6.38%
3	Reliable Engineering Pvt Ltd			289600	8.25%	289600	8.25%
4	Veena Balani			2500	0.07%	2500	0.07%
5	Anoop Kumar Gajwani			2500	0.07%	2500	0.07%
6	Deepak Jotwani			2500	0.07%	2500	0.07%

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year[As on 31-March-2017]		Cumulative Shareholding during the year[As on 31-March-2018]	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				
1	Carnation Commodities Private Limited	633350	18.03	633350	18.03
2	Dev Prasad Sharma	175300	4.99	175300	4.99
3	Scriptech Wealth Management Services Private Limited	175000	4.98	175000	4.98
4	Vidyawati Devi	174700	4.97	174700	4.97
5	Sunit Hirawat	147400	4.2	147400	4.2
6	Hemant Dembla	85000	2.42	85000	2.42
7	Kushal Kumar Lunawat	63100	1.8	63100	1.8
8	Meghna Dembla	60500	1.72	60500	1.72
9	Harish Chandra Bader	49900	1.42	49900	1.42
10	Pavan Kumar Jaipuria	49100	1.4	49100	1.4
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)		No Change		
	At the end of the year				
1	Carnation Commodities Private Limited	633350	18.03	633350	18.03
2	Dev Prasad Sharma	175300	4.99	175300	4.99
3	Scriptech Wealth Management Services Private Limited	175000	4.98	175000	4.98
4	Vidyawati Devi	174700	4.97	174700	4.97
5	Sunit Hirawat	147400	4.2	147400	4.2
6	Hemant Dembla	85000	2.42	85000	2.42
7	Kushal Kumar Lunawat	63100	1.8	63100	1.8
8	Meghna Dembla	60500	1.72	60500	1.72
9	Harish Chandra Bader	49900	1.42	49900	1.42
10	Pavan Kumar Jaipuria	49100	1.4	49100	1.4

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year		No Change		
	Date wise Increase /Decrease in Share holding during theyear specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweatequity etc)		None		
	At the end of the year		No change		

V. INDEBTEDNESS

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

(Amt. Rupees)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees)
1	Independent Directors	Sanehlata Kaim	Priyanka Rana	Sunny Kumar*	-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

*Designation of Sunny Kumar was changed from Independent Director to Executive Director as on 12.12.2018

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

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rupees)
	Name		Pradeep Kumar*		
	Designation	CEO	CFO	CS	
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	-	-	-	-

*Mr. Pradeep Kumar resigned as on 13.09.2017

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)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

By Order of the Board of Directors
For Rahul Merchandising Limited

Date:03.09.2018

Place: New Delhi

Snehlata Kaim
Director
DIN:06882968

Sunny Kumar
Director
DIN:07648718

Form AOC-1

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

**Statement containing salient features of the financial statement
of Subsidiaries/Associate Companies/Joint Ventures****Part "A": Subsidiaries****(Information in respect of each subsidiary to be presented with amounts in Rupees)**

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

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

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

	Name of Associate/Joint Venture	None
1.	Latest audited Balance Sheet Date	31.03.2018
2.	Shares of Associate/Joint Venture held by the company on the year end	None
	No.	Not Applicable
	Amount of Investment in Associate/Joint Venture	Not Applicable

	Extend of Holding%	Not Applicable
3.	Description of how there is significant influence	Not Applicable
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
6.	Profit/Loss for the year	Not Applicable
	Considered in Consolidation	Not Applicable
	Not Considered in Consolidation	Not Applicable

- Names of Associate Companies/Joint Ventures which are yet to commence operations : **None**
- Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year: **None**

By Order of the Board of Directors
For Rahul Merchandising Limited

Date:03.09.2018

Place: New Delhi

Snehlata Kaim
Director
DIN:06882968

Sunny Kumar
Director
DIN:07648718

FORM NO. AOC.2

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

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

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

By Order of the Board of Directors

For Rahul Merchandising Limited

Date:03.09.2018

Place: New Delhi

**Snehlata Kaim
Director
DIN:06882968**

**Sunny Kumar
Director
DIN:07648718**

MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
M/s Rahul Merchandising Limited
204, Siddhartha Building, 96
Nehru Place, New Delhi - 110019

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

Based on our verification of the **Rahul Merchandising Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not applicable during period under review**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable for the period under review**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable during the period under review**

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable during the period under review**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable during the period under review**

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

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

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

1. ***The Company has not appointed a Whole Time Company Secretary pursuant to Section 203 of the Companies Act, 2013.***
2. ***The Company has not appointed a Whole Time Director pursuant to Section 196 of the Companies Act, 2013 after resignation of Mr. Pardeep Kumar from the post of Whole Time Director on 13/09/2017.***
3. ***The Company has not appointed a CFO pursuant to Section 203 of Companies Act after resignation of Mr. Pardeep Kumar from the post of CFO on 13/09/2017.***

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. All appointments of Directors were duly recommended by the Nomination and Remuneration Committee and all appointments/cessation were duly recorded by the Board Meeting made as per the requirements..
- According to representation given by the management, adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

**For Tanay Ojha,
Company Secretary**

**Place: Kanpur
Date: 03.09.2018**

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

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

Annexure A

To,
The Members,
Rahul Merchandising Limited
204, Siddhartha Building, 96
Nehru Place, New Delhi - 110019

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

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

**For Tanay Ojha,
Company Secretary**

**Place: Kanpur
Date:03.09.2018**

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

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

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

A. *Composition and Category of the Board of Directors*

As on 31st March 2018, there were Three Directors comprising One Executive Director and Two Non-Executive Independent Directors.

Mr. Pradeep Kumar has resigned from the directorship w.e.f 13th September, 2017 due to their personal occupancy.

The board consists of eminent persons with considerable professional experience in business, industry, finance, audit and law. ***None of the Director is a member of more than ten committees and Chairman of more than five Committees across all the Companies in which they are directors.*** All the members have made disclosures regarding their directorship and memberships in various committees.

Category and attendance of each of the Directors at the Board Meetings held during 2017 -18 and the last Annual General Meeting is given below:

S. No.	Name	Category	Number of Board Meetings held during the year 2017-2018		Whether attended last AGM held on Tuesday, 5 th day of September, 2017	No. of Membership/ Chairpersonship in mandatory Committees
			Held	Attended		
1.	Mr. Pardeep Kumar*	Executive Director	6	3	Yes	2 (member)
2.	Ms. Snehlata Kaim	Non-Executive Director (Category Independent)	6	6	Yes	3 (member & chairperson)
3.	Ms. Priyanka Rana	Non-Executive Director (Category Independent)	6	6	Yes	3 (member)
4.	Mr. Sunny Kumar	Executive Director	6	6	Yes	3 (member)

*Mr. Pradeep Kumar had resigned from the post of Whole-time Director & CEO w.e.f. 13.09.2017.

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

During the period, the Board of Directors of your Company met 6(Six) times. The dates on which the meetings were held are 30th May, 2017, 19th July, 2017, 09th August, 2017, 13th September, 2017, 11th November, 2017 and 12th February, 2018. and the gap requirement of 120 days between two meetings have been complied with. The necessary quorum was present for all the meetings.

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

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

B. Code of Conduct

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

C. Non-Executive Directors Compensation and Disclosures

The Company does not have any pecuniary relationship with any Non-Executive Directors. No remuneration was given to any of the Non-Executive Director during the financial year 2017-18.

III. COMMITTEES OF THE BOARD

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

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Regulations, 2015 read with Section 177 of Companies Act, 2013.
- ii. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Companies Act 2013.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 05th September, 2017 and was attended by Ms. Snehlata Kaim, Chairperson of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

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

*Mr. Pradeep Kumar was the member of the Committee till 13th September, 2017.

**Mr. Sunny Kumar was appointed as Committee Member w.e.f 13th September, 2017.

- vi. 4 (Four) Audit Committee meetings were held during the year 2017-18 on 30th May, 2017, 9th August, 2017, 11th November, 2017 & 12th February, 2018.

vii. The necessary quorum was present for all the meetings.

viii. The role of the **audit committee** includes the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigation by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualification, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

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

x. Audit & other duties

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

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

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

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

*Mr. Pradeep Kumar was the member of the Committee till 13th September, 2017.

**Mr. Sunny Kumar was appointed as Committee Member w.e.f 13th September, 2017.

iii. 4 (Four) Stakeholders' Relationship Committee meetings were held during the year 2017-18 on 5th April, 2017, 4th July, 2017, 11th November, 2017 and 12th February, 2018. The necessary quorum was present for all the meetings.

iv. **Functions and Terms of Reference:**

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

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

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

v. **Name, designation and address of Compliance Officer:**

Name	Sunny Kumar
Designation	Director
Address	204, Siddhartha Building, 96, Nehru Place, New Delhi- 110019

vi. **Details of investor complaints received and redressed during the year 2017-18 are as follows:**

No. of Complaints pending as on 01.04.2017	No. of Complaints received during the year 2017-18	No. of Complaints resolved during the year	No. of Complaints not resolved during the year to the satisfaction of shareholders	No. of Complaints pending as on 31.03.2018
Nil	Nil	NA	NA	NA

C. **Nomination & Remuneration Committee**

i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted the Nomination & Remuneration Committee. The composition of Nomination & Remuneration Committee is as follows:

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

The committee meetings were held on 19th July,2017

- ii. The terms of reference of the committee are as follows:
- a) Formulation of the criteria for determining qualification, positive attributes and independence of a director and to recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - c) Devising a policy on diversity of board of directors;
 - d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
 - e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 - f) The remuneration policy as adopted by the company envisages the payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

iii. Performance Evaluation Criteria For Independent Directors:

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

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

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

- c) The Nomination & Remuneration Committee shall receive the Evaluation Forms in sealed cover and summarize the results. The Chairperson of the Nomination & Remuneration Committee may have discussions with individual director where clarification or interpretation is required.
- d) The Chairperson of the NRC shall develop a report on the basis of evaluation rating received. The Committee shall review the result and submit its recommendation for the consideration of Board.
- e) The Board shall review the recommendations of the Nomination & Remuneration Committee and issue necessary directions.

iv. Remuneration of Directors

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

None of the Independent Directors were paid any sitting fees during the financial year 2017-18.

The Company had not given any stock options during the year 2017-18.

Except as mentioned in the annual report, there was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2017-18.

IV. WHISTLE BLOWER POLICY

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

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

V. VIGILMECHANISM

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

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

VI. RISK MANAGEMENT

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

VII. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 30th May, 2017 inter alia to discuss the following matters:

- i. Review the performance of Non-Independent Directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

- A. Criteria of selection of Non-Executive Directors
 - i. The Non- Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
 - ii. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
 - iii. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
 - iv. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
- B. Qualification, expertise and experience of Directors in their respective fields;
- C. Personal, Professional or business standing;
- D. Diversity of the Board.
- E. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

IX. REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

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

X. SUBSIDIARY COMPANIES

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

XI. RELATED PARTY TRANSACTIONS:

During the financial year under review, the Company has not entered into any material transaction with any of its related party. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

XII. PREVENTION OF INSIDER TRADING

Pursuant to SEBI Regulations, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

Disclosures

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

In accordance with requirement of Companies Act as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairperson of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

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

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

Compliance with Accounting Standards

In the preparation of financial statements, the Company has followed Accounting Standards notified till date and has followed the relevant provisions of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to Financial Statements.

XIII. GENERAL BODY MEETING

a) Annual General Meeting

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

Financial Year	Day and Date	Venue	Time	Whether any Special Resolution passed
2014-15	30.09.2015	1508-9, Gali No-3, Wazir Nagar, Kotla Mubarakpur, New Delhi-110003	11:00 A.M.	Yes
2015-16	26.09.2016	204, Siddhartha Building, 96, Nehru Place New Delhi- 110019	09:30 A.M.	No
2016-17	05.09.2017	204, Siddhartha Building, 96, Nehru Place New Delhi- 110019	10:00 A.M.	Yes

b) No Extraordinary General Meeting of Members was held during the year 2017-18 under review.

c) No Postal Ballot was conducted during the year 2017-18 under review.

XIV. MEANS OF COMMUNICATION

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

The quarterly, half-yearly and annual results of the Company are normally published both in Vernacular language and English National newspapers. The said results are also displayed on Company's website.

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

XV. GENERAL SHAREHOLDER INFORMATION

S. No.	Particulars	Information
1.	Annual General Meeting:	
1.	-	Day & Date Friday, 28 th September, 2018
1.	Venue	204, Siddhartha Building, 96 Nehru Place, New Delhi- 110019
2.	Financial year	2017-18
3.	Book Closure	22 nd September, 2018 to 28 th September, 2018
4.	Listed on	BSE Limited
5.	Dividend payment date	The Company has not recommended or paid any dividend during the financial year under review.

XVI. Statutory Compliance, Penalties and Strictures

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

XVII. Listing Regulations Compliance

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

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

According to the criteria laid down in Regulation 15(2) of the SEBI (LODR) Regulations, 2015, as on the last date of closure of financial year 2017-18, the paid up share capital of the Company was Rs. 35,122,500 (i.e. below the stipulated limit of Rs. 10 crores) and net worth was Rs. 19,747,514 (i.e. below the stipulated limit of Rs. 25 crores). Accordingly, the Company is not under an obligation to adhere to the requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

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

1. The composition of the Board of Directors of the Company is in accordance with the requirements of Regulation 17;

2. The Audit Committee has been constituted in accordance with Regulation 18 with role as mentioned therein read with Part C of Schedule II;
3. Nomination & Remuneration Committee has also been constituted.
4. Stakeholders' Relationship Committee has been constituted to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders with role as mentioned in Part D of Schedule II;
5. Vigil Mechanism has been adopted by the Company pursuant to Regulation 22 of the Listing Regulations, 2015.

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

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

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

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

XXI. STOCKEXCHANGE CODE

Stock Exchange	Script Code/Symbol/Security Code
BSE Limited	531887/RAHME

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

The shares of the Company are not being traded currently. Therefore, market price data is not available for the financial year 2017-18 under review.

XXIII. REGISTRAR& SHARE TRANSFER AGENT

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

Skyline Financial Services Pvt. Ltd.

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

XXIV. SHARE TRANSFER SYSTEM

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

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

XXV. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018:

Shareholding of Nominal value of Rs. 10/-	No. of shareholders	% of Shareholders	No. of Shares held	Amount	% to total Amount
Up to 5000	925	82.59	124906	12,49,060	3.56
5001-10000	69	6.16	61199	6,11,990	1.74
10001-20000	37	3.3	62033	6,20,330	1.77
20001-30000	32	2.86	78400	7,84,000	2.23
30001-40000	10	0.89	35700	3,57,000	1.02
40001-50000	7	0.63	33000	3,30,000	0.94
50001-100000	10	0.89	73400	7,34,000	2.09
100001 & above	30	2.68	3043612	30,436,120	86.66
Total	1120	100	3512250	35,122,500	100

Categories of Equity shareholders as on March 31, 2018

	Category	No. of Shares	% of Holding
1.	Promoters Holding		
	i. Promoters		
	- Indian Promoters	1013800	28.86
	- Foreign Promoters	-	-
	ii. Persons acting in concert	-	-
	Sub Total	1013800	28.86
2.	Non Promoters Holding		
	i. Institutional Investor	-	-
	ii. Mutual Fund and UTI	300	0.01
	iii. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	400	0.01
	iv. FII's	-	-
	Sub Total	700	0.02
3.	Others		
	i. Corporate Bodies	818651	23.31
	ii. Indian Public	1644298	46.82
	iii. NRI's/OCB's	4200	0.12
	iv. Any Other (HUF/Firm/Foreign Companies) Clearing Member	30601	0.87
	Sub Total	2497750	71.12
	Grand Total	3512250	100

XXVI. DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

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

Number of shares held in dematerialized and physical mode as on **31st March 2018**.

Particulars	Total Shares	% to Equity
Shares in dematerialized form with NSDL	1395133	39.72
Shares in dematerialized form with CDSL	1010217	28.76
Physical	1106900	31.52
Total	3512250	100

ISIN of the Company : INE149D01011

The names and addresses of the depositories are as under:

- National Securities Depository Limited**
Trade World, A-Wing, 4th & 5th Floors,
Kamala Mills Compound,
SenapatiBapatMarg,
Lower Parel, Mumbai - 400 013
- Central Depository Services (India) Limited**
Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel, Mumbai 400013

XXVII. Company Details:

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

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

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

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

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

Date: 03.09.2018

Place: New Delhi

Snehlata Kaim

Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

To,
The Members,
Rahul Merchandising Limited

We have examined the report of Corporate Governance presented by the Board of Directors of **Rahul Merchandising Limited** for the year ended 31st March, 2018 as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and according to the information and explanation given to us, the Company has taken required steps to comply with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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

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

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

(Vipal Kalra)
Partner
Membership No. 084583

Date: 03.09.2018

Place: New Delhi

CEO/CFO CERTIFICATION

I, Sunny Kumar, being Executive Director, of **Rahul Merchandising Limited** do hereby confirm and certify that:

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

For Rahul Merchandising Limited

Date: 03.09.2018

Place: New Delhi

**Sunny Kumar
Executive Director**

COMPLIANCE WITH CODE OF CONDUCT

I, **Snehlata Kaim**, Director of the Company hereby certify that all the Directors and Senior Management Personnel have affirmed compliance with the code of the conduct of the company for the financial year ended on March 31, 2018.

Date: 03.09.2018
Place: New Delhi

Snehlata Kaim
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit herewith the “Management Discussion and Analysis Report” on the business of the Company as applicable to the extent relevant.

TEXTILE INDUSTRY IN INDIA- STRUCTURE AND DEVELOPMENT

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

India was the largest producer of cotton in 2017-18. India accounts for good percentage of the world’s production of textile fibres & yarns (largest producer of jute, 2nd largest producer of silk & cotton; & 3rd largest in cellulosic fibre). Fabric production in the country rose to millions in FY 2017-18. The industry is the second largest employer after agriculture, providing employment to over millions of people directly and indirectly.

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

OPPORTUNITIES

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

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

1. The government has extended the duty drawback facility on all textile products & increased the rates in some cases for 1 year to boost exports in the sector.
2. In the Union budget, a good amount has been allocated to the Ministry of Textiles in order to support various schemes covering the textile industry.
3. India’s home textile industry is expected to expand at a Compound Annual Growth Rate (CAGR) Indian home textile industry (USD billion) of 8.3 per cent during 2014–21 to USD8.2 billion in 2021 from USD4.7 billion in 2014.
4. Capacity built over years has led to low cost of production per unit in India’s textile industry; this has lent a strong competitive advantage to the country’s textile exporters relative to key global peers.
5. India’s growing population has been a key driver of textile consumption growth in the country.
6. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand
7. The sector is expected to reach USD226 billion by FY-2023
8. Population is expected to reach to 1.34 billion by FY-2019

9. Urbanization is expected to support higher growth due to change in fashion & trends.

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

1. Subsidies on machinery and infrastructure:

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

THREATS

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCE DEVELOPMENT

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

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

CAUTIONARY STATEMENT

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

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

Date: 03.09.2018

Place: New Delhi

**Snehlata Kaim
Director**

Independent Auditors' Report

To the Members of
Rahul Merchandising Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Rahul Merchandising Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal financial control relevant to the company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us under our report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 26, 2016 respectively expressed an unmodified opinion in those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report), Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the “Annexure-A”, 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 including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors, as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - 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 on its financial position in its Ind AS financial statements-refer Note-13 to Ind AS financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jagdish Sapra & Co LLP
Chartered Accountants
 {Firm Registration No 001378N/N500037}

CA Vipal Kumar Kalra
Partner
Membership No. 084583

Place: New Delhi
Dated: 29th May, 2018

Annexure A to the Independent Auditors' Report

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

- i. The Company does not have any fixed assets hence our comments on maintenance of proper records showing full particulars, including quantitative details and situation of fixed assets, physical verification of fixed assets and title deeds of immovable properties are not applicable.
- ii. The Company neither purchased nor held any inventories. Hence our comments on physical verification by the management and discrepancies are not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 as per information and explanations given to us. Consequently the provisions of clauses 3(iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. As per information and explanations given to us, the Company has not accepted any deposits from the public under section 73 to 76 of The Companies Act, 2013 and hence the provisions of clause 3 (v) of the Order are not applicable.
- vi. As per information and explanations given to us maintenance of cost records by the Company as prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 is not applicable to the Company.
- vii.
 - a) According to the information and explanations given to us and the records of the company examined by us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues with the appropriate authorities during the year to the extent applicable. We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they become payable.
 - b) There are no dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Goods & Services Tax that have not been deposited with the appropriate authorities on account of any dispute.
- viii. As per information and explanations given to the Company has not obtained any borrowings from banks, financial institutions and by way of debentures.
- ix. As per information and explanations given to us the Company has not raised any monies by way of term loans from banks and 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, no managerial remuneration has been paid or provided by the Company requiring 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 and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable to the Company.
- 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 and hence provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Jagdish Sapra & Co LLP

Chartered Accountants

{Firm Registration No 001378N/N500037}

CA Vipal Kumar Kalra

Partner

Membership No. 084583

Place: New Delhi

Dated: 29th May, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAHUL MERCHANDISING LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **RAHUL MERCHANDISING LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are

being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the 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.

For Jagdish Sapra & Co LLP

Chartered Accountants

{Firm Registration No 001378N/N500037}

CA Vipal Kumar Kalra

Partner

Membership No. 084583

Place: New Delhi

Dated: 29th May, 2018

BALANCE SHEET AS AT 31st MARCH 2018

(Rs. Lakhs)

	Note No.	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
ASSETS							
1 Non-current assets							
(a) Deferred tax Assets	2		0.15		0.15		0.15
2 Current assets							
(a) Financial Assets							
(i) Trade receivables	3	799.48		797.45		797.45	
(ii) Cash and cash equivalents	4	0.08	799.56	0.49	797.94	0.06	797.51
TOTAL ASSETS			799.71		798.09		797.66
EQUITY AND LIABILITIES							
1 Equity							
a) Equity Share Capital	5	351.23		351.23		351.23	
b) Other Equity	6	(153.75)	197.48	(153.75)	197.48	(153.75)	197.48
2 Liabilities							
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	7		597.29		597.29		597.29
(ii) Trade payables	8						
Total outstanding dues of creditors of micro enterprises and small enterprises		0.00		0.00		0.00	
Total outstanding dues of creditors other than micro enterprises and small enterprises		4.95	4.95	3.32	3.32	2.89	2.89
TOTAL EQUITY AND LIABILITIES			799.71		798.09		797.66

The above balance sheet should be read in conjunction with the accompanying notes

As per our report of even date
For Jagdish Sapra & Co LLP
(Firm Registration No. 001378N/N500037)
Chartered Accountants

For & on behalf of the Board
RAHUL MERCHANDISING LIMITED

Sunny Kumar
Director
7648718

Snehlata Kaim
Director
6882968

Vipal Kumar Kalra
Partner
M. No. 084583

Place : New Delhi
Dated : 29.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST' MARCH, 2018

(Rs. Lakhs)

	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Commission Received		2.04	3.06
Total Income		2.04	3.06
EXPENSES			
Other expenses	9	2.04	3.06
Total Expenses		2.04	3.06
Profit before exceptional items and tax		0.00	0.00
Exceptional item		0.00	0.00
Profit for the year		0.00	0.00
Earning Per Equity Share			
Basic (Rs.)		0.00	0.00
Diluted (Rs.)		0.00	0.00

The above balance sheet should be read in conjunction with the accompanying notes

As per our report of even date
For Jagdish Sapra & Co LLP
(Firm Registration No. 001378N/N500037)
Chartered Accountants

For & on behalf of the Board
RAHUL MERCHANDISING LIMITED

Sunny Kumar
Director
7648718

Snehlata Kaim
Director
6882968

Vipal Kumar Kalra
Partner
M. No. 084583

Place : New Delhi
Dated : 29.05.2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-03-2018

Rs. Lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	-	-
Operating Profit before working capital changes	-	-
Adjustment for:		
Trade receivables	(2)	-
Inventories	-	-
Other receivables	-	-
Trade payable	2	0
CASH GENERATED FROM OPERATIONS	(0)	0
Interest paid	-	-
Direct taxes paid	-	-
NET CASH FROM OPERATING ACTIVITIES	(0)	0
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including capital	-	-
Interest received	-	-
NET CASH USED IN INVESTING ACTIVITIES	0	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds of short term borrowings	-	-
NET CASH USED IN FINANCING ACTIVITIES	0	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(0)	0
CASH AND CASH EQUIVALENT As At 1st April, 2017 (Opening Balance)	0	0
CASH AND CASH EQUIVALENT As At 31st March, 2018 (Closing Balance)	0	0
	(0)	0

Notes :

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

As per our report of even date
For Jagdish Sapra & Co LLP
(Firm Registration No. 001378N/N500037)
Chartered Accountants

For & on behalf of the Board
RAHUL MERCHANDISING LIMITED

Sunny Kumar
Director
7648718

Snehlata Kaim
Director
6882968

Vipal Kumar Kalra
Partner
M. No. 084583

Place : New Delhi
Dated : 29.05.2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**1. (A). CORPORATE INFORMATION**

RAHUL MERCHANDISING LIMITED (the Company) is a public limited company incorporated in India with its Registered Office at Delhi and is listed on the Bombay Stock Exchange Limited. At present the Company is engaged in the business of providing consultancy services.

(B). STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

The Transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards” with April 1, 2016 being the transition date.

In accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”, the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

(b) Basis for preparation

The Financial Statements have been prepared under the historical cost convention. The Assets and Liabilities have been classified as Current/Non Current as per the Companies normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current/Non Current classification of assets and liabilities.

(c) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(e) Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Financial Assets and Financial Liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument. Since the transaction price does not differ

significantly from the fair value of the financial asset or financial liability, the transaction price is assumed to be the fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase and sale of financial assets are recognized using trade date accounting.

i. Financial Assets

Financial assets include Trade Receivables, Advances, Cash and Cash Equivalents etc which are classified for measurement at amortised cost.

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) are tested for impairment based on available evidence or information. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

De-recognition:

Financial assets are derecognized when the right to receive cash flow from the assets has expired, or has been transferred and the company has transferred substantially all of the risks and rewards of ownership.

Income recognition:

Interest income is recognized in the Statement of profit and loss using the effective interest method. Dividend income is recognized in the Statement of Profit and Loss when the right to receive the same is established.

ii. Financial Liabilities:

Borrowings, trade payables and other Financial Liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method, wherever applicable.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

De-recognition:

Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

(f) Inventories

Inventories are valued at lower of cost and net realizable value.

(g) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes and duties collected on behalf of the Government.

(h) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in statement of profit and loss.

(i) Cash and cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, demand deposits with banks, short term balances (with an original maturity of three months or less from date of acquisition).

(j) Taxes on income

Income tax expense represents the sum of the current tax and deferred tax.

Current tax charge is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of profit and loss because Some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off set against each other and the resultant net amount is presented in the balance sheet if and only when the company currently has a legally enforceable right to set off the current income tax assets and liabilities.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.

(k) Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purposes of calculating diluted earnings per share the profit for the period attributable to the owners of the company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(l) Exceptional items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the company for the year, the company makes a disclosure of the nature and amount of such items separately under the head “exceptional items.”

(m) Provisions and contingent liabilities

A provision is recognized if as a result of a past event, the company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

(n) Dividends

Dividend proposed (including income tax thereon) is recognized in the period in which interim dividends are approved by the Board of Directors or in respect of final dividend when approved by shareholders.

(o) Use of Estimates and Critical accounting Judgements

The preparation of Financial Statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions.

The estimates and the associated assumptions are based on historical experience, opinions of experts and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant judgements and estimates are made relating to impairment of Property, Plant and Equipments, Actuarial assumptions relating to recognition and measurement of employee defined benefit obligations, recognition of provisions and exposure of contingent liabilities relating to pending litigations or other outstanding claims etc.

(Rs. Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
2 Deferred tax assets			
MAT credit entitlements	0.15	0.15	0.15
	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>
3 Trade Receivables			
Considered Good	799.48	797.45	797.45
	<u>799.48</u>	<u>797.45</u>	<u>797.45</u>
4 Cash and cash equivalents			
Balances with Banks:			
In Current accounts	0.00	0.03	0.05
Cash on Hand (as certified)	0.08	0.46	0.01
	<u>0.08</u>	<u>0.49</u>	<u>0.06</u>
5 Equity Share Capital			
Authorised			
80,00,000 (80,00,000) Equity Shares of Rs. 10 each.	800.00	800.00	800.00
2,00,000 (2,00,000) Preference Shares of Rs. 100 each	200.00	200.00	200.00
	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
Issued, Subscribed and Fully Paid up			
35,12,250 (35,12,250) Equity Shares of Rs. 10 each including 1,00,000 Equity Shares of Rs. 10 each allotted for consideration other than cash).	351.23	351.23	351.23
	<u>351.23</u>	<u>351.23</u>	<u>351.23</u>
a) Movements in the Equity Shares Outstanding			
Opening balance	351.23	351.23	351.23
Changes in equity share capital during the year	0.00	0.00	0.00
Balance at the end of the year	<u>351.23</u>	<u>351.23</u>	<u>351.23</u>
(b) Terms and Rights attached to Equity Shares:			

The Company has only one class of issued shares referred to as equity shares having a par value of Re 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 Shareholders in the ensuing General Meeting except in case of interim dividend.

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

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
SURESH MANSHARAMANI	492600	14.03	492600	14.03	492600	14.03
UMA MANSHARAMANI	224100	6.38	224100	6.38	224100	6.38
RELIABLE ENGINEERING PVT LTD	289600	8.25	289600	8.25	289600	8.25
CARNATION COMMODITIES PVT LTD	633350	18.03	633350	18.03	633350	18.03

6 Other Equity
Retained Earnings

As per last Balance Sheet	(153.75)		(153.75)		(150.97)	
Add: Ind AS adjustments	0.00		0.00		0.00	
Add: Profit after Tax transferred from Statement of Profit & Loss	0.00		0.00		(2.78)	
Other comprehensive income	0.00	(153.75)	0.00	(153.75)	0.00	(153.75)
		<u>(153.75)</u>		<u>(153.75)</u>		<u>(153.75)</u>

7 Borrowings

Unsecured		597.29		597.29		597.29
		<u>597.29</u>		<u>597.29</u>		<u>597.29</u>

8 Trade Payables
Sundry Creditors

Other than micro enterprises and small enterprises		4.95		3.32		2.89
		<u>4.95</u>		<u>3.32</u>		<u>2.89</u>

9 OTHER EXPENSES

Payment to the Auditors:

Statutory Audit			0.25		0.20
For Other Services		0.05	0.30	0.03	0.23
Miscellaneous Expenses			1.74		2.83
			<u>2.04</u>		<u>3.06</u>

 Year Ended
31st March,
2018

 Year Ended
31st March,
2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(Rupees in lakhs)

A. EQUITY SHARE CAPITAL

As at April 1 2016	351.23
Changes in equity share capital	-
As at March 31, 2017	351.23
Changes in equity share capital	-
As at March 31, 2018	351.23

B. OTHER EQUITY

	Reserves & Surplus	Items of other comprehensive income	Total
	Retained Earnings	Remeasurement of defined benefit plans (FVOCI)	
Balance as at April 1,2016	-150.97	-	-150.97
Profit for the year	-2.78	-	-2.78
Other Comprehensive income for the year	-	-	-
Total comprehensive Income for the year	-	-	-153.75
Balance as at March 31,2017	-153.75	-	-153.75
Profit for the year	-	-	-
Other Comprehensive Income for the year	-	-	-
Total comprehensive Income for the year	-	-	-
Balance as at March 31,2018	-153.75	-	-153.75

As per our report of even date attached

For & on behalf of the Board

For Jagdish Sapra & Co LLP
(Firm Registration No 001378N/N500037)
Chartered Accountants

Priyanka Rana
Director
07317239

Snehlata Kaim
Director
06882968

CA Vipal Kumar Kalra
Partner
M. No. 084583

Sunny Kumar
Director
07648718

Place : New Delhi

Dated :

10. a) Financial Instruments**(Rupees in lakhs)**

	As at March 31 2018	As at March 31 2017	As at April 1 2016
Financial assets at fair value			
Cash and cash equivalents	0.08	0.49	0.06
Trade receivables	799.48	797.45	797.45
Total financial assets	799.56	797.94	797.51
Financial liabilities at fair value			
Borrowings	597.29	597.29	597.29
Trade payables	4.95	3.32	2.89
Total financial liabilities	602.24	600.61	600.18

b) Fair Value Hierarchy

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

The carrying amounts of all financial instruments are considered to be the same as their fair values.

c) Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's Trade Receivables are largely from sales made to wholesale customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company manages credit risk through credit approvals and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Exposures to customers outstanding at the end of each reporting period are reviewed to

determine incurred and expected credit losses and the Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables. Historical trends of impairment of Trade Receivables do not reflect any significant losses.

Summary of the Company's ageing of outstanding from various customers and impairment for expected credit loss is as follows:

As at March 31, 2018	gross carrying amount	expected credit losses	carrying amount of trade receivables (net of expected credit losses)
Past due 0-180 days	0.69	-	0.69
Past due 180 and more days	798.79	-	798.79
Total	799.48	-	799.48
As at March 31, 2017	gross carrying amount	expected credit losses	carrying amount of trade receivables (net of expected credit losses)
Past due 0-180 days	-	-	-
Past due 180 and more days	797.45	-	797.45
Total	797.45	-	797.45
As at April 1, 2016	gross carrying amount	expected credit losses	carrying amount of trade receivables (net of expected credit losses)
Past due 0-180 days	-	-	-
Past due 180 and more days	797.45	-	797.45
Total	797.45	-	797.45

ii) Liquidity Risk

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2018	Carrying Amount	Contractual Cash Flows		
		Total	1 year or less	Beyond 1 year
Non derivative financial liability				
Borrowings	597.29	597.29	-	597.29
Trade payables and other payables	4.95	4.95	4.95	-
As at March 31, 2017	Carrying Amount	Contractual Cash Flows		
		Total	1 year or less	Beyond 1 year
Non derivative financial liability				
Borrowings	597.29	597.29	-	597.29
Trade payables and other payables	3.32	3.32	3.32	-
As at April 1, 2016	Carrying Amount	Contractual Cash Flows		
		Total	1 year or less	Beyond 1 year
Non derivative financial liability				
Borrowings	597.29	597.29	-	597.29
Trade payables and other payables	2.89	2.89	2.89	-

iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Company is exposed to market risk primarily relates to foreign exchange rate risk.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity. The Company is exposed to currency risk on account of its payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to GBP, USD, EURO and other currencies. The Company has not hedged this foreign currency exposure.

Exposure to currency risk

The Company do not have foreign currency risk at the end of the reporting period. (Refer Note 33).

11. First time adoption of Ind AS

The Company has adopted Ind AS w.e.f April 1, 2017 with a transition date of April 1, 2016. Accordingly,

financial statements for the year ended March 31, 2018 together with the comparative information for the year ended March 31, 2017 and opening Ind AS balance sheet as at April 1, 2016 have been prepared in accordance with accounting policies as set out in Note 1 – “Significant accounting policies”.

The Company has prepared its opening Ind AS balance sheet as at April 1, 2016 by recognizing assets and liabilities whose recognition is required by Ind AS, derecognizing assets and liabilities which are not permitted by Ind AS, reclassifying assets and liabilities as required by Ind As, and applying Ind AS measurement principles, subject to certain optional exemptions and mandatory exceptions. The resulting difference between the carrying values of the assets and liabilities as at the transition date under Ind AS and Previous GAAP have been adjusted directly against “Other Equity”.

The effect of the transition to Ind AS on Company’s financial position, financial performance and cash flows is set out below.

(a) Optional exemptions and mandatory exceptions

The Company has availed the following optional exemptions and mandatory exceptions on first time adoption of Ind AS as per Ind AS 101.

(i) Optional exemptions

Deemed cost for property, plant and equipment

The Company does not have any property, plant and equipment.

Leases

The Company does not have any Lease agreement.

(ii) Mandatory exceptions

Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets on the basis of the facts and circumstances existing at the date of transition.

Estimates

The Company’s estimates under Ind AS as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with the Previous GAAP. However, estimates that were not required under Previous GAAP but now required under Ind AS have been made.

b) Effect of Ind AS adoption on Balance Sheet as at April 1, 2016

(Rupees in lakhs)

	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS			
Non-Current assets			
Deferred Tax	0.15	-	0.15
	0.15	-	0.15
Current assets			
Financial Assets			
Trade Receivables	797.45	-	797.45
Cash and cash equivalents	0.06	0.00	0.06
	797.51	-	797.51
Total Assets	797.66	0.00	797.66
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	351.23	-	351.23
Other Equity	-153.75	-	-153.75
LIABILITIES			
Non -current liabilities	-	-	-
Current liabilities	-	-	-
Financial liabilities	-	-	-
Short term Borrowings	597.29	-	597.29
Trade payables	2.89	0.00	2.89
TOTAL	797.66	0.00	797.66

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

c) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(Rupees in lakhs)

	Previous GAAP*	Ind AS Adjustments	Ind AS
Revenue from Operations	3.06	-	3.06
Total Income	3.06	-	3.06
Expenses			
Other Expense	3.06	-	3.06
TOTAL Expenses	3.06	-	3.06

Profit before tax	-	-	-
Tax Expense			
Current tax	0.00	0.00	0.00
Deferred tax(Net)	0.00	-	0.00
MAT Credit	0.00		0.00
Profit for the year(A)	-	-	-
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	-	-	-
Income tax relating to Remeasurements of net defined benefit plans	-	0.00	0.00
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year			-

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

d) Effect of Ind AS adoption on Balance Sheet as at March 31, 2017 (Rupees in lakhs)

	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS			
Non-Current assets	0.15	0	0.15
	0.15	0	0.15
Current assets			
Financial Assets			
Trade Receivables	797.45	-	797.45
Cash and cash equivalents	0.49	0.00	0.49
	797.94	-	797.94
TOTAL	798.09	-	798.09
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	351.23	-	351.23
Other Equity	-153.75	0.00	-153.75
LIABILITIES			-
Current liabilities			
Financial liabilities			
Short term Borrowings	597.29	-	597.29
Trade payables	3.32	-	3.32
TOTAL	798.09	0.00	798.09

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

e) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31st, 2017

(Rupees in lakhs)

	Previous GAAP*	Ind AS Adjustments	Ind AS
Net Cash Flow from Operating Activities	0.44	-	0.44
Net Cash used in Investing Activities	0.00	-	-
Net Cash Flow from Financing Activities	-	-	-
Net Increase in Cash and Equivalents	0.44	-	0.44
Cash and Cash Equivalents as at April 1, 2016	0.05	0.00	0.05
Cash and Cash Equivalents as at March 31, 2017	0.49	-	0.49

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

f) Reconciliation of equity as reported in accordance with Previous GAAP to equity in accordance with Ind AS

(Rupees in lakhs)

	As at March 31st 2017	As at April 1st 2016
Total Equity (Shareholder's funds) as per previous GAAP	197.48	197.48
Expenses and Tax impact thereon	0.00	-
Total Equity as per Ind AS	197.48	197.48

12. a) Tax Expense

i) Recognized in the Statement of Profit and Loss

(Rupees in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on taxable income for the year	0.00	0.00
Total Current tax expense	0.00	0.00
Deferred tax		
Deferred tax charge/credit	0.00	0.00
MAT credit (taken)/utilized	0.00	0.00
Total deferred income tax expense/(benefit)	0.00	0.00
Income Tax expense reported in the statement of Profit and Loss	0.00	0.00

ii) Recognized in Other Comprehensive Income

(Rupees in lakhs)

Items that will not be reclassified to Profit or Loss	Year ended march 31,2018	Year ended march 31,2017
Items of OCI	-	-
Tax Expense	0.00	0.00
Net of Tax	-	-

iii) Reconciliation of Tax expense and the accounting profit multiplied by India's domestic tax rate for March 31st, 2018

(Rupees in lakhs)

Particulars	Year ended march 31,2018	Year ended March 31, 2017
Enacted income tax rate in India applicable to the company	25.75%	25.75%
Accounting profit before Income Tax	-	-
Current tax expense on profit before tax expense at the enacted income tax rate in India	-	-
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income		
Expenses not allowable in income Tax	-	-
Income exempted from taxes	0.00	0.00
Others	-	-
Total income tax expense/(credit)	-	-

b) The movement in deferred tax assets during the year ended March 31, 2017 and March 31, 2018

(Rupees in lakhs)

	As at April 1 2016 Deferred Tax Asset	Recognised in statement of Profit & Loss	Recognised in Other Comprehensive Income	As at March 31 2017 Deferred Tax Asset	Recognised in statement of Profit & Loss	As at March 31 2018 Deferred Tax Asset
Depreciation	-	-	-	-	0.00	-
MAT	0.15	-	-	0.15	-	0.15
Total	0.15	-	-	0.15	0.00	0.15

**13 Contingent Liabilities & Commitments
(To the extent not provided for)**

(Rupees in lakhs)

Contingent Liabilities	As at 31/3/2018	As at 31/3/2017	As at 1/4/2016
e) Disputed Income Tax	0.05	0.05	0.05
14 In the opinion of the Board, all Current Assets, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.			
15 Trade Receivables are subject to confirmation/reconciliation.			
16 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.			
17 Based on the guiding principles given in Ind AS 108 on "Operating Segment" the Company's business activity falls within a single operating segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.			

18 Earnings Per Share (EPS)

Profit attributable to the Equity Share Holders	-	-
Basic/Weighted average No. of Equity Shares outstanding (in lakhs) (B)	3.51	3.51
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning Per Share (Rs.) (A/B)	-	-

19 Related Party Disclosures under Ind AS 24

There are no transactions with related parties.

20 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(Rupees in lakhs)

	2017-18	2016-17
(i) Principal amount remaining unpaid	-	-
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-

(v)	Interest accrued and remaining unpaid	-	-
(vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

21 Previous Year's figures have been regrouped/ rearranged, wherever found necessary. Figures in brackets above are in respect of previous year.

22 Figures have been rounded off to Rs. Lakhs

As per our report of even date attached

For & on behalf of the Board

For Jagdish Sapra & Co LLP
(Firm Registration No 001378N/N500037)
Chartered Accountants

Priyanka Rana
Director
07317239

Snehlata Kaim
Director
06882968

CA Vipal Kumar Kalra
Partner
M. No. 084583

Sunny Kumar
Director
07648718

Place : New Delhi

Dated :

S. No.	Resolution	For	Against
1.	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2018 , the reports of the Board of Directors and Auditors thereon.		
2.	To re-appoint Mr. Sunny Kumar (DIN: 07648718) who retires by rotation.		
3.	To ratify the appointment of M/s JagdishSapra & Co. LLP, Chartered Accountants, (FRN: 001378N) Statutory Auditor of the Company.		
4.	To appoint Ms. Vandna (DIN: 07646818) as a "Non-Executive Independent Director."		
5.	To appoint Mr. Sunny Kumar (DIN: 07648718) as Whole Time Director		

Signed this _____ day of _____ 2018.

Affix
Revenue
Stamp of
Rs. 1/-

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

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

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

RAHUL MERCHANDISING LIMITED

Regd. Office: 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019
Email id: rahulmerchandising@gmail.com, **Website:** www.rahulmerchandising.com
CIN: L74899DL1993PLC052461, **Ph:** 011-26212295

Form No. MGT-12

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

BALLOT PAPER

25th Annual General Meeting of the members of **Rahul Merchandising Limited** to be held on **Friday, 28th day of September, 2018** at **04:30 P.M.** at Registered office of the company situated at **204, Siddhartha Building, 96, Nehru Place, New Delhi-110019:-**

Name of First Named Shareholder(In Block Letters)

Postal Address

Folio No./DP ID & Client ID

No. of Shares held

Class of Shares

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

S. No.	Resolution	For	Against
1.	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2018 , the reports of the Board of Directors and Auditors thereon.		
2.	To re-appoint Mr. Sunny Kumar (DIN: 07648718) who retires by rotation.		
3.	To ratify the appointment of M/s Jagdish Sapra & Co. LLP, Chartered Accountants, (FRN: 001378N) Statutory Auditor of the Company.		
4.	To appoint Ms. Vandna (DIN: 07646818) as a "Non-Executive Independent Director."		
5.	To appoint Mr. Sunny Kumar (DIN: 07648718) as Whole Time Director		

Date:

Place:

Signature of Shareholder

* Please tick in the appropriate column

RAHUL MERCHANDISING LIMITED

Regd. Office: 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019
Email id: rahulmerchandising@gmail.com, **Website:** www.raahulmerchandising.com
CIN: L74899DL1993PLC052461, **Ph:** 011-26212295

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

25th Annual General Meeting on Friday, 28th day of September, 2018 at 04:30 P.M.

Name of the Member(In Block Letters)

Folio No./DP ID & Client ID

No. of Shares held

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

I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the **25th Annual General Meeting** of the Company on **Friday, 28th day of September, 2018 at 04:30 P.M.** at **204, Siddhartha Building, 96, Nehru Place, New Delhi-110019.**

Member's /Proxy's Signature

Note:

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

RAHUL MERCHANDISING LIMITED

Regd. Office: 204, Siddhartha Building, 96, Nehru Place, New Delhi-110019
Email id: rahulmerchandising@gmail.com, **Website:** www.rahulmerchandising.com
CIN: L74899DL1993PLC052461, **Ph:** 011-26212295

GREEN INITIATIVE IN CORPORATE GOVERNANCE E-COMMUNICATION REGISTRATION FORM (In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name(s) of Joint Holder(s) :

Registered Address :

Email ID (to be registered) :

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

Signature:- _____(First Holder)

Date: _____

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

ROUTE MAP

