

RAHUL MERCHANDISING LIMITED

CIN: L74899DL1993PLC052461



**29th ANNUAL REPORT
2021-22**

TABLE OF CONTENTS

| S.No. | Content | Page No. |
|--------------|------------------------------------------------|-----------------|
| 1. | Notice | 3 |
| 2. | Board's Report | 14 |
| 3. | Corporate Governance Report | 33 |
| 4. | Management Discussion & Analysis Report | 48 |
| 5. | Compliance Certificate on Corporate Governance | 51 |
| 6. | CEO/CFO Certification | 52 |
| 7. | Compliance with code of conduct | 53 |
| 8. | Standalone: | |
| | Auditor's Report | 54 |
| | Balance Sheet | 61 |
| | Profit and Loss Account | 62 |
| | Cash Flow Statement | 63 |
| | Notes | 64 |

REFERENCE INFORMATION

BOARD OF DIRECTORS

| | |
|---------------------|--------------------------------------------------------------|
| Mr. Sunny Kumar | Whole-Time Director (Resigned w.e.f. 04.12.2021) |
| Ms. Snehlata Kaim | Independent Director |
| Mr. Ankush Aggarwal | Additional Independent Director (Appointed w.e.f 04.12.2021) |
| Mr. Vaibhav Goel | Whole-Time Director (Appointed w.e.f.31.08.2021) |
| Ms. Vandna | Independent Director (Resigned w.e.f 22.11.2021) |

KEY MANAGERIAL PERSONNEL

| | |
|-------------------|------------------------------------------------------------------------------------------------|
| Mr. Sunny Kumar | Whole Time Director & Chief Financial Officer (Resigned w.e.f 04.12.2021) |
| Ms. Honey Agarwal | Company Secretary & Compliance Officer (Appointed w.e.f.03.05.2021 and Resigned on 12.02.2022) |
| Ms. Ruchi Chordia | Company Secretary & Compliance Officer (Appointed w.e.f 19.07.2022) |
| Mr. Vaibhav Goel | Chief Financial Officer (Appointed w.e.f. 04.08.2022) |

AUDIT COMMITTEE

| | |
|---------------------|-------------------------------------|
| Ms. Snehlata Kaim | Chairperson |
| Ms. Vandna | Member (Resigned w.e.f. 22.11.2021) |
| Mr. Sunny Kumar | Member (Resigned w.e.f. 04.12.2021) |
| Mr. Vaibhav Goel | Member (appointed w.e.f.31.08.2021) |
| Mr. Ankush Aggarwal | Member(appointed w.e.f.04.12.2021) |

NOMINATION & REMUNERATION COMMITTEE

| | |
|---------------------|-------------------------------------|
| Ms. Snehlata Kaim | Chairperson |
| Ms. Vandna | Member (Resigned w.e.f 22.11.2021) |
| Mr. Sunny Kumar | Member (Resigned w.e.f 04.12.2021) |
| Mr. Vaibhav Goel | Member (appointed w.e.f.31.08.2021) |
| Mr. Ankush Aggarwal | Member(appointed w.e.f.04.12.2021) |

STAKEHOLDERS' RELATIONSHIP COMMITTEE

| | |
|---------------------|-------------------------------------|
| Ms. SnehlataKaim | Chairperson |
| Ms. Vandna | Member (Resigned w.e.f 22.11.2021) |
| Mr. Sunny Kumar | Member (Resigned w.e.f 04.12.2021) |
| Mr. Vaibhav Goel | Member (appointed w.e.f.31.08.2021) |
| Mr. Ankush Aggarwal | Member(appointed w.e.f.04.12.2021) |

SECRETARIAL AUDITOR

M/s Ojha & Associates
Practicing Company Secretary

STATUTORY AUDITOR

M/s. VSSA & Associates
Chartered Accountants

INTERNAL AUDITOR

Mrs. Ruchi Chordia

REGISTRAR & SHARE TRANSFER AGENT

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

CIN

L74899DL1993PLC052461

REGISTERED OFFICE

H No. 1/61-B, Vishwas Nagar, Shahdara, East Delhi- 110032

BANKERS

Axis Bank Limited Address: Chitrangan Park, New Delhi

SHARES LISTED AT

BSE Limited

E-MAIL

rahulmerchandising@gmail.com

WEBSITE

www.rahulmerchandising.in

NOTICE OF 29th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of the members of the Company will be held on **Friday, the 30th Day of September, 2022 at 03:00 P.M.** through **video conferencing (VC)** to transact the following business (es):-

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED STANDALONE FINANCIAL STATEMENTS

To receive, consider and adopt the financial statements of the Company for the financial year ended on 31st March, 2022 including the audited Balance Sheet as on 31st March, 2022, Profit & Loss Statement for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.

2. RE-APPOINTMENT OF DIRECTOR

To appoint **Mr. Vaibhav Goel** (DIN: 07899594) who retires by rotation at this Annual General Meeting and being eligible, offers himself for Re-appointment.

SPECIAL BUSINESS:

3. REGULARIZATION OF MR. ANKUSH AGGARWAL (DIN: 08377413) AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special 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, Mr. Ankush Aggarwal (DIN: 08377413), an Additional Non-Executive Independent Director of the Company, who is eligible for re-appointment as Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of **“Five”** consecutive years commencing from **September 30, 2022** upto **September 29, 2027, not liable to retire by rotation.”**

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

**Date: 06.09.2022
Place: New Delhi**

**Vaibhav Goel
Whole-time Director
DIN:07899594**

NOTES:

- The Ministry of Corporate Affairs (“MCA”) has, vide its Circular no. 2/2022, dated May 05, 2022 and Circular no.21/2021, dated December 14, 2021 read together with circular dated December 8, 2021, January 13, 2021, April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In accordance with the MCA circulars, provisions of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- The deemed venue for 29th AGM shall be the Registered Office of the Company situated at **H No. 1/61-B, Vishwas Nagar, Shahdara, East Delhi- 110032.**

3. The Company has appointed **Skyline Financial Services Private Limited** as “**Facilitator of VC/OAVM**” to facilitate the conduct of AGM through VC/OAVM.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 02:45 P.M. to 03:15 P.M and will be available for 1,000 members on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
6. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC or OAVM.
7. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body’s resolution/authorization, etc., authorizing their representative to attend the AGM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the scrutinizer by email through its registered email address to preeticsjain@gmail.com with a copy marked to Company rahulmerchandising@gmail.com & helpdesk.evoting@nsdlindia.com
8. Statement pursuant to Section 102 of the Companies Act, 2013 shall form a part of this Notice since special business shall be transacted at the 29th e-AGM.
9. Brief details of the director, who are eligible to be appointed, re-appointed, regularize in 29th AGM, are annexed hereto as per requirements of Regulation 36(3) of the “SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” and as per provisions of the Act.
10. Institutional investors, who are members of the Company are encouraged to attend and vote at the 29th e-AGM of the Company.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
12. In terms of Sections 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards’ report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated 15 January 2021. Notice of 29th e-AGM along with the Annual Report for FY 2022 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice and Annual Report for FY 2022 will also be available on the Company’s website at www.rahulmerchandising.in; website of the stock exchanges i.e., BSE Limited at www.bseindia.com and on the website of Facilitators of VC/OAVM at <http://www.skylinerta.com/>.
13. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their E-mail address & Mobile No. by writing to our RTA Skyline Financial Services Pvt. Ltd., Address: D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -110020. Ph: 011-41044923 Email Id: info@skylinerta.com

14. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY 2022 and Notice of AGM, may temporarily get themselves registered with the company by sending email at Company's email Id: rahulmerchandising@gmail.com for receiving the same. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.
15. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
16. SEBI vide its notification (SEBI/LADNRO/GN/2018/24) dated 8 June 2018 as amended on 30 November 2018 and circulars & Notifications issued thereafter, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialize their physical holdings.
17. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail of numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
18. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. The Company has been maintaining, inter alia, the following statutory registers at its registered office at **H No. 1/61-B, Vishwas Nagar, Shahdara, East Delhi- 110032.**

Register of contracts or arrangements in which directors are interested under section 189 of the Act.

 - a) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

In accordance with the MCA Circulars, the said registers will be made accessible for inspection through electronic/Physical mode and shall remain open and be accessible to any member during the continuance of the meeting.
20. The Register of Members and Share Transfer Books will remain closed from **(Saturday, September 24, 2022) to (Friday, September 30, 2022) (both days inclusive).**
21. Pursuant to Section 72 of the Companies Act, 2013 members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the Company's website at <https://www.rahulmerchandising.in/investor-desk/sh-13-and-sh-14-nomination>). In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
22. Since the meeting will be conducted through VC facility, the route map is not annexed to this Notice.
23. For more details on shareholders' matters, please refer to the section on 'General Shareholder Information', included in the Annual Report.
24. In case a person becomes a member of the Company after dispatch of AGM Notice, and is a member as on the cut-off date for e-voting, i.e., **Friday, 23rd September, 2022**, such person may obtain the user id and password from by email request on evoting@nsdl.co.in .
25. Alternatively, member may send signed copy of the request letter providing the email address, mobile number and self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via email to rahulmerchandising@gmail.com for obtaining the Annual Report and Notice of AGM.
26. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This

will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

27. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 27th September, 2022 at 09:00 A.M. and ends on Thursday, 29th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service |

| | |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to preeticsjain@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the rahulmerchandising@gmail.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rahulmerchandising@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rahulmerchandising@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH

VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at rahulmerchandising@gmail.com. The same will be replied by the company suitably.

- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request to rahulmerchandising@gmail.com in advance at least 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at rahulmerchandising@gmail.com. These queries will be replied to by the company suitably by email.

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

| | |
|------------------|--------------------------------------------------------------------------------|
| Name of official | Ms. Ruchi Chordia |
| Designation | Company Secretary & Compliance Officer |
| Address | H No. 1/61-B, Vishwas Nagar, Shahdara, East Delhi- 110032 |
| Contact | 011-41618505 |
| E-mail | rahulmerchandising@gmail.com |

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

ITEM NO. 3

REGULARIZATION OF MR. ANKUSH AGGARWAL (DIN: 08377413) AS AN INDEPENDENT DIRECTOR

Mr. Ankush Aggarwal (DIN: 08377413) was appointed as an Additional (Independent) Director on the Board of the Company on December 12, 2021. As per the provisions of Regulation 25 of SEBI (LODR) Regulations, 2015 an Independent Director shall be appointed on the Board of a Company on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from Mr. Ankush Aggarwal that, he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

The resolution seeks the approval of members for the appointment of Mr. Ankush Aggarwal as an Independent Director of the Company commencing from September 30, 2022 up to September 29, 2027 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Ankush Aggarwal, the Board of Directors at its meeting held on September 06, 2022 approved the continuance of office of Mr. Ankush Aggarwal as mentioned in the resolution.

For your information and record, Mr. Ankush Aggarwal has vast experience in the field of Accounts, Finance and electrical Equipments related Business. Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. Therefore, after consideration of all facts and circumstances, the Board recommends appointment of Mr. Ankush Aggarwal as an Independent Director of the Company.

Except for Mr. Ankush Aggarwal and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Terms & Conditions:

The terms and conditions for appointment of Mr. Ankush Aggarwal are proposed keeping in line with the objective of attracting and retaining professional with expertise and high competence on the Board. The material terms of appointment and remuneration as set out in his appointment letter are given below:-

1. Designation: Independent Director

2. Term: He shall hold office for a term of five years from the date of appointment.

3. Salary & Remuneration: No salary & other remuneration will be paid to him as on date. However the Board of Directors has the liberty to fix a minimum remuneration and other perquisites pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company.

PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ REAPPOINTED IS FURNISHED BELOW:

PROFILE OF PROPOSED DIRECTOR

| Name | Mr. Ankush Aggarwal | Mr. Vaibhav Goel |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Director Identification Number (DIN) | 08377413 | 07899594 |
| Date of Birth | 13/12/1973 | 03/02/1993 |
| Date of Appointment in the Board | 04/12/2021 | 31/08/2021 |
| Qualification | Graduate | Graduate |
| Nature of Expertise in specific functional areas | Accounts, Finance and electrical Equipments related Business | Finance & Management |
| Shareholding in the Company including shareholding as a beneficial owner | Member of Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee:Rahul Merchandising Limited | Member of Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee:Rahul Merchandising Limited |
| List of Directorship held in other companies | 1. Tacent Industries Private Limited 2. Wacky Healthcare Private Limited | NIL |
| Names of Listed Entities in which the person holds membership of Committees of the Board | NIL | NIL |
| Relationship between Directors Inter-se | None | None |
| Name of listed entities from which the person has resigned in the past three years | NIL | NIL |
| Terms and conditions of appointment/re-appointment | Appointment as a Non-Executive, Independent Director | Re-appointment as a Non-Executive, Non-Independent Director |
| In case of Independent Director: The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | The role and capabilities as required in the case of an independent director are well defined in the Policy on Nomination, Appointment, and Removal of Directors. Further, the | NA |

| | | |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | <p>Board has a defined list of core skills / expertise / competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Ankush Aggarwal and concluded that he possess the relevant skill and capabilities to discharge the role of Independent Director.</p> | |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

DIRECTORS' REPORT

Dear Members,

Your Board of Directors are pleased to present the Companies 29th Annual Report and the Company's Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2022 is summarized below:

Amount (In Lakhs)

| PARTICULARS | Standalone | |
|------------------------------------------------|---------------|-----------------|
| | 2021-22 | 2020-21 |
| Income from Business Operations | 5.40 | 0.13 |
| Other Income | - | - |
| Total Income | 5.40 | 0.13 |
| Less: Expenditure except Depreciation | 6.71 | 212.98 |
| Profit/Loss before Depreciation and Tax | (1.31) | (212.86) |
| Less: Depreciation | - | - |
| Profit/Loss before Tax | (1.31) | (212.86) |
| Less: Tax Expense | - | - |
| Add: Deferred Tax Asset | - | - |
| Add: MAT Credit Entitlement | - | - |
| Less: Prior Period Taxes | - | 0.15 |
| Net Profit/Loss after tax | (1.31) | (213.01) |
| Add: Other Comprehensive Income | - | - |
| Net Profit/Loss for the period | (1.31) | (213.01) |
| Earnings per share: | | |
| Basic | (0.04) | (6.07) |
| Diluted | (0.04) | (6.07) |

1. RESULTS OF OPERATIONS & STATE OF COMPANY'S AFFAIRS UNDER SECTION 134(3)(i) OF THE COMPANIES ACT, 2013

During the year under review, the total revenue from operations was Rs 5.40 Lac on standalone basis as compared to the last year's revenue of Rs. 0.13 Lacs on standalone basis. Earning Before Tax (EBT) for the period is Rs. (1.31) Lac as compared to Rs. (212.86) Lac of last fiscal. Earnings After Tax (EAT) stood at Rs. (1.31) Lac as compared to Rs (213.01) Lac of last fiscal and EPS stood at Rs. (0.04) as compared to Rs.(6.07) of last financial year.

2. INDIAN ACCOUNTING STANDARDS

As per the requirements of notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs (MCA), Standalone Financial Statements of the Company for the Financial Year 2021-22 have been prepared as per Ind AS.

3. TRANSFER TO RESERVE UNDER SECTION 134(3)(j) OF THE COMPANIES ACT, 2013

The Board of Directors of the Company have not transferred any amount to the Reserves for the year under review.

4. DIVIDEND UNDER SECTION 134(3)(k) OF THE COMPANIES ACT, 2013

Your company has reported losses for the year under review; hence the Board of Directors of the Company has not recommended any Dividend on Equity Shares for the year under review.

5. 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.

6. SHARE CAPITAL

During the year under review, there was no change under the Share Capital as the Company has not issued any shares including Equity Shares, Shares with Differential Voting Rights, Stock Options, Sweat Equity, etc. The Company has not bought back any equity shares during the year 2021-22.

As on 31st March, 2022, paid-up share capital of the Company stood at Rs. 35,122,500/- consisting of 3,512,250 Equity Shares of Rs. 10/-each.

7. PUBLIC DEPOSITS

During the year under review, your Company has not accepted/renewed any public deposits under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

8. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT, IF ANY UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

No Material Changes have taken place from the end of the financial year till the date of this report.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary Company/ Joint Venture/ Associate Company during the financial year 2021-22. A statement about Subsidiary / Joint Ventures / Associate Company in **Form AOC-I** is not applicable.

10. REVISION OF FINANCIAL STATEMENT

There was no revision of the financial statements for the year under review.

11. ANNUAL RETURN UNDER SECTION 134(3)(a) OF THE COMPANIES ACT, 2013

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year ended on 31st March 2022 in **Form MGT-7** pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is put on the Company's website and can be accessed at <https://www.rahulmerchandising.in/investor-desk/annual-return>

12. MANAGEMENT DISCUSSION & ANALYSIS REPORT

As stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the Report on Management Discussion and Analysis is annexed to this report and forms part of the Board Report.

13. AUDITORS AND AUDITORS' REPORT**STATUTORY AUDITORS**

The members at the Annual General Meeting held on Monday, 30th September, 2019, appointed **M/s. VSSA & Associates, Chartered Accountant**, (Firm Registration No. 012421N) as Statutory Auditors of the Company for a period of Five years to hold office till the conclusion of 31st Annual General Meeting of the Company.

DIRECTORS' COMMENTS ON THE REPORT OF STATUTORY AUDITOR UNDER SECTION 134(3)(f)(i) OF THE COMPANIES ACT, 2013

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and in the opinion of the Directors do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 179 and 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, **M/s. Ojha & Associates, Company Secretaries**, a firm of practicing company secretaries was appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year ended 2021-22.

CS Tanay Ojha, Secretarial Auditor has given the Secretarial Audit Report in **Form No. MR-3** and the same has been annexed to the Board's Report and marked as "**Annexure-A**". The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer and is self-explanatory.

DIRECTORS' COMMENTS ON THE REPORT OF SECRETARIAL AUDITOR UNDER SECTION 134(3)(f)(ii) OF THE COMPANIES ACT, 2013

Observations in the report are on the basis of facts and are self-explanatory.

INTERNAL AUDITOR

The Board of Directors at their meeting held on 04.08.2022 had appointed Mrs. Ruchi Chordia as 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.

COST AUDITOR

Your directors hereby inform you that the Company does not fall under the criteria as specified under Section 148 (1) of Companies Act, 2013 read with Companies (Cost Record and Audit) Rules, 2018 for maintenance of cost accounts. Therefore, the Company is not required to maintain the cost records in respect of its products/service. Therefore, no requirement of Appointment of Cost Auditor arises.

14. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143 (12) of Companies Act, 2013 and Rules framed thereunder.

15. SECRETARIAL STANDARDS

The Board of Directors of the company state that, during the year under review the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Board Meetings and General Meetings respectively have been duly followed by the Company.

16. DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

Meetings of Board of Directors

During the financial year ended on March 31, 2022, 12 (Twelve) Board Meetings were held. Further, details of the meetings of the Board and its Committees are given in the Corporate Governance Report, which forms part of the Annual Report and the gap requirement of 120 days between two meetings have been complied with. The necessary quorum was present for all the meetings.

Change in Director(s) /Key Managerial Personnel(s) 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. Sunny Kumar | Whole Time Director | Resignation | 04.12.2021 |
| 2. | Ms. Vandna | Independent Director | Resignation | 22.11.2021 |
| 3. | Mr. Ankush Aggarwal | Independent Director | Appointment | 04.12.2021 |
| 4. | Mr. Vaibhav Goel | Whole Time Director | Appointment | 31.08.2021 |
| 5. | Ms. Honey Agarwal | Company Secretary | Appointment | 03.05.2021 |
| 6. | Ms. Honey Agarwal | Company Secretary | Resignation | 12.02.2022 |

Mrs. Ruchi Chordia was appointed as Company Secretary w.e.f. 19.07.2022

Mr. Vaibhav Goel was appointed as Chief Financial Officer w.e.f. 04.08.2022.

During the year under review, no other changes took place in the composition of the Board of Directors of the Company. The composition of the Board of Directors of the Company is in compliance with the applicable norms.

Retirement by Rotation

Pursuant to Section 149(13) of the Companies Act, 2013, the independent directors are not liable to retire by rotation. Further Section 152(6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company. To meet the requirement of provisions of Section 152(6) of the Companies Act, Mr. Vaibhav Goel (DIN: 07899594) Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends her re-appointment to the Board of Directors of the Company at the ensuing Annual General Meeting.

Board Committees

The Board has constituted various committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, to enable better management of the affairs of the Company, with terms of reference in line with provisions of Companies Act, 2013 and SEBI (LODR) Regulations.

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 Audit Committee of the Company comprises of Ms. Snehlata Kaim (Chairperson), Mr. Vaibhav Goel and Mr. Ankush Aggarwal as Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

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 Nomination and Remuneration Committee of the Company comprises of Ms. Snehlata Kaim (Chairperson), Mr. Vaibhav Goel and Mr. Ankush Aggarwal as Member.

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 Stakeholders' Relationship Committee of the Company comprises of Ms. Snehlata Kaim (Chairperson), Mr. Vaibhav Goel and Mr. Ankush Aggarwal as Members.

The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

17. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism Policy of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 to be read with Regulation 22 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Company promotes ethical behavior in all its business activities. Towards this, the Company has adopted a Policy on Vigil Mechanism and whistle blower policy. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Compliance Officer or to the Chairman of the Audit Committee. The Audit Committee also reviews complaints/issues (if any) raised through Vigil Mechanism or by any Whistle blower on a quarterly basis. The whistle blower policy is uploaded on the website of the Company and can be accessed at <https://www.rahulmerchandising.in/code-of-conduct>

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism and Whistle Blower Policy of the Company was received by the Company.

18. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 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.

19. BOARD ANNUAL EVALUATION UNDER SECTION 134(3)(p) OF THE COMPANIES ACT, 2013

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 Chairperson 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 judgement, 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.

21. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED 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(s) covered under the provision of the Section 186 of the Companies Act, 2013 during the year under review.

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

In the financial year 2021-22, Your Company has not made any contracts or arrangements with related Parties which are covered under Section 188 of the Companies Act, 2013. Hence there is no requirement of Form AOC-2 to be attached.

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

There were no changes in the share capital of the Company during the year under review and there were no significant material changes and commitments, affecting the financial position of the Company which has occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of its report.

24. EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Company has not allotted any Equity Shares to any employees of the Company under ESOP.

25. 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, there has been no material order passed by any regulator or Court or Tribunal impacting the Going Concern status of the Company's operations.

26. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the Financial Year 2021-22, there was no application made and proceeding initiated /pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company.

As on the date of this report, there is no application or proceeding pending against your company under the Insolvency and Bankruptcy Code, 2016.

27. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, there are no loan taken from Bank & Financial Institution. Hence this clause is not applicable on the Company.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given below:

| S.N. | Conservation of energy | Remarks |
|------|-------------------------------------------------------------------------------------------------------------------------|---------|
| 1. | the steps taken or impact on conservation of energy | NIL |
| 2. | the steps taken by the company for utilizing alternate sources of energy | NIL |
| 3. | the capital investment on energy conservation equipment | NIL |
| | Technology absorption | |
| 1. | the efforts made towards technology absorption | NIL |
| 2. | the benefits derived like product improvement, cost reduction, product development or import substitution | NIL |
| 3. | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | NIL |
| 4. | the details of technology imported | NIL |

| | | |
|----|-------------------------------------------------------------------------------------------------|-----|
| 5. | the year of import | NIL |
| 6. | whether the technology been fully absorbed | NIL |
| 7. | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | NIL |
| 8. | the expenditure incurred on Research and Development | NIL |
| | Foreign exchange earnings and Outgo | |
| 1. | The Foreign Exchange earned in terms of actual inflows during the year | NIL |
| 2. | The Foreign Exchange outgo during the year in terms of actual outflows | NIL |

Further, there were no foreign exchange earnings and outgo during the year under review.

29. 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.

30. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES UNDER SECTION 134(3)(o) OF THE COMPANIES ACT, 2013

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.

31. PREVENTION PROHIBITION AND REDRESSAL 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, there were no cases/complaints filed under the POSH Act.

32. CORPORATE GOVERNANCE REPORT

As per Reg. 34 of SEBI (LODR) Regulation, 2015 to be read with Part A of Schedule V of the said regulations, a separate section on corporate governance practices followed by the company, together with the certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Report.

33. INTERNAL FINANCIAL 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, 2022 based on the internal control over financial reporting criteria established by the Company.

The policies and procedures adopted by the Company ensures 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.

34. 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.

33. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 | 1 |

Disclosure as per Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of the top ten employees in terms of remuneration drawn and the name of every employee is attached as "**Annexure-B**"

35. 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.

36. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

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

37. ANNUAL LISTING FEES/CHARGES

The equity shares of the Company are presently listed at BSE Limited. All statutory dues including Annual Listing Fees for the Financial Year 2021-22 has been paid by the Company.

38. CODE OF CONDUCT AS PER SEBI (LODR) REGULATIONS, 2015

The Board of Directors has laid down the code of conduct for all Board Members and members of the Senior Management of the Company. 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.

39. CODE OF CONDUCT AS PER SEBI (PREVENTION OF INSIDER TRADING) REGULATIONS, 2015

The Board of Directors has laid down the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information as per Regulation 8(1) of SEBI (Prevention of Insider Trading) Regulations, 2015 & Code of Conduct to Regulate, Monitor and Report trading by the Designated Persons as per Regulation 9(1) of SEBI (Prevention of Insider Trading) Regulations, 2015 at their meeting held on 5th March, 2021.

40. DISCLOSURE OF STATEMENT OF DEVIATION(S) OR VARIATION(S) UNDER REGULATION 32 OF SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

With reference to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Statement of Deviation(s) or Variation(s) as per the said regulation is not applicable to the Company.

41. DIRECTOR'S RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, the Directors hereby state as follows:

- i. that in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- ii. that they have selected such accounting policies and applied them consistently and made judgment and estimates that they are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2022 and of the profit or loss of the company for the year ended on that date;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- iv. that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2022 on a going concern basis;
- v. that they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- vi. that they had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

42. PERSONNEL & INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with the employees during the year under review and the management appreciates the employees of all cadres for their dedicated services to the Company and expects continued support, higher level of productivity for achieving the targets set for the future.

43. GENERAL

The Board of Directors states that no disclosure or reporting is required in respect of the following matters as there were no transactions or applicability pertaining to these matters during the year under review:

- i) Details relating to deposits covered under Chapter V of the Act.
- ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii) Issue of shares (including sweat equity shares and Employees' Stock Options Schemes) to employees of the Company under any scheme.
- iv) Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- v) Fraud reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
- vi) Scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- vii) Payment of remuneration or commission from any of its holding or subsidiary companies to the Managing Director of the Company.

ACKNOWLEDGEMENT AND APPRECIATIONS

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

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

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

**Date: 06.09.2022
Place: New Delhi**

**Snehlata Kaim
Director
DIN: 06882968**

**Vaibhav Goel
Whole Time Director
DIN: 07899594**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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
H No. 1/61-B, Vishwas Nagar,
Shahdara, East Delhi- 110032

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, 2022** 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, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings-
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (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;**Not applicable during the period under review.**
 - (e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 - **Not applicable during 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.**
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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) Listing Agreement entered into by the Company with BSE Limited;

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial personnel of the Company that took place during the year under review were carried out in compliance with the provision of the Act.
- As per the management's representation, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the management's representation, 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.

**For Ojha & Associates
Company Secretaries**

Tanay Ojha

Company Secretary

Memb. No.: 29658

C P No.:10790

UDIN: A029658D000815729

**Place: Kanpur
Date: 19.08.2022**

This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

Annexure 1

[Annexure to the Secretarial Audit Report for the Financial Year ended 31st March, 2022]

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.

PARTICULARS OF EMPLOYEES

Annexure-B

A. Statement showing details of top ten employees in terms of remuneration drawn as required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014

| Sr. No. | Name of Employee | Designation of Employee | Remuneration received (Amount in Rs.) | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | Age of Employees | The last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule(2) above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|------------------|------------------------------------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 1 | Honey Agarwal | Company Secretary and Compliance Officer | 40000 | Regular | ACS | 03.05.2021 | 36 | Raideep Industries Limited | - | NA |

B. No employee of the Company has drawn remuneration aggregating to Rs. 1.02 Cr per annum during the year under report.

C. No employee of the Company, employed for the part of the year, has drawn salary more than Rs. Eight lakh fifty thousand per month.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Rahul Merchandising Limited
H No. 1/61-B, Vishwas Nagar,
Shahdara, East Delhi- 110032

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rahul Merchandising Limited (CIN: L74899DL1993PLC052461)** and having registered office at H. No. 1/61-B, Vishwas Nagar, Shahdara, East Delhi-110032 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name | DIN | Date of Appointment | Date of Cessation |
|--------|---------------------|----------|---------------------|-------------------|
| 1. | Ms. Snehlata Kaim | 06882968 | 27-05-2014 | |
| 2. | Ms. Vandna | 07646818 | 08.08.2018 | 22.11.2021 |
| 3. | Mr. Vaibhav Goel | 07899594 | 31-08-2021 | |
| 4. | Mr. Sunny Kumar | 07646818 | 11.11.2016 | 04.12.2021 |
| 5. | Mr. Ankush Aggarwal | 08377413 | 04-12-2021 | |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ojha & Associates
Company Secretaries**

**Tanay Ojha
Company Secretary**

Memb. No.: 29658

C P No.: 10790

UDIN: A029658D000815795

**Date: 19.08.2022
Place: Delhi**

CORPORATE GOVERNANCE REPORT

Corporate Governance is about promoting fairness, transparency, accountability, commitment to in accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto), hereinafter referred to as “SEBI (LODR)”, the Board of Directors of Rahul Merchandising Limited have pleasure in presenting the Company’s report containing the details of governance systems and processes for the Financial Year 2021-22.

Any reference to “the Act” in the Report means the Companies Act, 2013, as amended from time to time.

COMPANY’S PHILOSOPHY ON 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) and your management is taking all possible steps to fulfill its commitment in a judicious, fair and transparent manner.

In accordance with this philosophy, the Company has adopted Code of Conduct for its Senior Management Personnel and Board of Directors

APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company’s shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various committees to discharge its responsibilities in an effective manner. The Company has Chairman cum Managing Director (MD) to guide the functioning of the Board. The Chairman cum Managing Director (MD), who in consultation with the Chairman and Board of Directors provides overall direction and guidance to the Company. The MD is responsible for the corporate strategy, planning, external contacts and the overall management of the Company.

The Company Secretary assists the MD in management of the Board’s administrative activities such as convening and conducting the Board, Committee and Shareholders meetings, dissemination of information to all stakeholders of the Company, strengthening the compliance culture of the Company, co-ordination with the Regulators and all other stakeholders of the Company.

ETHICS/GOVERNANCE POLICIES

At Rahul, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

1. Policy for determination of material events
2. Preservation of records policy
3. Code of conduct for Directors and Senior Management
4. Code of Conduct under regulation 9 of SEBI (Prohibition of Insider Trading) Regulation, 2015
5. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
6. General Code of Conduct
7. Performance Evaluation Policy
8. Policy on materiality of Related Party Transactions
9. Prevention of Sexual Harassment Policy
10. Related Party Transactions Policy

11. Risk Management Policy
12. Vigil Mechanism and Whistle-blower Policy

AUDITS AND INTERNAL CHECKS AND BALANCES

M/s. **V S S A & Associates**, Chartered Accountants, is the Statutory Auditors of the Company. The Statutory Auditors and **Ms. Ruchi Chordia**, the Internal Auditors perform independent reviews of the ongoing effectiveness of Company's various components of the systems of internal controls and present the same before the Audit Committee on quarterly basis for their review and necessary action.

RISK MANAGEMENT, INTERNAL CONTROLS AND COMPLIANCE

The Board of Directors of the Company have designed Risk Management Policy and framework to avoid events, situations or circumstances which may lead to negative impact on the Company's businesses as a whole and have defined a structured approach to manage uncertainty and outcomes. Key business risks and their mitigation are considered as a part of the annual/strategic business plans and is reviewed by the Audit Committee on frequent basis. The Company's internal as well as operational controls are commensurate with its size and the nature of its operations. The Company has put in place a defined risk management framework to identify, assess, monitor and mitigate the risks at enterprise level. Organization adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, performance and regulations. Company believes that such steps would help to achieve stated objectives of the organizations. The Company shall continue to have periodic review mechanism for monitoring of various risk events in relation to various functional activities being undertaken by the organization

BEST CORPORATE GOVERNANCE PRACTICES

Rahul, strives for highest Corporate Governance standards and practices. It, therefore, endeavors to continuously improve and adopt the best of Corporate Governance codes and practices. Some of the implemented best governance norms and practices include the following:

- All securities related filings with Stock Exchanges are reviewed every quarter by the Stakeholders' Relationship Committee and the Board of Directors.
- The Company has independent Board Committees covering matters related to Risk Management, Stakeholder Relationship, Directors Remuneration and the nomination of Board Members.
- The Senior Management Personnel review the ongoing effectiveness of operational and financial risk mitigations and governance practices.
- The Company undertakes Annual Secretarial Audit from an Independent Company Secretary who is in whole-time practice.

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring compliances with all applicable laws to the Company and that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary acts as Secretary to all the Committees of the Board of Directors of the Company. The Company Secretary also ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company to ensure compliance with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of meetings. The Company Secretary Interfaces and act as link between the management and regulatory authorities for governance matters.

BOARD OF DIRECTORS

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

COMPOSITION & CATEGORY OF THE BOARD OF DIRECTORS AND ATTENDANCE OF EACH DIRECTOR AT THE MEETING OF THE BOARD OF DIRECTORS AND THE LAST ANNUAL GENERAL MEETING

As on 31st March 2022, there were 3 Directors comprising 1(One) Executive and 2(Two) Independent Directors.

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.

As on 31st March, 2022, the composition of Board of Directors is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 and the provisions of Companies Act, 2013.

Category and attendance of each of the Directors at the Board Meetings held during 2021-22 and the last Annual General Meeting is given below:

| S. No. | Name | Category | Number of Board Meetings held during the year 2021-2022 | | Whether attended last AGM for FY 2020-21 | No. of Membership/ Chairpersonship in mandatory Committees | |
|--------|---------------------|------------------------------------|---------------------------------------------------------|----------|------------------------------------------|------------------------------------------------------------|------------|
| | | | Held | Attended | | Chairpersonship | Membership |
| 1. | Snehlata Kaim | Non-Executive Independent Director | 12 | 12 | Yes | 3 | Nil |
| 2. | Vandna* | Non-Executive Independent Director | 7 | 7 | Yes | Nil | Nil |
| 3. | Sunny Kumar** | Whole Time Director | 8 | 8 | No | Nil | Nil |
| 4. | Vaibhav Goel*** | Whole Time Director | 6 | 6 | Yes | Nil | 3 |
| 5. | Ankush Aggarwal**** | Non-Executive Independent Director | 3 | 3 | NA | Nil | 3 |

* Vandna has been resigned from the directorship of the Company w.e.f 22.11.2021

** Sunny Kumar has been resigned from the directorship of the Company w.e.f 04.12.2021

*** Vaibhav Goel has been appointed as Whole time Director of the Company w.e.f 31.08.2021

**** Ankush Aggarwal has been appointed as Non-Executive Independent Director of the Company w.e.f. 04.12.2021

Number of other Board of Directors or Committees in which a Director is a Member or Chairperson as on 31.03.2022 (including the Company)

| Sr. No. | Name of director | Directorships | | | Committee positions in listed and unlisted public limited companies | |
|---------|------------------|----------------------------|--------------------------------------|------------------------------|---------------------------------------------------------------------|----------------|
| | | In equity listed companies | In unlisted public limited companies | In private limited companies | As member (including as chairperson) | As chairperson |
| 1. | Snehlata Kaim | 1 | 0 | 0 | 3 | 3 |
| 2. | Vaibhav Goel | 1 | 0 | 0 | 3 | 0 |
| 3. | Ankush Aggarwal | 1 | 0 | 2 | 3 | 0 |

None of the Director holds office as a Director, including as an alternate Director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company

are included and directorships in dormant companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, none of the directors serve as an independent director in more than seven equity listed companies or in more than three equity listed companies in case he/she is a whole-time director in any listed company.

None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

DIRECTORSHIP IN EQUITY LISTED COMPANIES AND NAME OF EQUITY LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY HELD DIRECTORSHIPS AS ON 31ST MARCH 2022 (INCLUDING THE COMPANY)

| Sr. No. | Name of Director | Listed Entity | Category |
|---------|------------------|-----------------------------|----------------------|
| 1. | Snehlata Kaim | Rahul Merchandising Limited | Independent Director |
| 2. | Vaibhav Goel | Rahul Merchandising Limited | Whole Time Director |
| 3. | Ankush Aggarwal | Rahul Merchandising Limited | Independent Director |

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD

During the period, the Board of Directors of your Company met 12 times. The dates on which the meetings were held are **03.05.2021, 18.05.2021, 26.05.2021, 15.06.2021, 02.08.2021, 01.09.2021, 30.10.2021, 22.11.2021, 04.12.2021, 13.12.2021, 07.02.2022, 12.02.2022** and the gap requirement of 120 days between two meetings have been complied with. The necessary quorum was present for all the meetings.

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The framework of succession planning for appointment of Board/Management is passed by the Board. In addition, changes in the Senior Management and their responsibilities are updated to the Board from time to time.

LETTERS OF APPOINTMENT OF INDEPENDENT DIRECTORS & POLICY TO FAMILIARIZE

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.

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 2021-22.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has Familiarization Program Module ("the Program") for the Independent Directors ("ID") of the Company. As per the requirement regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company is required 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 this programme.

SKILL/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors along with Nomination & Remuneration Committee (NRC), identifies the right candidate with right qualities, skills and practical expertise/competencies required for the effective functioning of individual member to possess and also the Board as a whole. The Committee focuses on the qualification and expertise of the person, the positive attributes, standard of integrity, ethical behavior, independent judgement of the person in selecting a new Board member. In addition to the above, in case of independent directors, the Committee shall satisfy itself with regard to the independence of the directors to enable the Board to discharge its functions and duties effectively. The same are in line with the relevant provisions of the Listing Regulations. The NRC has identified the following core skills, expertise and competencies for the effective functioning of the Company which is currently available with the Board:

- a) Expertise in Legal, Finance & Accountancy
- b) Human Resource.
- c) Risk Management
- d) Knowledge of the Industry
- e) Leadership
- f) Board Services & Corporate Governance
- g) Diversity
- h) Personal Values
- i) Functional & Managerial Experience

GIVEN BELOW IS A LIST OF CORE SKILLS, EXPERTISE AND COMPETENCIES OF THE INDIVIDUAL DIRECTORS:

| Name of Director | Skills/Expertise/Competencies | | | | | | | | |
|------------------|-------------------------------------------|----------------|-----------------|---------------------------|------------|---------------------------------------|-----------|-----------------|------------------------------------|
| | Expertise in Legal, finance & Accountancy | Human Resource | Risk Management | Knowledge of the Industry | Leadership | Board Services & Corporate Governance | Diversity | Personal Values | Functional & Managerial Experience |
| Snehlata Kaim | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Vaibhav Goel | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ankush Aggarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

The company is engaged to carry on the business, as per its Memorandum of Association of the company of manufacturing of Hosiery Goods, cloth for own and on job work basis and trading of cloth.

In the opinion of the Board the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), 2015 and are independent of the management.

During the year, **Ms. Vandna, Independent Director** has resigned due to her personal reasons from the post of directorship w.e.f. 22.11.2021 pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no material reasons for her resignation other than those provided.

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, Internal Compliant Committee and Vigil Mechanism Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

AUDIT COMMITTEE

- i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the 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 the 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 September 29, 2021 and was attended by Ms. Snehlata Kaim, Chairperson of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

| S.No. | Name | Category | No. of Committee Meetings held | No. of Committee Meetings Attended |
|-------|---------------------|-------------|--------------------------------|------------------------------------|
| 1. | Snehlata Kaim | Chairperson | 4 | 4 |
| 2. | Vandna* | Member | 3 | 3 |
| 3. | Sunny Kumar** | Member | 3 | 3 |
| 4. | Vaibhav Goel*** | Member | 2 | 2 |
| 5. | Ankush Aggarwal**** | Member | 1 | 1 |

* Vandna has been resigned from the Membership of the Audit Committee w.e.f. 22.11.2021

** Sunny Kumar has been resigned from the Membership of the Audit Committee w.e.f. 04.12.2021

*** Vaibhav Goel has been appointed as Member of the Audit Committee w.e.f. 31.08.2021

**** Ankush Aggarwal has been appointed as Member of the Audit Committee w.e.f. 04.12.2021.

- vi. 4 (Four) Audit Committee Meetings were held during the year 2021-22 on 15.06.2021, 02.08.2021, 30.10.2021, 07.02.2022.
- vii. The necessary quorum was present for all the meetings.
- viii. The role of the Audit Committee includes the following:
 - 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;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
 - Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgement by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - 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;
 - Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the listed entity with;/ related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 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;
 - Discussion with internal auditors of any significant findings and follow up thereon;
 - Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - 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;
 - 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;
 - To review the functioning of the whistle blower mechanism;
 - Approval of appointment of chief financial officer after assessing the qualification, experience and background, etc. of the candidate;
 - 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:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

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.

STAKEHOLDERS RELATIONSHIP COMMITTEE (ERSTWHILE SHAREHOLDERS' GRIEVANCE COMMITTEE)

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 Snehlata Kaim, the Non-Executive Independent Director.

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

| S.No. | Name of the Member | Category | No. of Committee Meetings held | No. of Committee Meetings Attended |
|-------|---------------------|-------------|--------------------------------|------------------------------------|
| 1. | Snehlata Kaim | Chairperson | 4 | 4 |
| 2. | Vandna* | Member | 3 | 3 |
| 3. | Sunny Kumar** | Member | 3 | 3 |
| 4. | Vaibhav Goel*** | Member | 2 | 2 |
| 5. | Ankush Aggarwal**** | Member | 1 | 1 |

* Vandna has been resigned from the Membership of the Stakeholders Relationship Committee w. e f. 22.11.2021

** Sunny Kumar has been resigned from the Membership of the Stakeholders Relationship Committee w.e.f. 04.12.2021

*** Vaibhav Goel has been appointed as Member of the Stakeholders Relationship Committee w.e.f.31.08.2021

**** Ankush Aggarwal has been appointed as Member of the Stakeholders Relationship Committee w.e.f. 04.12.2021

Four Stakeholders' Relationship Committee meetings were held during the year 2021-22 on 03.05.2021, 02.08.2021, 30.10.2021, 07.02.2022. The necessary quorum was present for all the meetings.

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.

NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER DURING THE YEAR UNDER REVIEW:

| | |
|-------------|--------------------------------------------------------------------|
| Name | Honey Agarwal (Appointed on 03.05.2021 and resigned on 12.02.2022) |
| Designation | Company Secretary & Compliance officer |
| Address | H NO. 1/61-B Vishwas Nagar Shahdara East Delhi 110032 |

| | |
|-------------|--------------------------------------------------|
| Name | Ruchi Chordia (Appointed on 19.07.2022) |
| Designation | Company Secretary & Compliance officer |
| Address | H NO. 1/61-B Vishwas Nagar Shahdara Delhi 110032 |

DETAILS OF INVESTOR COMPLAINTS RECEIVED AND REDRESSED DURING THE YEAR 2021-22 ARE AS FOLLOWS:

Details of investor complaints received and redressed during the year 2021-22 are as follows:

| No. of Complaints pending as on 01.04.2021 | No. of Complaints received during the year 2021-22 | 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 31.03.2022 |
|--------------------------------------------|----------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|
| Nil | 1 | 0 | 1 | 1 |

The said investor complaint was resolved subsequently.

NOMINATION & REMUNERATION COMMITTEE

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

| S. No. | Name | Category | No. of Committee Meetings held | No. of Committee Meetings Attended |
|--------|---------------------|-------------|--------------------------------|------------------------------------|
| 1. | Snehlata Kaim | Chairperson | 3 | 3 |
| 2. | Vandna* | Member | 2 | 2 |
| 3. | Sunny Kumar** | Member | 2 | 2 |
| 4. | Vaibhav Goel*** | Member | 1 | 1 |
| 5. | Ankush Aggarwal**** | Member | 1 | 1 |

* Vandna has been resigned from the Membership of the Nomination & Remuneration Committee w.e.f. 22.11.2021

** Sunny Kumar has been resigned from the Membership of the Nomination & Remuneration Committee w.e.f. 04.12.2021

*** Vaibhav Goel has been appointed as Member of the Nomination & Remuneration Committee w.e.f. 31.08.2021

**** Ankush Aggarwal has been appointed as Member of the Nomination & Remuneration Committee w.e.f. 04.12.2021

The committee meetings were held on 03.05.2021, 01.09.2021, and 04.12.2021.

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.

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.

INDEPENDENT DIRECTORS' MEETING

The independent directors meeting were held on March 23, 2022

The independent directors present elected Ms. Snehlata Kaim as Chairperson for the meeting. All independent directors were present at the meeting.

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 2021-22.

The Company had not given any stock options during the year 2021-22.

There was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2021-22.

GENERAL BODY MEETING

ANNUAL GENERAL MEETING

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

| Financial Year | Date | Venue | Time | Whether any Special Resolution passed |
|----------------|------------|--------------------------------------------------------------------------------------------------|------------|---------------------------------------|
| 2018-19 | 30.09.2019 | 204, Siddhartha Building,96, Nehru Place New Delhi- 110019 | 09:30 A.M. | Yes |
| 2019-20 | 16.12.2020 | Through Video Conferencing Deemed Venue-H No. 1/61-B, Vishwas Nagar, Shahdara,East Delhi- 110032 | 12:30 P.M. | No |
| 2020-21 | 29.09.2021 | Through Video Conferencing Deemed Venue-H No. 1/61-B, Vishwas Nagar, Shahdara,East Delhi- 110032 | 2:00 PM | NO |

No Extraordinary General Meeting of Members was held during the year under review.

No Postal Ballot was conducted during the year under review.

MEANS OF COMMUNICATION

Quarterly/Half Yearly/Annual Financial Results, Notice, Advertisement and Other official news are published both in vernacular language newspapers viz. Business Standard in Hindi version and English National newspapers viz. Business Standard in English version regularly. The said results are also displayed/uploaded on the Company's website i.e. <https://www.rahulmerchandising.in/>

GENERAL SHAREHOLDER INFORMATION

| S. No. | Particulars | Information |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Annual General Meeting: Day Date & Time Deemed Venue | 29th Friday 30 September, 2022 Through Video Conferencing H NO. 1/61-B Vishwas Nagar Shahdara East Delhi DL 110032 |
| 2. | Financial year | April 1, 2021 to March 31, 2022 |
| 3. | Financial Calendar 2022-23 (a) 30th June, 2022 Results for quarter/year ending : (Tentative Schedule) (b) 30th September, 2022 | On 04th day of August, 2022 On or before 14th day of November, 2022 |

| | | |
|----|-------------------------------------------------|----------------------------------------------------------------------------------------------|
| | (c) 31st December, 2022 (d) 31st March, 2023 | On or before 14th day of February, 2023 On or Before 30th day of May, 2023 |
| 4. | Book Closure | 24 th September 2022 to 30 th September 2022 |
| 5. | Listed on | BSE Limited |
| 6. | Dividend payment date | The Company has not recommended or paid any dividend during the financial year under review. |
| 7. | Stock Exchange Code | BSE Scrip Code: 531887 |

NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferred in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the Company upon such request and is also available on the Company's website at <https://www.rahulmerchandising.in/investor-desk/sh-13-and-sh-14-nomination>

Nomination facility for shares held in electronic form is also available with depository participants.

AGM THROUGH VC

Pursuant to MCA Circulars, the Company will provide video conferencing facility to the members for participating in the 29th AGM. Please refer the Notice of the 29th AGM for more details, which is hosted on website of the company at <https://www.rahulmerchandising.in/investor-desk/notice>

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of Act and the Rules made thereunder and provisions under SEBI Listing Regulations, every listed company is required to provide its members the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with NSDL, the authorized agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM through such e-voting method. The Company will also provide facility to members attending the AGM through VC or OAVM to vote at the meeting in accordance with the Companies (Management and Administration) Rules, 2014 and MCA circulars for conducting AGM through VC or OVAM.

Shareholders who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, is **September 23, 2022** and the remote e-voting shall be open for a period of 3 (three) days, from **Tuesday, September 27, 2022, 09:00 AM** till **Thursday, September 29, 2022, 05:00 PM**.

The Board has appointed **M/s. Jain P. & Associates**, practicing company secretary, as Scrutinizer for the e-voting process.

Detailed procedure is given in the Notice of the 29th AGM and is also placed on the Company's website at <https://www.rahulmerchandising.in/>

Shareholders may get in touch with the Company Secretary at rahulmerchandising@gmail.com for further assistance.

DISCLOSURE

- There have been no materially significant related party transactions which may have potential conflict with the interests of the Company at large.
- During last three year under review, the company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

- c) The Company has in place vigil mechanism and whistle blower policy under which employees can report any violation of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.
- d) The Company does not have any subsidiary Company. Therefore, policy for determining 'material' subsidiaries is not required to be framed.
- e) The Company has in place Policy for Related Party Transaction and the same is also placed on Company's website i.e. <https://www.rahulmerchandising.in/code-of-conduct> and weblink of the same is <https://www.rahulmerchandising.in/wp-content/uploads/2019/11/Policy-on-Materiality-of-RPT.pdf>
- f) Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- g) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- h) A certificate from M/s.Ojha & Associates, Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board, Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- i) There were no instances where the Board has not accepted any recommendation of any committee of the board which was mandatorily required during the financial year in concern.
- j) Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network of the statutory auditor is Rs.30,000/-
- k) A Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

The Company has duly complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10)

It is to confirm that the Company has not incurred any non-compliance of any information contained in this Corporate Governance Report.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. The below table provides details of complaints received/disposed during the financial year 2021-22:

| No. of Complaints Filed | No. of Complaints Disposed off | No. of Complaints Pending |
|-------------------------|--------------------------------|---------------------------|
| NIL | NIL | NIL |

DISCLOSURE REGARDING SHARES IN SUSPENSE ACCOUNT

- i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: NIL
- iii. Number of shareholders to whom shares were transferred from suspense account during the year: NIL
- iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- v. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

RISK MANAGEMENT

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

INDEPENDENT DIRECTORS

The Board of the Company has been duly constituted with an optimum combination of Executive Directors, Non-Executive and Independent Directors. All the members are financially literate and possess sound knowledge of accounts, audit, finance, law, etc.

Presently, the Board of the Company comprises of following 2 (two) Independent Directors:

1. Ms. Snehlata Kaim
2. Mr. Ankush Aggarwal

MEETING OF INDEPENDENT DIRECTORS

As required by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was convened during the year to oversee and review the performance of Non-Independent Directors and of the Board as a whole.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate chapter on Management Discussion and Analysis is given in this Annual Report.

CEO/CFO CERTIFICATION

The Chief Financial Officer of the Company has furnished a certificate relating to financial statements and internal financial control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took note of the same.

COMPLIANCE CERTIFICATION

Compliance Certificate for Corporate Governance obtained from M/s. Ojha & Associates Company Secretaries is annexed herewith.

CODE OF CONDUCTS

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given under the head "Investors" on the website of the company i.e. <https://www.rahulmerchandising.in/code-of-conduct>

MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH OF THE FINANCIAL YEAR 2021-22

The Market price data is given in the table mentioned below:

| Month | High(Rs.) | Low(Rs.) | Close |
|------------|-----------|----------|-------|
| April '21 | 9.25 | 9.25 | 9.25 |
| May '21 | 9.25 | 9.25 | 9.25 |
| June '21 | - | - | - |
| July '21 | 9.25 | 7.95 | 7.95 |
| August '21 | 7.56 | 6.84 | 6.84 |
| Sep '21 | 6.84 | 6.08 | 6.1 |
| Oct '21 | 7.05 | 5.8 | 7.05 |
| Nov '21 | 7.05 | 7.05 | 7.05 |
| Dec '21 | 7.1 | 6.8 | 7.1 |
| Jan '22 | 7.45 | 7.24 | 7.24 |
| Feb '22 | 7.24 | 7.24 | 7.24 |
| March '22 | 7.24 | 7.24 | 7.24 |

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

| Shareholding of Nominal value of Rs. 10/- | No. of Shareholders | % of Shareholders | No. of Shares held | % to share holding |
|-------------------------------------------|---------------------|-------------------|--------------------|--------------------|
| Up To 5,000 | 960 | 84.88 | 1238570.00 | 3.53 |
| 5001 To 10,000 | 44 | 3.89 | 369990.00 | 1.05 |
| 10001 To 20,000 | 36 | 3.18 | 592810.00 | 1.69 |
| 20001 To 30,000 | 31 | 2.74 | 764000.00 | 2.18 |
| 30001 To 40,000 | 9 | 0.80 | 331000.00 | 0.94 |
| 40001 To 50,000 | 4 | 0.35 | 187000.00 | 0.53 |
| 50001 To 1,00,000 | 9 | 0.80 | 631000.00 | 1.80 |
| 1,00,000 and Above | 38 | 3.36 | 31008130.00 | 88.29 |
| Total | 1131 | 100.00 | 35122500.00 | 100.00 |

CATEGORIES OF EQUITY SHAREHOLDERS AS ON MARCH 31, 2022

| | 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 | 812250 | 23.13 |
| | ii. Indian Public | 1643319 | 46.79 |
| | iii. NRI's/OCB's | 4100 | 0.12 |
| | iv. Any Other (HUF/Firm/Foreign Companies) Clearing Member | 38081 | 1.08 |
| | Sub Total | 2497750 | 71.12 |
| | Grand Total | 3512250 | 100 |

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 2022.

| Particulars | Total Shares | % to Equity |
|------------------------------------------------|------------------|-------------|
| Shares in dematerialized form with NSDL | 15,01,439 | 42.75% |
| Shares in dematerialized form with CDSL | 12,03,811 | 34.27% |
| Physical | 8,07,000 | 22.98% |
| Total | 35,12,250 | 100% |

ISIN of the Company :INE149D01011

THE NAMES AND ADDRESSES OF THE DEPOSITORIES ARE AS UNDER

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

COMPANY DETAILS:

Registered Office : H NO. 1/61-B Vishwas Nagar Shahdara East Delhi 110032
PlantLocation : Same as Above
Addressfor communication : Same as Above

THE PHONE NUMBERS AND E-MAIL ADDRESSES FOR COMMUNICATION ARE GIVEN BELOW

Email: rahulmerchandising@gmail.com

Telephone: 011 4158 7700

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: 06.09.2022
Place: New Delhi

VAIBHAV GOEL
Whole-time Director
DIN: 07899594

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.

GLOBAL ECONOMY OVERVIEW

India, too, has initiated relief measures. The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

TEXTILE INDUSTRY IN INDIA- STRUCTURE AND DEVELOPMENT

India is working on major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

The future of the Indian textiles industry looks promising, buoyed by 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 with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty. The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.

Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs.133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme. The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022

ROLE OF INDIAN TEXTILE INDUSTRY IN THE ECONOMY

Textile industry plays a significant role in the economy. The Indian textile industry is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India. India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries.

The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw

materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26.

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

OPPORTUNITIES, CHALLENGES AND OUTLOOK

Opportunities

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:

- The government had extended the duty drawback facility on all textile products & increased the rates in some cases to boost exports in the sector.
- The Government's Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.
- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs 1,480 crore (US\$ 211.76 million).
- Allocation for the textile sector will see an 8.1% increase in FY23 compared with the revised budget allocation for FY22.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two sub-sectors of Textiles Industry, Readymade garments and made-ups, from two per cent to four per cent.
- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand
- Urbanization is expected to support higher growth due to change in fashion & trends.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), estimated to create employment for 35 lakh people and enable investment worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.

Challenges

In the last financial year, the pandemic was still at a great height that eventually led to the closure of several manufacturing units in the textile industry. These factory owners were forced to close due to the shortage of manpower. The lack of funds to buy raw materials for production was another drawback in this industry. The major challenges faced by the industries are as under:

- According to the government rules, all textile factories had to work with only 50% manpower. Thus, these companies could not meet the deadlines of bulk orders, though such orders were rare to receive at that time.
- The sector suffered a significant downturn due to the pandemic. Still, as the outbreak fades, the Indian textile market is expected to rebound and develop at a 10% CAGR from 2019 to 2026, reaching US\$ 190 billion.
- The inflation in the Indian economy results in frequent demands among laborers for salary hikes. Thus, industry owners do not find the means to expand their business and compete with global textile leaders from other countries.

- The employment and salary circumstances of Indian textile sector employees are deteriorating due to decreased output and global sales. Factory closures and wage arrears are likely the greatest danger to textile workers' socioeconomic well-being.
- The high cost of power in India is another hindrance to textile production. Most modern machines are power-driven, which raises the overall production costs for business owners.

Outlook

The government of India has initiated various policies to support textile and apparel sector's growth for the long-term horizon. With the allowance of 100% FDI in the sector under the automatic route it is expected to attract USD 140 billion (INR 10,485 billion) foreign investments in the coming years and also carried out high investments under various scheme's like Integrated Textile Parks (SITP) and Technology Upgradation Fund Scheme (TUFS) to encourage the flow of more private equity and to train workforce. For further accelerating the growth in the textile industry, the Textile Ministry assigned INR 6,900 Million (USD 106.58 million) for the set-up of 21 readymade garment manufacturing units in seven states for the development and modernization of Indian Textile Sector. India has also become the second largest manufacturer of PPE in the world with more than 600 companies in India certified to produce PPE's today whose global market worth is predicted to be over USD 92.5 billion (INR 6,927 billion) by the end of 2025, as compared to USD 52.7 billion (INR 3,971 billion) in 2019 which would further enhance the textile products demand in coming years. Being largely a consumer driven industry, textile and apparel sector's growth and performance is majorly dependent on India's growing economy. The growth in the textile and apparel sector is sustained by the strong domestic consumption as well as export demand over the medium term. India has high abundance of raw material, particularly with respect to cotton where it is quite cost competitive, together with healthy infrastructure and skilled labor force as compared to neighbouring countries like Bangladesh and Sri Lanka, which is expected to provide support in expanding the country's share in the global textile and apparel market. It is estimated that India has the potential to reach USD 70 billion (INR 5,242 billion) in exports and achieve much higher share of the global market by 2024.

The government has launched an Emergency Credit Line Guarantee Scheme. The aim of this scheme is to provide funds to micro and small textile business owners. This will help them to invest in increasing their production and minimize the effect of the pandemic. This scheme will be available till March 2023, with a huge guarantee cover. The Indian government has allowed 100% Foreign Direct Investment (FDI) in the textile industry. Thus, it will be easier for small companies to grow and export their products to other countries.

The National Technical Textiles Mission was proposed in the Union Budget for 2020-21. It will be active till 2023-24 with an estimated expense of Rs 1480 crore for the betterment of the textile industry.

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 Rahul Merchandising Limited

Date: 06.09.2022
Place: New Delhi

Vaibhav Goel
Whole Time Director
DIN: 07899594

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 **Rahul Merchandising Limited** for the year ended **31st March, 2022** 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 Ojha & Associates
Companies Secretaries**

**(TanayOjha)
Proprietor
C.P. No. 29658
M. No. 10790
UDIN:A029658D000815806**

**Date: 19.08.2022
Place: Kanpur**

CEO/CFO CERTIFICATION

I, **Vaibhav Goel** being **Chief Financial Officer**, 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 violate 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

Vaibhav Goel
Chief Financial Officer

Date: 06.09.2022
Place: New Delhi

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

I, **Vaibhav Goel**, being Whole Time Director of the Company do hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of the conduct of the company for the financial year ended on March 31, 2022.

Date: 06.09.2022
Place: New Delhi

Vaibhav Goel
Whole Time Director
DIN: 07899594

Independent Auditor's Certificate Regarding compliance of conditions of Corporate Governance

To the Members of
RAHUL MERCHANDISING LIMITED,

We have examined the compliance of conditions of Corporate Governance by **RAHUL MERCHANDISING LIMITED** for the year ended on 31st March, 2022 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, quality control for firms that perform audits and reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31st, 2022, as referred to in paragraph 1 above.

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

For V S S A & Associates
Chartered Accountant
{Firm Registration No. 012421N}

Place: New Delhi
Dated: 28.05.2022

CA Samir Vaid
Partner
Membership No.091309
UDIN: 22091309AJVCSH7298

Independent Auditor's Report

To the Members of
RAHUL MERCHANDISING LIMITED
Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of **RAHUL MERCHANDISING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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, of the state of affairs of the Company as at 31st March, 2022 and its loss, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Ind AS 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 financial position, financial performance including Other Comprehensive Income, changes in Equity and Cash Flows 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 judgements 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.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outway the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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 and the Cash Flow Statement 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 specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors, as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022.
- 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) In our opinion and according to the information and explanations given to us, as no remuneration has been paid by the company to its directors during the year, the provisions of Section 197 of the Companies Act, 2013 are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h) 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 does not have any pending litigations having impact on its financial position in its 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.
 - (iv) (i) The management has represented that to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been received by the Company from any person(s) or entity(ies) including foreign entities ("funding parties") with the understanding whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances. Nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - v) No dividend has been declared or paid during the year by the Company.

For V S S A & Associates
Chartered Accountant
{Firm Registration No. 012421N}

Place: New Delhi
Dated: 28.05.2022

CA Samir Vaid
Partner
Membership No.091309
UDIN: 22091309AJVCIN2453

Annexure A to the Independent Auditors' Report on the Ind AS Financial Statements of RAHUL MERCHANDISING LIMITED (Referred to in paragraph 1 under Report on other Legal and Regulatory Requirements of our Report of even date)

- i.
 - a) The Company does not have any Property, Plant and Equipments or intangible assets. Hence provisions of clauses (i)(a), (b), (c) and(d) of Paragraph 3 of the Order are not applicable.
 - b) As per information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a) The Company does not have any inventories. Hence the provisions of clauses (ii)(a) of the Order are not applicable.
 - b) The Company does not have any borrowings from banks or financial institutions.Hence the provisions of clause (ii)(b) of the Order are not applicable.
- iii. According to the information and explanations given to us and the records of the Company examined by us, the Company has neither made investments in nor granted unsecured loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties during the year.
 - a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not provided loans or advances in the nature of loans, or stood guarantee or provided security to any other entity during the year.
 - b) According to the information and explanations given to us and the records of the Company examined by us, as no investments have been made or guarantees provided or security given, we are not required to comment whether the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.
 - c) According to the information and explanations given to us and the records of the Company examined by us, as no loans and advances in the nature of loans have been given we are not required to comment on the schedule of repayment of principal and payment of interest and the repayments thereof.
 - d) According to the information and explanations given to us and the records of the Company examined by us, as no loans and advances in the nature of loans have been given, hence our comments on amounts overdue for more than ninety days are not required.
 - e) According to the information and explanations given to us and the records of the Company examined by us, neither any loan or advance in the nature of loan has fallen due during the year nor has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
 - f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, hence our comments on the same are not required.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any investments or given any guarantees and security, hence our comments on compliance with provisions of Section 185 and 186 of the Companies Act, 2013 are not required.
- v. As per information and explanations given to us and the records of the Company examined by us, the Company has not accepted any deposits. Further there are no amounts which are deemed to be deposits. As per information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

- vi. In our opinion and as per information and explanations given to us, maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act.
- vii. 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs Tax, Duty of Excise, Value added Tax, Cess and other statutory dues with the appropriate authorities during the year to the extent applicable. We are informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they become payable.
- viii. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not surrendered or disclosed any transaction, as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), which is not recorded in the books of accounts.
- ix.
 - a) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any borrowings from banks, financial institutions and Government. Hence our comments on defaults in repayment of loans or interest thereon are not required.
 - b) According to the information and explanations given to us and the records of the Company examined by us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
 - c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not obtained any term loans. Hence our comments on application of the same are not required.
 - d) According to the information and explanations given to us and the records of the Company examined by us, no funds have been raised by the Company. Hence our comments on funds raised on short term basis utilized for long term purposes are not required.
 - e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
 - a) According to the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
 - b) According to the records of the Company examined by us the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi.
 - a) According to the information and explanations given to us and the records of the Company examined by us, no fraud by the Company and fraud on the Company has been noticed or reported during the year.
 - b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) The Company has neither informed us nor we have come across any whistle-blower complaints received during the year by the Company.

- 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)(a),(b) and (c) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us,the Company does not have any related party transactions during the year ..
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of internal audit are not applicable to the Company.Hence our comments on clauses (xiv)(a) and (b) of the Order are not required.
- 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. a) 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 (2 of 1934).
b) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year and the Company is not required to obtain Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
c) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India therefore, the provisions of clause 3(xvi)(c) and (d) of the Order are not applicable to the Company.
- xvii. According to the records of the Company examined by us, the Company has incurred cash losses of Rs 1.31 lakhs in the financial year and Rs 212.86 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year.
- xix. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company and on the basis of financial ratios, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. In our opinion and according to the information and explanations given to us and based on our examination of the records, the provisions of Corporate Social Responsibility are not applicable to the Company. Hence our comments on clauses (xx)(a) and (b) of Paragraph 3 of the Order are not required.
- xxi. In our opinion and according to the information and explanations given to us the Company does not prepare Consolidated Financial Statements. Hence our comments on qualifications or adverse remarks are not required.

For V S S A & Associates
Chartered Accountant
{Firm Registration No. 012421N}

Place: New Delhi
Dated: 28.05.2022

CA Samir Vaid
Partner
Membership No.091309
UDIN: 22091309AJVCIN2453

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 31st March, 2022 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 ("the 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India 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 judgement, 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 31st March, 2022, 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 V S S A & Associates
Chartered Accountant
{Firm Registration No. 012421N}

Place: New Delhi
Dated: 28.05.2022

CA Samir Vaid
Partner
Membership No.091309
UDIN: 22091309AJVCIN2453

BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. Lakhs)

| | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|-------------------------------------|----------|---------------------------|---------|---------------------------|---------|
| ASSETS | | | | | |
| 1 | | | | | |
| 1 | | | | | |
| | 2 | | 1.30 | | 0.28 |
| | | | | | |
| | | | 1.30 | | 0.28 |
| TOTAL ASSETS | | | | | |
| EQUITY AND LIABILITIES | | | | | |
| 1 | | | | | |
| | 3 | 351.23 | | 351.23 | |
| | 4 | (369.37) | (18.15) | (368.07) | (16.84) |
| 2 | | | | | |
| | | | | | |
| | 5 | | 15.25 | | 15.25 |
| | 6 | | | | |
| | | 0.00 | | 0.00 | |
| | | 4.20 | 4.20 | 1.87 | 1.87 |
| TOTAL EQUITY AND LIABILITIES | | | | | |
| | | | 1.30 | | 0.28 |

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

As per our report of even date
For V S S A & Associates
(Firm Registration No. 012421N)
Chartered Accountants

Samir Vaid
Partner
M. No. 091309
Place : New Delhi
Dated : 28.05.2022

For & on behalf of the Board

Snehlata Kaim
Director
DIN: 06882968

Vaibhav Goel
Wholetime Director
DIN: 07899594

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST' MARCH, 2022

(Rs. Lakhs)

| | Note No | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|------------------------------------------------|---------|--------------------------------|--------------------------------|
| INCOME | | | |
| Operating Income | | 5.40 | 0.13 |
| Total Income | | 5.40 | 0.13 |
| EXPENSES | | | |
| Finance Charges | 7 | 0.00 | 1.61 |
| Other expenses | 8 | 6.71 | 212.98 |
| Total Expenses | | 6.71 | 212.98 |
| Profit/(Loss) before exceptional items and tax | | (1.31) | (212.86) |
| Tax of earlier year | | 0.00 | (0.15) |
| Profit/(loss) for the year | | (1.31) | (213.01) |
| Earning Per Equity Share | 17 | | |
| Basic (Rs.) | | (0.04) | (6.07) |
| Diluted (Rs.) | | (0.04) | (6.07) |

The above statement of profit and loss should be read in conjunction with the accompanying notes

As per our report of even date
For V S S A & Associates
(Firm Registration No. 012421N)
Chartered Accountants

Samir Vaid
Partner
M. No. 091309
Place : New Delhi
Dated : 28.05.2022

For & on behalf of the Board

Snehlata Kaim
Director
DIN: 06882968

Vaibhav Goel
Wholetime Director
DIN: 07899594

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-03-2022

Rs. Lakhs

| | Year ended 31.03.2022 | | Year ended 31.03.2021 | |
|-------------------------------------------------------------------------|-----------------------|-------------|-----------------------|----------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(loss) before tax | (1.31) | | (213.01) | |
| Miscellaneous Balances written off/ back (Net) | - | | 199.76 | |
| Operating Profit/(Loss) before working capital changes | (1.31) | | (13.25) | |
| Adjustment for: | | | | |
| Trade receivables | - | | 1.640 | |
| Other receivables | - | | 0.150 | |
| Trade payable | 2.33 | | (3.722) | |
| CASH GENERATED FROM OPERATIONS | 1.02 | | (15.182) | |
| Interest paid | - | | - | |
| Direct taxes paid | - | | - | |
| NET CASH FROM OPERATING ACTIVITIES | | 1.02 | | (15.18) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of fixed assets, including capital | | | | |
| Interest received | - | | - | |
| NET CASH USED IN INVESTING ACTIVITIES | | - | | - |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net proceeds of short term borrowings | - | | 15.25 | |
| NET CASH USED IN FINANCING ACTIVITIES | | - | | 15.25 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C) | | 1.02 | | 0.07 |
| CASH AND CASH EQUIVALENT As At 1st April, 2021 (Opening Balance) | 0.28 | | 0.21 | |
| CASH AND CASH EQUIVALENT As At 31st March 2022 (Closing Balance) | 1.30 | | 0.28 | |

Notes :

- The above cash flow statement has been prepared under the ' Indirect Method' as set out Ind AS 7 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 V S A & Associates
(Firm Registration No. 012421N)
Chartered Accountants

Samir Vaid

Partner

M. No. 091309

Place : New Delhi

Dated : 28.05.2022

For & on behalf of the Board

Snehlata Kaim

Director

DIN: 06882968

Vaibhav Goel

Wholetime Director

DIN: 07899594

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**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. 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.

(a) Statement of compliance

The Financial Statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") including the rules notified under the relevant provisions of the Companies Act, 2013.

(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

In accordance with Ind AS 116, as lessee for lease with a term of more than 12 months, the Company recognises a 'right-of-use' asset at cost for the lease term at the commencement date and a lease liability representing its obligation to make future lease payments. The 'Right-of-use' asset is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of 'right-of-use' asset. The lease payment is discounted using the lessee's incremental borrowing rate as there is no interest rate implicit in the lease. Short term lease and lease of low value is treated as expense on straight line basis or other systematic basis over the lease term.

(e) Financial 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 when the performance obligation is satisfied by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. 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. Interest income is accrued on time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Rental income from investment properties is recognized on a straight line basis over the term of the relevant leases. Income from services is accounted over the period of rendering of services.

(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.

(p) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs notifies new Standards or amendments to the existing Standards. On March 23,2022,MCA issued the Companies(Indian Accounting Standards)Rules,2022, applicable from April 1,2022 and has made amendments to Ind AS 16, Ind AS 37,Ind AS 103,Ind AS 106 and Ind AS 109..The Company does not expect the amendments to have any significant impact in its financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

(Rupees in lakhs)

A. EQUITY SHARE CAPITAL

| | |
|---------------------------------|--------|
| As at April 1 2021 | 351.23 |
| Changes in equity share capital | - |
| As at March 31, 2022 | 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 1,2020 | (155.06) | 0.00 | (155.06) |
| Profit for the year | (213.01) | 0.00 | (213.01) |
| Other Comprehensive income for the year | 0.00 | 0.00 | 0.00 |
| Total comprehensive Income for the year | 0.00 | 0.00 | (368.07) |
| Balance as at March 31,2021 | (368.07) | 0.00 | (368.07) |
| Profit for the year | (1.31) | 0.00 | (1.31) |
| Other Comprehensive Income for the year | 0.00 | 0.00 | 0.00 |
| Total comprehensive Income for the year | (1.31) | 0.00 | (1.31) |
| Balance as at March 31,2022 | (369.38) | 0.00 | (369.38) |

As per our report of even date
For V S S A & Associates
(Firm Registration No. 012421N)
Chartered Accountants

Samir Vaid
Partner
M. No. 091309
Place : New Delhi
Dated : 28.05.2022

For & on behalf of the Board

Snehlata Kaim
Director
DIN: 06882968

Vaibhav Goel
Wholetime Director
DIN: 07899594

(Rs. Lakhs)

| | As at 31st March, 2022 | As at 31st March, 2021 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 2 Cash and cash equivalents | | |
| Balances with Banks: | | |
| In Current accounts | 1.29 | 0.27 |
| Cash on Hand (as certified) | 0.01 | 0.01 |
| | 1.30 | 0.28 |
| 3 Equity Share Capital | | |
| Authorised | | |
| 80,00,000 (80,00,000) Equity Shares of Rs. 10 each. | 800.00 | 800.00 |
| 2,00,000 (2,00,000) Preference Shares of Rs. 100 each | 200.00 | 200.00 |
| | 1,000.00 | 1,000.00 |
| 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 | 351.23 |
| (a) Movements in the Equity Shares Outstanding | | |
| Opening balance | 351.23 | 351.23 |
| Changes in equity share capital during the year | 0.00 | 0.00 |
| Balance at the end of the year | 351.23 | 351.23 |

(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.

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

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

| Name of the Shareholder | As at 31st March, 2022 | | As at 31st March, 2021 | |
|-------------------------------|------------------------|--------|------------------------|--------|
| | No. of shares | % held | No. of shares | % held |
| SURESH MANSHARAMANI | 492600 | 14.03 | 492600 | 14.03 |
| UMA MANSHARAMANI | 224100 | 6.38 | 224100 | 6.38 |
| RELIABLE ENGINEERING PVT LTD | 289600 | 8.25 | 289600 | 8.25 |
| CARNATION COMMODITIES PVT LTD | 633350 | 18.03 | 633350 | 18.03 |

Shares held by Promoters

| Promoter Name | | | | |
|--------------------------------------|--------|-------|--------|-------|
| SURESH MANSHARAMANI | 492600 | 14.03 | 492600 | 14.03 |
| UMA MANSHARAMANI | 224100 | 6.38 | 224100 | 6.38 |
| VEENA BALANI | 2500 | 0.07 | 2500 | 0.07 |
| ANOOP KUMAR GAJWANI | 2500 | 0.07 | 2500 | 0.07 |
| DEEPAK KUMAR JOTWANI | 2500 | 0.07 | 2500 | 0.07 |
| RELIABLE ENGINEERING PRIVATE LIMITED | 289600 | 8.25 | 289600 | 8.25 |

Details of Dividend Paid

Particulars

(i) Equity Shares

Dividend for the year ended 31st March, 2022 per fully paid equity share

NIL

NIL

As at 31st March, 2022 As at 31st March, 2021

4 Other Equity

Retained Earnings

| | | |
|-------------------------------------------------------------------|-----------------|-----------------|
| As per last Balance Sheet | (368.06) | (155.06) |
| Add: Profit after Tax transferred from Statement of Profit & Loss | (1.31) | (213.01) |
| Other comprehensive income | 0.00 | (369.37) |
| | <u>(369.37)</u> | <u>(368.07)</u> |

5 Borrowings

| | | |
|-----------------------------------------------------|--------------|--------------|
| Unsecured loans repayable on demand-Related Parties | 15.25 | 15.25 |
| | <u>15.25</u> | <u>15.25</u> |

6 Trade Payables

| | | |
|--------------------------------------------------------------------------------------------|-------------|-------------|
| (a) Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 15) | 0.00 | 0.00 |
| (b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | 4.20 | 1.87 |
| Total | <u>4.20</u> | <u>1.87</u> |

Trade Payables ageing Schedule (Due for payment for the year ended as on 31st March 2022 and 31st March 2021)

| | Less than 1 year | 1-2 years | 2-3 year | More than 3 years | Total |
|-----------------------------|---------------------|-------------|-------------|----------------------|-------|
| (i) MSME | 0.00 (0) | 0.00 (0) | 0.00 (0) | 0.00 (0) | |
| (ii) Others | 0.00 (0) | 0.00 (0) | 0.00 (0) | 0.00 (0) | |
| (iii) Disputed dues – MSME | 0.00 (0) | 0.00 (0) | 0.00 (0) | 0.00 (0) | |
| (iv) Disputed dues - Others | 0.00 (0) | 0.00 (0) | 0.00 (0) | 0.00 (0) | |
| Total 0.00 | 0.00 (0) | 0.00 (0) | 0.00 (0) | 0.00 (0) | |

Add :Accrued Expenses

4.20

(1.87)

| | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|------------------------------------------------|--------------------------------|--------------------------------|
| 7 FINANCE CHARGES | | |
| Interest | 0.00 | 1.61 |
| | 0.00 | 1.61 |
| 8 OTHER EXPENSES | | |
| Salary | 0.40 | 0.00 |
| Payment to the Auditors: | | |
| Statutory Audit | 0.30 | 0.30 |
| Miscellaneous Expenses | 1.10 | 0.13 |
| Listing Fees | 4.91 | 11.18 |
| Bad Debts & Miscellaneous Balances written off | 0.00 | 199.76 |
| | 6.71 | 211.37 |

9 Contingent Liabilities & Commitments (To the extent not provided for) (Rupees in lakhs)

| Contingent Liabilities | As at 31/3/2022 | As at 31/3/2021 |
|-------------------------------|----------------------------|----------------------------|
| a) Disputed Income Tax | - | 0.05 |

10 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.

11 The net worth of the Company is negative impacting the future working of the company.

12 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.

13 Earnings Per Share (EPS)

| | | |
|-------------------------------------------------------------|------------------|------------------|
| Profit attributable to the Equity Share Holders | (1.31) | (213) |
| Basic/Weighted average No. of Equity Shares outstanding (B) | 3,512,250 | 3,512,250 |
| Nominal Value of Equity Shares (Rs.) | 10 | 10 |
| Basic/Diluted Earning Per Share (Rs.) (A/B) | (0.04) | (6.06) |

14 Related Party Disclosures under Ind AS 24

There are no transactions with related parties.

15 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:

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| (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 | - | - |

- 16** The Company has considered the possible effects that may result from the pandemic related to Covid-19 on the carrying amounts of receivables, stock on hire, property plant & equipment and other assets on the basis of evaluation at current indicators of future economic condition. The company expects to recover the carrying amount of such asset & does not anticipate any impairment to these financial & non-financial assets
- 17** The Company does not have any borrowings from Banks and Financial Institutions.
- 18** The Company does not have any Immovable Property.
- 19** The Company does not have any Property/Plant/Equipment during the year.
- 20** No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person, that are repayable on demand or without specifying and terms or period of repayment.
- 21** The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- 22** The Company does not have any borrowings from banks/financial institutions on the basis of security of current assets.
- 23** The Company has not been declared wilful defaulter by any Bank/Financial Institution/other lender.
- 24** The Company does not have any transaction with companies struck off under Section 248 of Companies Act, 2013/ Section 560 of Companies Act 1956.
- 25** There are no charges/ satisfaction yet to be registered with the Registrar of Companies beyond the statutory period.
- 26** The Company does not have any layers prescribed under Clause (87) of Section 2 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017.
- 27** No Scheme of Arrangements has been approved by the competent authority in terms of Section 230 to 237 of Companies Act, 2013.
- 28** The Company has not advanced/loaned/invested funds(either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) including foreign entities (intermediaries) with understanding (whether recorded in writing or otherwise) that the intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any other matter whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - Provide any guarantee or security or the like to or on behalf of the Ultimate Beneficiaries.
- 29** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any matter whatsoever by or on behalf of Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.
- 30** The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year, in the tax assessments under the Income Tax Act, 1961.
- 31** The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- 32** The Company does not have any significant volume of business since past few years .Further there are no borrowings from banks and/or financial institutions. There are neither business creditors nor trade receivables as on date. On an overall consideration of the above ,accounting Ratios are not given.

33. a) Financial Instruments

(Rupees in lakhs)

| | As at March 31 2022 | As at March 31 2021 |
|-------------------------------------|---------------------|---------------------|
| Financial assets at fair value | | |
| Cash and cash equivalents | 1.30 | 0.28 |
| Trade receivables | - | - |
| Total financial assets | 1.30 | 0.28 |
| Financial liabilities at fair value | | |
| Borrowings | 15.25 | 15.25 |
| Trade payables | 4.20 | 1.87 |
| Total financial liabilities | 19.45 | 17.12 |

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, 2022 | 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 | - | - | - |
| Total | - | - | - |
| As at March 31, 2021 | 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 | - | - | - |
| Total | - | - | - |

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, 2022 | Carrying Amount | Contractual Cash Flows | | |
|-------------------------------------------|-----------------|------------------------|----------------|---------------|
| | | Total | 1 year or less | Beyond 1 year |
| Non derivative financial liability | | | | |
| Borrowings | 15.25 | 15.25 | 15.25 | - |
| Trade payables and other payables | 4.20 | 4.20 | 4.20 | - |
| As at March 31, 2021 | Carrying Amount | Contractual Cash Flows | | |
| | | Total | 1 year or less | Beyond 1 year |
| Non derivative financial liability | | | | |
| Borrowings | 15.25 | 15.25 | 15.25 | - |
| Trade payables and other payables | 1.87 | 1.87 | 1.87 | - |

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 Note15).

34. a) **Tax Expense**

i) **Recognized in the Statement of Profit and Loss**

(Rupees in lakhs)

| Particulars | Year ended March 31,2022 | Year ended March 31, 2021 |
|--------------------------------------------|--------------------------|---------------------------|
| 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 31,2022 | Year ended march 31,2021 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| 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, 2022**

(Rupees in lakhs)

| Particulars | Year ended march 31,2022 | Year ended March 31, 2021 |
|----------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| Enacted income tax rate in India applicable to the company | 26.00% | 26.00% |
| Accounting profit before Income Tax | (1.31) | (212.86) |
| 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 | 0.00 | - |
| Income exempted from taxes | 0.00 | 0.00 |
| Others | - | - |
| Total income tax expense/(credit) | - | - |

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

36. Figures have been rounded off to Rs. Lakhs

As per our report of even date
For **V S A & Associates**
(Firm Registration No. 012421N)
Chartered Accountants

Samir Vaid
Partner
M. No. 091309
Place : New Delhi
Dated : 28.05.2022

For & on behalf of the Board

Snehlata Kaim
Director
DIN: 06882968

Vaibhav Goel
Wholetime Director
DIN: 07899594