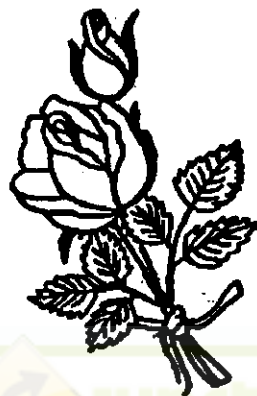


**15TH
ANNUAL REPORT
1998 - 1999**



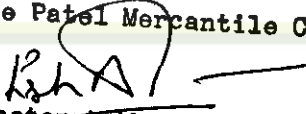
Report



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Certified True Copy

Rose Patel Mercantile Co. Ltd.


Director Authorised Signatory.

ROSE PATEL MERCANTILE COMPANY LIMITED

ROSE PATEL MERCANTILE COMPANY LIMITED

BOARD OF DIRECTORS

MR. KETAN H. DOSHI

MR. PIUSH P. AVLANI

MR. HASMUKHBHAI H. DOSHI

MR. PRAFULCHANDRA T. AVLANI

BANKERS

PROGRESSIVE CO-OP. BANK LTD., SION.

INDUSIND BANK LTD., BANDRA

AUDITORS

M/s. SHAPARIA & MEHTA

CHARTERED ACCOUNTANTS

REGISTERED & CORPORATE OFFICE

191, QUAY STREET, DARUKHANA,

REAY ROAD, MUMBAI - 400 010.

NOTICE

NOTICE IS HEREBY GIVEN THAT, THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ROSE PATEL MERCANTILE COMPANY LIMITED, WILL BE HELD ON THURSDAY, 30TH SEPTEMBER, 1999 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 191, QUAY STREET, DARUKHANA, REAY ROAD, MUMBAI-10, TO TRANSACT THE FOLLOWING BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the Period ended on the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Hasmukhbhai H. Doshi, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

For and On behalf of The Board of Directors

Place : Mumbai
Date : 20th August 1999.

PIUSH P. AVLANI
DIRECTOR

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and such proxy need not be a member of the Company. A proxy may be sent in the form enclosed and in order to be effective must reach the Registered Office of the Company atleast 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday 28th September, 1999 to Thursday 30th September, 1999 (Both Days inclusive).**

● ROSE PATEL MERCANTILE COMPANY LIMITED ●

● 3 ●

DIRECTOR'S REPORT

To,
Dear Shareholders,

Your Directors are pleased to present their Fifteenth Annual Report and the Audited Annual Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

PARTICULARS	1998 - 99	1997 - 98
Gross Income	519,687,996.55	28,88,77,030.55
Profit Before Tax	595,199.55	10,88,397.40
Less : Provision for Taxation	208,750.00	3,81,000.00
Net Profit (After Tax)	386,449.55	7,07,397.40
Add : Balance B/fd from Prev. Year	1,888,386.25	11,81,772.85
Less : Prior Years Tax Adjustments	0.00	784.00
Surplus Carried to Balance Sheet	2,274,835.80	18,86,386.25

Your Directors are hopeful of achieving better results during the current year.

DIVIDEND

Your Directors recommend NIL Dividend for the year under review.

DIRECTORS

Mr. Hasmukhbhai H. Doshi retire by rotation and being eligible offers himself for re-appointment.

AUDITORS :

M/s. SHAPARIA & MEHTA, Chartered Accountants, Statutory Auditors of your Company, hold office until conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Y2K COMPLIANCES

The Computer Hardware & Software Systems used by the Company have been upgraded to comply with the Y2K problems and the Company has obtained the necessary certificates to this effect. This did not involve cost of any significant level.

Listing

The shares of the Company are listed at Mumbai & Ahmedabad Stock Exchange and the Company has paid the necessary listing fees upto the year 1999 - 2000.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Your Directors have nothing to report on the aforesaid matters as your Company is not engaged in manufacturing, has no foreign collaboration, & has not earned any foreign exchange and there is no outgo of foreign exchange.

PARTICULARS OF EMPLOYEES :

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975, are Nil.

For and on Behalf of the
Board of Directors

Place : Mumbai
Date : 20th August, 1999.

PIUSH P. AVLANI
Chairman of the Meeting.