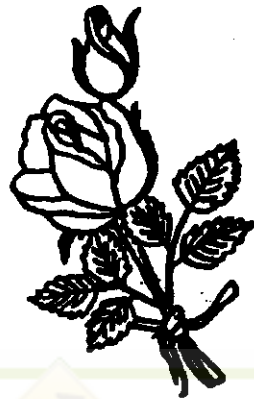
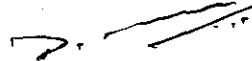


**16th
ANNUAL REPORT
1999 - 2000**



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Certified True Copy
For ROSE MERC. LIMITED



Director/Authorised Signatory

ROSE MERC. LIMITED

(Formerly Known as ROSE PATEL MERCANTILE COMPANY LIMITED)

● ROSE MERC. LIMITED ●

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ROSE MERC. LIMITED

BOARD OF DIRECTORS

**SHRI KETAN H. DOSHI
SHRI PIUSH P. AVLANI
SHRI HASMUKHBHAI H. DOSHI
SHRI 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, MAZGAON,
REAY ROAD, MUMBAI - 400 010**

NOTICE

NOTICE IS HEREBY GIVEN THAT, THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ROSE MERC. LIMITED, WILL BE HELD ON SATURDAY, 30TH SEPTEMBER, 2000 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 191, QUAY STREET, MAZGAON, REAY ROAD, MUMBAI - 400 010, TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Piush P. Avlani, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider & if thought fit to pass with or without modifications the following as a Special Resolution

"RESOLVED THAT subject to the provisions of Section 309 & 310, read with the other applicable provisions of the Companies Act, 1956 & subject to the conditions specified in Schedule XIII, the approval of the members be and is hereby accorded to the increase in the remuneration payable to the Managing Director Shri Ketan H. Doshi, effective from 1st April, 2000, as set out in the terms and conditions entered into between the Company and the concerned Managing Director a copy whereof initialed by the Chairman for the purpose of the identification are placed before the meeting."

"RESOLVED FURTHER THAT pursuant to Section 309(3) read with Section 198(4) & other applicable provisions of the Companies Act, 1956, the aforesaid remuneration subject to the limits prescribed by the Schedule XIII to the Act be paid and provided as minimum remuneration to Shri Ketan H. Doshi, Managing Director, notwithstanding that in any financial year of the Company during his term of office, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

5. To consider & if thought fit to pass with or without modifications the following as a Special Resolution

"RESOLVED THAT subject to the provisions of Section 309 & 310, read with the other applicable provisions of the Companies Act, 1956 & subject to the conditions specified in Schedule XIII, the approval of the members be and is hereby accorded to the increase in the remuneration payable to the Whole-Time Director Shri Pious P. Avlani, effective from 1st April, 2000, as set out in the terms and conditions entered into between the Company and the concerned Whole-Time Director a copy whereof initialed by the Chairman for the purpose of the identification are placed before the meeting."

"RESOLVED FURTHER THAT pursuant to Section 309(3) read with Section 198(4) & other applicable provisions of the Companies Act, 1956, the aforesaid remuneration subject to the limits prescribed by the Schedule XIII to the Act be paid and provided as minimum remuneration to Shri Pious P. Avlani, Whole-Time Director, notwithstanding that in any financial year of the Company during his term of office, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

6. To consider & if thought fit to pass with or without modifications the following as a Special Resolution

"RESOLVED THAT subject to the provisions of Section 309 & 310, read with the other applicable provisions of the Companies Act, 1956 & subject to the conditions specified in Schedule XIII, the approval of the members be and is hereby accorded to the increase in the remuneration payable to the Whole-Time Director Shri Prafulchandra T. Avlani, effective from 1st April, 2000, as set out in the terms and conditions entered into between the Company and the concerned Whole-Time Director a copy whereof initialed by the Chairman for the purpose of the identification are placed before the meeting."

"RESOLVED FURTHER THAT pursuant to Section 309(3) read with Section 198(4) of & other applicable provisions of the Companies Act, 1956, the aforesaid remuneration subject to the limits prescribed by the Schedule XIII to the Act be paid and provided as minimum remuneration to Shri Prafulchandra T. Avlani, Whole-Time Director, notwithstanding that in any financial year of the Company during his term of office, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

7. To consider & if thought fit to pass with or without modifications the following as a Special Resolution

"RESOLVED THAT subject to the provisions of Section 309 & 310, read with the other applicable provisions of the Companies Act, 1956 & subject to the conditions specified in

● **ROSE MERC. LIMITED** ●

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Schedule XIII, the approval of the members be and is hereby accorded to the increase in the remuneration payable to the Whole-Time Director Shri Hasmukh H. Doshi, effective from 1st April, 2000, as setout in the terms and conditions entered into between the Company and the concerned Whole-Time Director a copy whereof initialed by the Chairman for the purpose of the identification are placed before the meeting."

"RESOLVED FURTHER THAT pursuant to Section 309(3) read with Section 198(4) of & other applicable provisions of the Companies Act, 1956, the aforesaid remuneration subject to the limits prescribed by the Schedule XIII to the Act be paid and provided as minimum remuneration to Shri Hasmukh H. Doshi, Whole-Time Director, notwithstanding that in any financial year of the Company during his term of office, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

For and On behalf of The Board of Directors

Place : Mumbai

Date : 21st August, 2000.

PIUSH P. AVLANI

DIRECTOR

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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 relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday 26th September, 2000 to Saturday 30th September, 2000 (Both Days inclusive).**

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.

ITEM NO. 4

Shri Ketan H. Doshi, was appointed as **Managing Director** of the Company with effect from 01.04.1998 for a period of 5 years and his appointment was approved by the members in the Annual General Meeting held on 30th September, 1998.

The Board of Directors after considering the valuable contribution and the services rendered by **Shri Ketan H. Doshi** for the betterment and growth of the Company, have decided to vary the terms & conditions of appointment of **Shri Ketan H. Doshi** as Managing Director by increasing the remuneration and perquisites with effect from 1st April, 2000 as follows :

1. SALARY

Salary and Allowances of Rs. 20,000/- (Rs. Twenty Thousand Only) per month with yearly increment as may be approved by the Board of Director from time to time.

2. PERQUISITES

Perquisites in addition to the Salary restricted upto annual salary or Rs. 2,40,000/- (Rs. Two Lacs Forty Thousand Only) whichever is higher. The perquisites will be classified into 3 categories viz. A,B,C & are as follows :

CATEGORY "A"

1. (a) The expenditure by the Company on hiring unfurnished accomodation for the Managing Director will be 50% of the salary over and above 10% payable by the Managing Director.

b) In case the accomodation is provided by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

c) In case no accomodation is provided by the Company, the Managing Director shall be entitled to 50% of the salary as House Rent Allowances subject to the ceiling laid down in (a) above.

2) The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director.

3) Medical expenses and reimbursment : Medical expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

4) Leave Travel Concession for the Managing Director and his family once in a year incurred in accordance with the rules specified by the Company.

5) Fees of club, subject to a maximum of two clubs. This will not include admission and life membership fees.

6) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

CATEGORY "B"

a) The Managing Director shall be entitled to contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be include in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of the service, subject to a ceiling of Rs. 1,00,000/-.

b) Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY "C"

a) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

b) The Managing Director shall be entitled to earned/privilege leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every completed eleven month's service. However, leave accumulated but not availed of will be allowed to be encashed at the end of the tenure as per category B(b).

3. The other terms & conditions of appointment of **Shri Ketan H. Doshi** as Managing Director as approved by the members in the Annual General Meeting held on 30th September, 1998, shall remain in force till the remaining tenure of appointment.

The Directors recommend the passing of Special Resolution contained in ITEM NO. 4 of the accompanying notice under Section 269, 309, 310 & other applicable provisions of the Companies Act, 1956.

None of the Directors other than **Shri Ketan H. Doshi** and **Shri Hasmukh H. Doshi** may be considered to be interested or concerned in the resolution.

The letter of appointment given to **Shri Ketan H. Doshi**, will be available for the inspection of the members of the Company at Registered Office of the Company during the business hours on any working day upto and including the date of the meeting.

ITEM NO. 5

Shri Piush P. Avlani, was appointed as **Whole-Time Director** of the Company with effect from 01.04.1998 for a period of 5 years and his appointment was approved by the members in the Annual General Meeting held on 30th September, 1998.

The Board of Directors after considering the valuable contribution and the services rendered by **Shri Piush P. Avlani** for the betterment and growth of the Company, have decided to vary the terms & conditions of appointment of **Shri Piush P. Avlani** as **Whole-Time Director** by increasing the remuneration and perquisites with effect from 1st April, 2000 as follows :

1. SALARY

Salary and Allowances of Rs. 20,000/- (Rs. Twenty Thousand Only) per month with yearly increment as may be approved by the Board of Director from time to time.

2. PERQUISITES

Perquisites in addition to the Salary restricted upto annual salary or Rs. 2,40,000/- (Rs. Two Lacs Fourty Thousand Only) whichever is higher. The perquisites will be classified into 3 categories viz. A,B,C & are as follows :

CATEGORY "A"

1. (a) The expenditure by the Company on hiring unfurnished accomodation for the Whole-Time Director will be 50% of the salary over and above 10% payable by the Whole-Time Director.

b) In case the accomodation is provided by the Company, 10% of the salary of the Whole-Time Director shall be deducted by the Company.

c) In case no accomodation is provided by the Company, the Whole-Time Director shall be entitled to 50% of the salary as House Rent Allowances subject to the ceiling laid down in (a) above.

2) The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Whole-Time Director.

3) Medical expenses and reimbursment : Medical expenses incurred for the Whole-Time Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

4) Leave Travel Concession for the Whole-Time Director and his family once in a year incurred in accordance with the rules specified by the Company.

5) Fees of club, subject to a maximum of two clubs. This will not include admission and life membership fees.

6) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

CATEGORY "B"

a) The Whole-Time Director shall be entitled to contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be include in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of the service, subject to a ceiling of Rs. 1,00,000/-.

b) Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY "C"

a) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Whole-Time Director.

b) The Whole-Time Director shall be entitled to earned/privilege leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every completed eleven month's service. However, leave accumulated but not availed of will be allowed to be encashed at the end of the tenure as per category B(b).