

Rose Merc Limited

**31st Annual Report
F.Y. 2014-15**

Index

Sr. No.	Particulars	Page No.
1.	Corporate Information	1
2.	Notice	2
3.	Boards' Report	5
4.	Management Discussion and Analysis Report	19
5.	Statutory Auditors' Report	20
6.	Balance Sheet	24
7.	Profit and Loss Account	25
8.	Cash Flow Statement	26
9.	Notes to Financial Statement	27
10.	Attendance Slip and Proxy Form	34

Corporate Information

Board of Directors		Registered Office
Mr. Viren Vora	Director	Office No. 5, Mangaldeep Chs, Opp. St. Joseph School Sector - 4, Kalamboli, Navi Mumbai, Mumbai City – 410 218
Mr. Kirti Savla	Director	
Mr. Mayur Parikh	Independent Director	
Statutory Auditor		Phone: +91-22-60602719
M/s. J K Shah & Associates		Email: rmltd1985@gmail.com
Chartered Accountant		Registrar & Share Transfer Agent
Office No 5, 3rd Floor, Hasham Premji Bldg, 439, Kalbadevi Road, Mumbai – 400 002		Link Intime India Private Limited
		C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400 078
		Tel No.: 022 – 2594 6970
Secretarial Auditor		Fax No.: 022 – 2594 6969
Mr. Anand S Lavingia		Email: rnt.helpdesk@linkintime.co.in
		Web: www.linkintime.co.in
		Bankers
Practicing Company Secretary		HDFC Bank
415-416, "Pushpam Complex", Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad – 380 051		

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of Rose Merc Limited will be held at the Registered Office of the Company situated at Office No 5, Mangaldeep Chs, Opp. St. Joseph School Sector-4, Kalamboli Navi Mumbai – 410218 on Wednesday, September 30, 2015 at 12:00 Noon to transact the following businesses:

ORDINARY BUSINESSES:-

1. To receive, consider and adopt audited financial statement of account for the financial year ended on March 31, 2015 and the reports of the Directors' and the Auditors' thereon.
2. To appoint Mr. Kirti Chunilal Savla (DIN: 02003878), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditor and to fix their remuneration.

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

"RESOLVED THAT, pursuant to provisions of Section 139 and other applicable provisions of the Companies Act 2013, and the Rules framed there under, M/s. J. K. Shah & Associates, Chartered Accountants, Mumbai (FRN: 109605W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of 31st Annual General Meeting till the conclusion of 33rd Annual General Meeting (subject to their ratification of appointment at next Annual General Meeting) at a remuneration as may be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

SPECIAL BUSINESS:-**4. Appointment of Mr. Mayur Parikh (DIN: 00005646) as a Non- Executive Independent Director**

To consider and thought fir, to pass with or without modification following resolution as an **Ordinary resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Mayur Parikh (DIN: 00005646), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2020."

"RESOLVED FURTHER THAT, any of the Directors of the Company be and is hereby authorized to file necessary forms and documents relating to his appointment with the Registrar of Companies and do all such acts, deeds and things as may be necessary for giving effect to the aforesaid resolution."

Registered Office:

Office No 5, Mangaldeep Chs,
Opp. St. Joseph School Sector-4,
Kalamboli Navi Mumbai – 410218

**By order of the Board
For, Rose Merc Limited**

Place: Mumbai

Date : September 04, 2015

**Viren Vora
Director
DIN: 01446499**

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special businesses as set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50)

and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Members/proxies/authorized representatives are requested to bring their attendance slip along with their copy of annual report to the meeting.
4. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 19, 2015 to Wednesday, September 30, 2015 (both days inclusive) for 31st Annual General Meeting of the Company.
6. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
7. Electronic copy of the Annual Report for the financial statement 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial statement 2014-15 is being sent in the permitted mode.

8. **GREEN INITIATIVE**

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21 April, 2011 and Circular No. 18/2011 dated 29 April, 2011, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit. Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of requisition from you.

To support this green initiative of the Government in full measure, we request members who have not registered their e-mail addresses; so far, to register their e-mail addresses by submitting their e-mail address to their DP or to the Company's Registrar and opt for the electronic mode of communication, in the interest of the environment.

9. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of Names will be entitled to vote.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No. 4**

Mr. Mayur Parikh was appointed as an Additional Director of the Company by the Board of Directors of the Company in accordance with the provisions of Section 161 of the Companies Act, 2013. Further he is Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Mayur Parikh fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

Mr. Mayur Parikh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company.

The Company has also received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mayur Parikh for the office of Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Mayur Parikh as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the Mr. Mayur Parikh will be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

Brief resume and other details of Mr. Mayur Parikh are provided hereunder;

Name of Director	Date of Birth (No. of Shares held)	Nature of Expertise	Name of the Other Public Companies in which he hold Directorship	Name of the Committees* of Public Companies of which he holds Membership / Chairmanship
Mr. Mayur R. Parikh	November 13, 1959 (NIL)	Finance and Tax Laws	<ul style="list-style-type: none"> • Bloom Dekor Limited • Corporate Strategic Allianz Limited • Indo Thai Realities Limited • Amrapali Industries Limited • Madhav Infra Projects Limited • Infinity Infrabuild Limited 	Member – 4 Chairman – 4

* Includes Audit Committee and Stakeholders Grievances Committee only

The Board feels that the presence of Mr. Mayur Parikh on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for approval of the members.

Your Board recommends the resolution set out in Item No. 4 of the Notice to members to pass as an Ordinary Resolution.

None of the Directors, except Mr. Mayur Parikh, being appointee, and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Registered Office:

Office No 5, Mangaldeep Chs,
Opp. St. Joseph School Sector-4,
Kalamboli Navi Mumbai – 410218

**By order of the Board
For, Rose Merc Limited**

Place: Mumbai

Date : September 04, 2015

**Viren Vora
Director
DIN: 01446499**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 31st Annual Report with the Audited Accounts of the Company for the year ended March 31, 2015.

Financial Highlights**(Amt. in Rs.)**

Particulars	F.Y. 2014-15	F.Y. 2013-14
Revenue from Operation	-	-
Other Income	35,83,239	88,70,686
Total Revenue	35,83,239	88,70,686
Less: Total Expenses	10,82,523	10,30,773
Operating Profits before Depreciation, Interest and Tax	25,00,716	78,39,913
Less: Depreciation	5,723	971
Interest	20,38,944	76,99,394
Profit Before Tax	4,56,049	1,39,548
Less: Current Tax	1,45,000	45,000
Deferred tax liability	(1,090)	300
Profit after Tax	3,12,139	94,248

REVIEW OF BUSINESS OPERATION

During the year under review, the company has earned total income of Rs. 35,83,239/- from various other business activities compared to the total income of Rs. 88,70,686/- earned from other business activities in previous year. Analysing the income earned in current period and corresponding previous period there is significant fall of income i.e. around 60% compared to previous year.

The Profit before tax of Company is increased to Rs. 4,56,049/- compared to the previous period which was only Rs. 1,39,548/-. So, there is an increase in PBT even though the Company has earned less revenue in current period. Consequently, the current tax of the Company increases by Rs. 1,00,000/- in the current year and resulting into the Profit after tax of the Company to Rs. 3,21,139 against that of Rs. 94,248/- during the previous financial year.

DIVIDEND

To conserve resources for future prospect and growth of the Company, your Directors regret to declare Dividend for the Financial Year 2014-15.

BOARD OF DIRECTOR AND ITS MEETINGS:**Composition**

The Board consists of three (3) members as on March 31, 2015 namely Mr. Viren Vora, Mr. Mayur Parikh and Mr. Kirti Savla.

Board Meetings & Attendance

During the year under review, Board of Directors of the Company met 7 times, viz April 25 2014, July 25, 2014, August 1 2014, September 1, 2014, October 28, 2014, January 27, 2015 and March 31, 2015.

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

Appointment, Re-appointment and Resignation of Directors

Mr. Chetan Dogra, Director of the Company has resigned from the Board w.e.f. August 1, 2014 due to his pre-occupation in other businesses. The Board of Directors places its appreciation for the contribution made by Mr. Chetan Dogra in the Company.

Further, the Board of Director has appointed Mr. Mayur Parikh as an Additional Director of the Company w.e.f. August 1, 2014. In view of Section 149, the Board of Directors of the Company is of the view that the presence

of Mr. Mayur Parikh in the Board of the Company will benefit the Company and hence the resolution to appoint Mr. Mayur Parikh as an Independent Director has been proposed for the approval of Members.

Further, Mr. Kirti Savla, Director of the Company is retiring by rotation at the ensuing Annual General Meeting of the Company in terms of Section 152 of the Companies Act, 2013. The Board of Directors also recommends his appointment on the Board.

Declaration by Independent Directors

Necessary declaration has been received by the Company from Mr. Mayur Parikh to the effect that he is independent of Management.

Details of Key Managerial Personnel

The Company has not appointed any Key Managerial Personnel on the Board of the Company. The Company is in process to appoint requisite Key Managerial Personnel.

COMMITTEES OF THE BOARD

The Company does not fulfil the requirements of sections 149(5) of the Companies Act, 2013 hence composition of Audit Committee and Nomination and Remuneration Committee is not proper as required under the Companies Act, 2013. However, the Company has formed various committees, the details of which are provided hereunder.

A. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Composition

The Audit Committee comprises of three members as on March 31, 2015. Mr. Viren Vora is the Chairman of the Committee and Mr. Mayur Parikh and Mr. Kirti Savla are the Members.

Meetings & Attendance

During the year, under review 4 meetings were held on April 25, 2014, July 25, 2014, October 28, 2014 and January 27, 2015.

The Audit Committee at its Meeting held on April 25, 2014, reviewed the audited financial results for the year and quarter ended on March 31, 2014 and recommended the account for approvals by the Board of Directors. The Audit Committee at its meeting held on July 25, 2014, October 28, 2014 and January 27, 2015, reviewed the unaudited financial results for the quarter ended on June 30, 2014, September 30, 2014 and December 31, 2014.

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires.

The Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on September 27, 2014.

B. Nomination And Remuneration Committee

The main objective of the Nomination and Remuneration Committee is to determine and recommend to Board, the Company's policies on remuneration packages for executive and non- executive directors and policies on Nomination for appointment of Director, KMPs and Senior Management Personnel.

Composition

The Nomination and Remuneration Committee comprises of three members as on March 31, 2015. Mr. Kirti Savla is the Chairman of the Committee and Mr. Viren Vora and Mr. Mayur Parikh are the Members.

Meeting and Attendance

During the year, 3 meetings were held on August 1, 2014, September 1, 2014 and March 31, 2015. The meetings were held for the purpose of recommending the appointment of Directors and various policies.

Nomination and Remuneration Committee, in its meeting held on March 31, 2015, has also carried out performance evaluation of individual Director of the Company.

The Company has adopted the Policy on Nomination and Remuneration of Directors and Key Managerial Personnel. The same will be available for the inspection by the Members at the registered office of the Company during the normal business hours excluding the day of Saturday and Sunday.

C. Stakeholder's Grievances & Relationship Committee

The Main purpose of the Stakeholder's Grievances & Relationship Committee is to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

Composition

The Stakeholder's Grievances & Relationship Committee comprises of three members as on March 31, 2015. Mr. Mayur Parikh is the Chairman of the Committee and Mr. Viren Vora and Mr. Kirti Savla are the Members.

Meeting & attendance

During the year under review, 4 meetings were held on April 25, 2014, July 25, 2014, October 28, 2014 and January 27, 2015.

Complaint

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2015.

PUBLIC DEPOSIT

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions to be entered by the Company with related parties will be in the ordinary course of business and on an arm's length basis. However, the Company has not entered into any related party transaction, as provided in Section 188 of the Companies Act, 2013, with the related party. Hence, Disclosure as required under Section 188 of the Companies Act, 2013 is not applicable to the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at March 31, 2015 in Form MGT-9, forms part of this Report as **Annexure - "A"**.

PARTICULAR OF EMPLOYEES

The details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 will be available for inspection of members at the registered office of the Company during working hours.

The details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 is not applicable as there is no employee in the Company employed throughout the financial year with salary above Rs. 60 Lakh p.a. or employed part of the financial year with average salary above Rs. 5 Lakh per month.

Further, there is no employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption etc. as required to be given under section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014, are not applicable to our Company, as our Company is not carrying on any manufacturing activities.

Further, there was no foreign exchange earnings and outgo during the financial year 2014-15.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year of the Company i.e. March 31, 2015 and the date of Director's Report i.e. September 4, 2015.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

BUSINESS RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing and mitigating the same.

CORPORATE GOVERNANCE

In term of SEBI circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, compliance with the provisions of Clause 49 shall not be mandatory to the Company whose Paid-up Capital, as on last day of previous financial year, is below 10 crore and Net worth, as on last day of previous financial year, is below Rs. 25 Crore.

Therefore, Your Company has not attached the Corporate Governance Report in this Annual Report. Although few of the details, which are the part of Corporate Governance, are provided in the Director Report as per Companies Act, 2013.

AUDITORS

Statutory Auditor & their report:

The Board of Directors of the Company has recommended the appointment of M/s. J.K. Shah & Associates, Chartered Accountants, Mumbai [FRN: 109605W], to hold the office from the conclusion of the 31st Annual General Meeting till the conclusion of the 33rd Annual General Meeting, subject to approval by the members in the ensuing Annual General Meeting, at a remuneration as may be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit, be and are hereby re-appointed as the Statutory Auditors of the Company.

The Company has received the consent from M/s. J.K. Shah & Associates, Chartered Accountants, Mumbai confirming that they are not disqualified to be appointed as the Auditors of the Company.

The Auditors' Report on the accounts of the Company for the accounting year ended March 31, 2015 is self-explanatory and do not call for further explanations or comments that may be treated as adequate compliance of Section 134 of the Companies Act, 2013.

Secretarial Auditor & their report:

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Anand S. Lavingia, Practicing Company Secretary to carry out the Secretarial Audit for the financial year ended on March 31, 2015. Secretarial Audit Report is attached to this report as **Annexure—"B"**.

The Secretarial Auditors' Report for the financial year ended on March 31, 2015 is self-explanatory and do not call for further explanations or comments that may be treated as adequate compliances of various act, rules, regulations, guidelines etc. as applicable to the Company except that the report contain some observation in relation to non-filing of resolutions with ROC and return with Certain authorities. Further Company has not appointed required no. of Independent Director on Board and KMP.

Your Directors state that the Company is in process to comply with the requirement of laws. The Company is also taking necessary step for adequate compliances with regard to compliance of various acts.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3) (c) of the Act, your Directors state that:

- a) in the preparation of the annual financial statements for the year ended on March 31, 2015, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the company for the year ended on that date,