



# ANNUAL REPORT

## 2018 – 19

Mercantile Ventures Limited

## Board of Directors

AL. Chandramouli	Director (DIN: 02299091)
B. Narendran	Director (DIN: 01159394)
Sashikala Srikanth	Director (DIN: 01678374)
E.N. Rangaswami	Whole-time Director (DIN: 06463753)

## Audit Committee

AL. Chandramouli	Chairman
B. Narendran	Member
Sashikala Srikanth	Member

## Chief Financial Officer

V. Padmanabha Sarma

## Company Secretary & Compliance Officer

S. Yoganandhan

## Registrars and Share Transfer Agent

Cameo Corporate Services Limited  
Subramanian Building,  
1, Club House Road,  
Chennai – 600 002.

## Registered Office

88, Mount Road,  
Guindy,  
Chennai – 600 032.  
CIN: L65191TN1985PLC037309  
E-mail: admin@mercantileventures.co.in  
Website: www.mercantileventures.co.in

## Auditors

M/s.DPV & Associates  
“Sri Ranga”, First Floor,  
New No.151, Mambalam High Road,  
T.Nagar,  
Chennai – 600 017.

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## MERCANTILE VENTURES LIMITED

CIN: L65191TN1985PLC037309

Registered Office: 88, Mount Road, Guindy, Chennai – 600 032.

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Friday 02 August 2019 at 02.00 PM at Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600108** to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March, 2019 by passing the following as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2019 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.

2. To appoint a Director in place of Mr. E N Rangaswami (DIN:06463753), who retires by rotation and being eligible, offers himself for re-appointment, by passing the following as an Ordinary Resolution.

**RESOLVED THAT** pursuant to section 152 and other applicable provisions, if any of the Companies Act, 2013, Mr. E N Rangaswami (DIN: 06463753), Whole-time Director who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.

3. To fix the remuneration of Auditors for the year 2019-20 by passing the following as an Ordinary Resolution.

**RESOLVED THAT** pursuant to Section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants, Chennai, the Auditors of the Company for the year 2019-20 is fixed as Rs. 3,50,000 (Rupees Three Lakhs and Fifty Thousand only) for audit and related services plus reimbursement of out of pocket expenses and applicable taxes.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution for continuation of directorship of Mr. B. Narendran as an Independent Director on his attaining the age of 75.

**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby granted to Mr. B. Narendran (DIN: 01159394), who is attaining the age of seventy five (75) years by 22nd of June, 2020, to continue to be a Non-Executive Independent Director from 22 June, 2020 till the end of his first five year term on 02 February, 2022 being the date of expiry of his current term of office.

5. To consider and, if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution to re-appoint Mr. A L Chandramouli as an Independent Director:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Regulations 16(1)(b), 17 and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the re-appointment of Mr. A L Chandramouli (DIN: 02299091) as an Independent Director of the Company and to hold office for a period of five years from 25 March, 2020 be and is hereby approved during which term he will be attaining the age of 75 years.

6. To consider and, if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution to re-appoint Ms. Sashikala Srikanth as an Independent Director:

**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Sashikala Srikanth (DIN: 01678374), be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 25 March 2020.

7. To consider and if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution for re-appointment of Whole Time Director:

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read

with Schedule V of the Companies Act, 2013, consent of the Members be and is hereby accorded for the re-appointment of Mr. E N Rangaswami, as Whole-time director of the Company for a period of three years with effect from 05 December 2018 to 04 December 2021, on the remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment) on such terms and conditions as set out below with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and payment of remuneration not exceeding the limits set out in Schedule V from time to time or any amendments thereto or any re-enactment thereof agreed between the Board of Directors.

- i. Basic Salary at the rate of Rs.2,00,000 (Rupees two lakhs only) per month
- ii. Other Allowances and perquisites aggregating to Rs.2,00,000 (Rupees two lakhs only) per month
- iii. Contribution to Provident and Other Funds, Superannuation, Gratuity, leave eligibility and encashment shall be as per the applicable law/service rules of the Company and subject to the limits under (ii) above.
- iv. In addition to the above, the Company shall provide telephone and other communication facilities to the WTD for use in relation to discharge of the duties and responsibilities under this Agreement.
- v. The Company shall reimburse actual entertainment and traveling expenses incurred by the WTD in connection with the Company's business and the same shall not be treated as perquisites or benefits to the WTD.
- vi. In the event of inadequacy or absence of profits during the term of the Agreement, the Whole-time director shall be entitled to the aforesaid remuneration as Minimum Remuneration and the same shall be subject to the provisions of the applicable laws and approval of the Central Government or such other approvals as may be required under the relevant laws.
- vii. The remuneration mentioned above will be subject to such periodical revision as may be approved by the Board.
- viii. The appointment can be terminated by either of the parties by giving 3 (three) calendar months' notice in writing or 3 months total salary (includes allowances and incentive) in lieu thereof.

**RESOLVED FURTHER THAT** the Board, including any Committee thereof, be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the aforesaid resolution.

By Order of the Board  
For **MERCANTILE VENTURES LIMITED**  
**E N RANGASWAMI**  
(DIN: 06463753)  
Whole-time Director

Place : Chennai  
Date : 23 May 2019

**NOTES:**

1. Explanatory statement required under section 102(1) of the Companies Act, 2013(the Act). setting out details relating to Ordinary and Special business of the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not more than fifty (50) Members and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS (48 hours) before the time for holding the Meeting. A Proxy Form is annexed to this Notice. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on a poll. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable
3. The Register of Members and the Share transfer Books will remain closed from 27 July, 2019 to 02 August 2019 both days inclusive.
4. The shareholding of the members will be reckoned as on the date of 26 July, 2019 for the purpose of e-voting.
5. Members are requested to convert the physical shares to demat and to effect change of address, if any.
6. Members are requested to bring their copies of Annual Report to the meeting.
7. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members facility to cast their vote electronically on all resolutions set forth in this notice through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). The detailed process for participating in e-voting is furnished in the Annexure to the notice in page no. 8 The Company has appointed Mr. R Kannan, Practising Company Secretary as the scrutinizer for e-voting.

8. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.
9. Shareholders are aware that, the Ministry of Corporate Affairs has allowed Companies to send notices for meetings and other shareholders correspondences in electronic form. Hence the shareholders are requested to register their e-mail ID's with the Registrars of the Company by submitting EARF(E-mail Address Registration Form).
10. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 AM to 5.00 PM) on all working days except on holidays, up to the date of the AGM.

## **EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.**

### **Item No. 3**

Disclosure pursuant to 36(5) of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Audit Committee has proposed remuneration of Rs. 3,50,000 (Rupees Three Lakhs and Fifty Thousand only) (Previous year Rs. 3,50,000) to M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants to audit the accounts for the Financial year 2019-2020.

### **Item No. 4**

The Members of the Company at the sixteenth Annual General Meeting held on 28 July, 2017 had appointed Mr. B. Narendran (DIN: 01159394) as Independent Director of the Company for a term of five (5) consecutive years commencing from 3, February, 2017 and expiring on 2 February, 2022.

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Mr. B. Narendran is attaining the 75 years of age on 22 June, 2020. Pursuant to Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of his directorship with effect from 22 June, 2020 to till the end of his first five year term upto 02 February, 2022, being the date of expiry of his current term of office, will be required to be passed.

Based on the recommendations made by the Nomination Remuneration Committee, the Board of Directors at its meeting held on 23 May, 2019, has unanimously decided the continuation of directorships of Mr. B. Narendran after attaining the age of 75 till the date of expiry of his current term of office.

Profile of Mr. B Narendran and justification for continuation of the directorship of Mr. B. Narendran is stated below:

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the continuation of Mr. B Narendran as Independent Director after attaining the age of 75 years.

Mr. B Narendran, is a Chemical Engineer and a Master's Graduate from USA in Transportation, had worked as professional for more than 3 decades in MAC Group of companies as well as consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA.

Mr. B. Narendran, is also the Honorary Consul, Office of the Honorary Consulate, Republic of Philippines in Chennai.

Details of other directorships and memberships/chairmanships of committees are given below:

S.No	Name of the Company	Committee Membership/ Chairmanship
1.	Southern Petrochemical Industries Corporation Ltd	Audit Committee – <b>Member</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination and remuneration Committee – <b>Chairman</b> Corporate Social responsibility Committee – <b>Member</b>
2.	Sicagen India Ltd	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b>
3.	Greenstar Fertilizers Ltd	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Chairman</b> Corporate Social responsibility Committee – <b>Member</b>
4.	Tuticorin Alkali Chemicals & Fertilizers Ltd	Audit Committee – <b>Chairman</b> Stakeholders Relationship Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b>
5.	South India House Estates & Properties Ltd	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Member</b>
6.	India Radiators Limited	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Chairman</b>

**Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

Mr. B Narendran has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

**Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Mr. B Narendran, Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

**Item No. 5 & 6**

Ms. Sashikala Srikanth (DIN: 01678374) and Mr. A L Chandramouli (DIN: 02299091) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. They hold office as Independent Directors of the Company up to 24 March 2020 (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Ms. Sashikala Srikanth and Mr. A L Chandramouli that, they are not disqualified from being re-appointed as Independent Directors, in terms of Section 164 of the Act, declaration that they meet with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and their consent to continue as an Independent Director.

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Ms. Sashikala Srikanth and Mr. A L Chandramouli as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company, including necessity for continuation of Mr. A L Chandramouli after attaining the age of 75.

The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation of Independent Directors, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Ms. Sashikala Srikanth and Mr. A L Chandramouli would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Ms. Sashikala Srikanth and Mr. A L Chandramouli as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from 25 March 2020.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the re-appointment of Ms. Sashikala Srikanth and Mr. A L Chandramouli has been received by the Company, and consent has been filed by Ms. Sashikala Srikanth and Mr. A L Chandramouli pursuant to Section 152 of the Act.

In the opinion of the Board, Ms. Sashikala Srikanth and Mr. A L Chandramouli fulfilled the conditions for appointment as Independent Directors as specified in the Act and SEBI Regulations. Ms. Sashikala Srikanth and Mr. A L Chandramouli are independent of the management. Details of Directors Profiles and justification for continuation of the directorship of pursuant to the provisions of (i) the Regulation 36 of SEBI LODR and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India whose re-appointment as Independent Directors is proposed at Item Nos. 4 & 5 are provided below.

#### BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT

**Mr. AL Chandramouli**, aged about 72 years, holds Masters degree in Geology. He has 4 decades of rich experience in Planning, Risk Mangement, Credit, Estate Department, Human Resources, Forex trading , Public issues and many other important areas of Banking Sector. He has headed the International division of a bank. He has also served in many important committees of Indian Banks Association.

Other Directorships held

Aishwaryam Corporate Services Private Limited – Director

Other Committee Membership held - Nil

**Ms. Sashikala Srikanth**, aged 62 years is a graduate in economics and a chartered accountant. At present, she is providing consultancy to various corporates including the areas of CSR. She was Senior General Manager- Resources of IAL Group and Group Financial Controller of Shattaff Group, Dubai from 2003 to 2005 and held various other senior management level positions in leading Companies from 1996 to 2005. She was also associated with AF Ferguson & Co Chartered Accountants.

Other Directorships held

Name of the Company	Name of the Committee
Tamilnadu Petroproducts Ltd	Risk Management Committee
	Audit Committee
	CSR Committee
Manali Petrochemicals Ltd	Risk Management Committee
	Audit Committee
	CSR Committee
Southern Petrochemical Industries Corpn. Ltd	Audit Committee
Greenstar Fertilizers Ltd	Audit Committee
	CSR Committee
	Nomination & Remuneration Committee
EDAC Engineering Ltd	Audit Committee
	Nomination & Remuneration Committee
Sicagen India Limited	Audit Committee
	CSR Committee
AMCHEM Speciality Chemicals UK Limited	Nil
AMCHEM Speciality Chemicals Private limited (Singapore)	Nil
Certus Investment and Trading Limited (CITL), Mauritius	Nil
AM Educational Foundation	Nil
AM Foundation	Nil

Copy of draft letters of appointment of Ms. Sashikala Srikanth and Mr. A L Chandramouli setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Directors are not holding any shares in the Company.

Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:

Ms. Sashikala Srikanth and Mr. A L Chandramouli have no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

#### Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Ms. Sashikala Srikanth and Mr. A L Chandramouli as Directors.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

**Item No. 2 & 7**

Mr. E N Rangaswami having (DIN: 06463753) was appointed as Whole time director for the period of 3 years from 05 December, 2015 to 04 December, 2018. His appointment has ended on 04 December, 2018. Based on the recommendation of the Nomination and Remuneration Committee the Board of directors at the meeting held on 25 October, 2018 has re-appointed Mr. E N Rangaswami as Whole Time Director for a further period of 3 years from 05 December, 2018 to 04 December, 2021.

**Detail of the appointee is provided below.**

**Information required under Section II, Part II of Schedule V of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**General Information:**

(1).	Nature of industry	Leasing of immovable properties.												
(2).	Date or expected date of commencement of commercial production	The company was incorporated on: 23/12/1985 and commenced its operations.												
(3).	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable												
(4).	Financial performance based on given indicators	<b>(Rs. in Lakhs)</b>												
		<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>F.Year</th> <th>Revenue from Operation</th> <th>Profit after Tax</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>424.51</td> <td>404.05</td> </tr> <tr> <td>2016-17</td> <td>468.74</td> <td>(2862.80)</td> </tr> <tr> <td>2017-18</td> <td>514.89</td> <td>77.33</td> </tr> </tbody> </table>	F.Year	Revenue from Operation	Profit after Tax	2015-16	424.51	404.05	2016-17	468.74	(2862.80)	2017-18	514.89	77.33
F.Year	Revenue from Operation	Profit after Tax												
2015-16	424.51	404.05												
2016-17	468.74	(2862.80)												
2017-18	514.89	77.33												
(5).	Export performance and net foreign Exchange collaborations.	None.												
(6).	Foreign investments or collaborators, if any.	Nil												

**II. Information about the appointee:**

	Name of the Director	Mr. E N Rangaswami
(1).	Background details.	Mr. E N Rangaswami aged 63 years is a Chartered Accountant with 40 years of experience.
(2).	Past remuneration.	Rs. 40 Lakhs per annum FY 17-18.
(3).	Recognition or awards.	None
(4).	Job profile and his suitability.	The Whole Time Director is responsible for the complete operations of the Company and he has vast experience in the corporate sector.
(5).	Remuneration proposed.	Rs.48 Lakhs per annum together with the performance incentive and annual increment as decided by the Nomination and Remuneration Committee.
(6).	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The Company operates a niche business model. Secondary data on managerial remuneration for equivalent positions is not readily available However considering current state of competition across the industry, the remuneration offered to the whole time director is fully in line with the responsibilities shouldered.
(7).	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any	Nil

**III. Other information:**

(1).	Reasons of loss or inadequate profits	Not Applicable.
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(2).	Steps taken or proposed to be taken for improvement	Proposed to expand its operations into providing manpower services.
(3).	Expected increase in productivity and profits in measurable terms.	The company expects to improve upon the current year operating profits in the ensuing years.
<b>IV. Disclosures – Provided in Corporate Governance Report</b>		
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board;		<b>Directorships in the following companies:</b> India Radiators Limited  <b>Committee memberships:</b> India Radiators Limited Audit Committee - Member, Nomination & Remuneration Committee - Member Stakeholders Relationship Committee- Chairperson
Shareholding of non-executive directors.		Nil

#### Inspection of Documents

All related documents are available for inspection by the Members at the Registered office of the Company on any working day between 11.00 am to 1.00 pm upto the date of this 18th Annual General Meeting.

#### Disclosure of Interest:

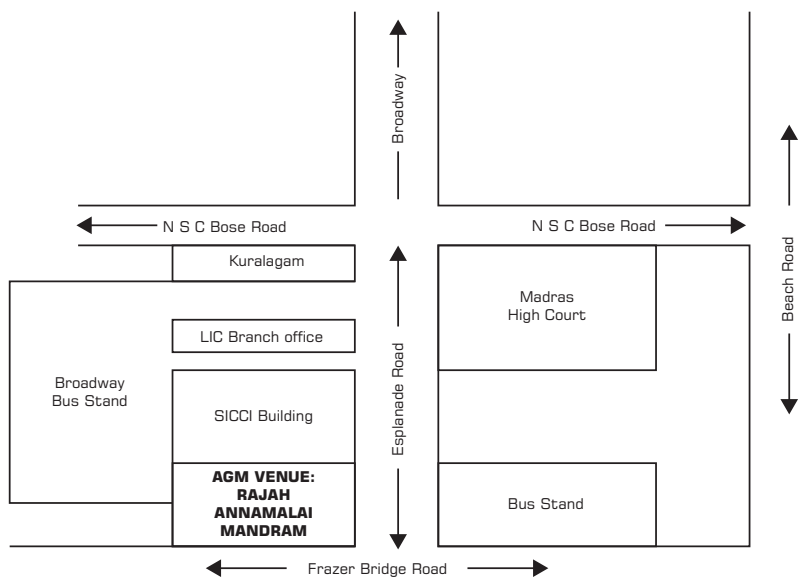
None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Mr. E N Rangaswami Whole Time Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

By Order of the Board  
 For **Mercantile Ventures Limited**  
**E N Rangaswami**  
 (DIN: 06463753)  
 Whole-time Director

Place : Chennai  
 Date : 23 May 2019

#### Land Mark for the AGM Venue: Opposite to Western Entrance of Madras High Court.



### INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

- i The voting period begins on Tuesday 30 July, 2019 at 9.00 a.m. and ends on Thursday 01 August, 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 26 July, 2019 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii The shareholders should log on to the e-voting website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
- iv Click on Shareholders/ Members.
- v Now Enter your User ID
  1. For CDSL: 16 digit beneficiary ID,
  2. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter their Folio Number registered with the Company.
- vi Next enter the Image Verification as displayed and Click on Login.
- vii If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
- viii If you are a first-time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rakesh Mohan with Sequence Number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository Participant or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- ix After entering these details appropriately, click on "SUBMIT" tab.
- x Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii Click on the EVSN for Mercantile Ventures Limited and you will be directed to the E-Voting Screen.
- xiii On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- xviii If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobile. The m-voting app can be downloaded from Google Play Store. Apple and windows phone user can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## BOARD'S REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2019.

### 1. REVIEW OF OPERATIONS

The financial results for the year ended 31 March 2019 have been prepared in accordance with Indian Accounting Standards. During the year the company has reported a profit before tax and exceptional items of Rs. 405.52 lakhs (previous year Rs. 562.02 lakhs) and total comprehensive income of Rs. 1365.11 lakhs (previous year Rs. 715.59 lakhs).

### 2. FINANCIAL RESULTS

(Rs.Lakhs)

Description	2018-19	2017-18
Profit/(Loss) Before Interest & Depreciation	560.24	737.22
Interest	51.74	63.27
Depreciation	102.98	111.93
Profit/(Loss) Before Tax & Exceptional items	405.52	562.02
Exceptional items	-	-
Profit/(Loss) Before Tax	405.52	562.02
Provision for taxation Current tax	149.47	189.16
Deferred tax	(26.61)	295.53
Profit/(Loss) After Tax	282.66	77.33
Other Comprehensive Income	1082.45	638.26
Total Comprehensive Income for the year	1365.11	715.59
Amount transferred to reserves, if any	Nil	Nil

### 3. DIVIDEND

The Board of Directors has not recommended any dividend for the year as the profits are conserved to fund the future plans of the Company.

### 4. SHARES

The Company has not bought back any of its shares during the year under review. The Company also has not issued any sweat equity shares, bonus shares or stock option scheme during the year under review.

During the year Company has redeemed 7,50,000 Zero% optionally Convertible Preference Shares of Rs.10/- each aggregating to Rs. 75 Lakhs.

### 5. FIXED DEPOSIT

The Company has neither accepted nor renewed any deposits during the year under review.

### 6. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report

### 7. CHANGE IN NATURE OF BUSINESS, IF ANY;

The Company is planning to start facility management and manpower supply services business in the financial year 2019-20.

### 8. SUBSIDIARIES & ASSOCIATES

M/s. Oasis Ventures Private Limited and M/s. Rayce Electronic Intelligence India Private Limited have been merged with M/s. i3 Security Services Private Limited pursuant to NCLT Order dated 03 May, 2019. The effective date of merger is 01 April, 2018.

The Company monitors the performance of subsidiary company inter-alia, by the following means:

- The Company has one material unlisted Indian subsidiary and compliance requirements as SEBI (LODR) Regulations, 2015 has been ensured.
- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.

- c) Our Company formulated a policy on material subsidiary as required, and uploaded in the website of the Company in the link <http://www.mercantileventures.co.in>

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies [Accounts] Rules, 2014. Also a separate statement containing the salient feature of the financial statements of the subsidiaries and associate in Form AOC-1 is attached to the financial statements.

### PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

The financial highlights of the subsidiaries and associate company as on 31 March 2019 are given below: (Rs.lakhs)

Particulars	i3 Security Services Pvt Ltd	Chitaranjan Developers LLP	National Trust Housing Finance Ltd
	Subsidiaries		Associate
% of shareholding held by	100.00% MVL	98.00% (Share of profits) MVL	49.00% MVL
Total Income	2,903.23	9.54	4,266.55
Profit before tax	117.73	(26.53)	813.63
Current Tax	33.66	-	184.94
Deferred tax liability	(4.10)	-	24.43
Profit / (Loss) after tax	88.17	(26.53)	604.25
Other Comprehensive Income	-	-	(0.78)
Total Comprehensive Income	88.17	(26.53)	603.47

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2019;
- The directors had 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 for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company 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 and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 10. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

### 11. DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Company's Board comprises of the following directors: Mr. B Narendran, Mr. A. L Chandramouli, Ms. Sashikala Srikanth and Mr. E N Rangaswami.

Mr. B. Narendran (DIN: 01159394), Independent Director of the Company is attaining the age of seventy five (75) years by 22nd of June, 2020. In order to comply with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, the Company has proposed the continuation of his appointment in this Annual General Meeting from 22 June, 2020 till the end of his first five year term upto 02 February, 2022

The term of appointment of Ms. Sashikala Srikanth (DIN: 01678374) and Mr. A L Chandramouli (DIN: 02299091) is ending on 24 March 2020. Hence, the company has proposed their re-appointment for the second term of five years in this Annual General Meeting. Mr. A L Chandramouli will be completing 75 years of age by 08 July, 2021 and hence it also proposed to pass a special resolution in the Annual General Meeting under 17(1A) of the of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 for continuing him as director beyond 75 years in his second term.

The tenure of appointment of Mr. E N Rangaswami having (DIN:06463753) ended on 04 December, 2018. Based on the recommendation of the Nomination and Remuneration Committee, the Board of directors at the meeting held on 25 October, 2018 has re-appointed Mr. E N Rangaswami as Whole Time Director for a further period of 3 years from 05 December, 2018 to 04 December, 2021, subject to the approval of shareholders in the Annual General Meeting.

The Key Managerial personnel of the Company are: Mr. E N Rangaswami - Whole-time Director, Mr. V Padmanabha Sarma - Chief Financial Officer and Mr. S. Yoganandhan – Company Secretary.

Mr. S. Yoganandhan was appointed as a Whole Time Company Secretary in place of Mr. N Prasanna Varadan due to resignation.

## **12. BOARD AND COMMITTEE MEETINGS**

The Company had five board meetings during the financial year under review. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of the Board and Committee meetings are given in the Corporate Governance Report.

## **13. CORPORATE GOVERNANCE**

A report on Corporate Governance as stipulated under Schedule V and Regulation 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from a practicing company secretary confirming compliance with the conditions of corporate governance as stipulated is annexed to this Report.

## **14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policies relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 are uploaded in the website of the Company in the following links.

<http://mercantileventures.co.in/files/CRITERIA%20FOR%20APPOINTMENT%20OF%20INDEPENDENT%20DIRECTORS.pdf>

<http://mercantileventures.co.in/files/Remuneration%20Policy.pdf>

The Remuneration policy also forms part of the Corporate Governance Report

## **15. FAMILIARIZATION PROGRAM**

The details are provided in the Corporate Governance report and on the website of the Company.

## **16. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Boards' performance and performance of the non-independent Director were considered/evaluated by the independent directors at their meeting without the participation of the non-independent director and key managerial personnel.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform its duties.

Pursuant to the provisions of the Companies act, 2013 and Regulation 17 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees.

## **17. Internal Control Systems & their adequacy**

Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable accounting standards and policies.
- Compliance with applicable statutes, management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal audit was carried out periodically through a practicing chartered accountant. The observations arising out of the audit were periodically reviewed and compliance ensured. The summary of the internal audit observations and management responses were submitted to the Board after review by the Audit Committee.

#### **18. FRAUDS REPORTED BY AUDITORS AS PER SEC 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.**

There were no frauds reported by auditors in their report.

#### **19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with related parties during the financial year 2018-19 which were in conflict with the interests of the Company.

The Board has approved the policy on related party transactions.

Details of transaction with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in form AOC-2 and attached to the financial statement.

There are no transactions with entity belonging to promoter/promoter group which hold(s) 10% or more shareholding in the Company except redemption of preference shares held by South India Travels Private Limited.

The policy has been uploaded on the Company's website, under the web link: <http://mercantileventures.co.in>

#### **20. AUDITORS**

##### **STATUTORY AUDITORS**

M/s. DPV & Associates, Chartered Accountants have been appointed as the auditors of the company at the 16th Annual General Meeting to hold office till the conclusion of the 21st AGM to be held in the year 2022 as per Section 139 of the Companies Act, 2013.

##### **SECRETARIAL AUDITOR**

The Company has appointed Mr. R Kannan, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed to this report.

##### **COST AUDITOR MAINTENANCE OF COST RECORDS**

The business activity of the Company is not covered under rule 3 of The Companies (Cost Records and Audit) Rules, 2014. Accordingly, the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable.

#### **21. RISK MANAGEMENT.**

The Risk Management Committee has been formed comprising Ms. Sashikala Srikanth, Director as Chairperson of the committee and the other members are Mr. E N Rangaswami, Whole-time Director and Mr. V. Padmanabha Sarma, Chief Financial officer. Risk Management Committee ensures that the Company has an appropriate and effective risk management system which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals. The Committee met periodically to study the risks, threats & concerns and submitted reports to the Board of Directors.

#### **22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of Loans, guarantees and investments covered under section 186 of the Companies Act 2013 are provided in the notes to the financial statements.

#### **23. SEXUAL HARASSMENT**

No cases were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **24. AUDIT COMMITTEE AND WHISTLE BLOWER POLICY**

The Audit Committee consists of three independent directors: Mr. AL Chandramouli, Mr. B Narendran and Ms. Sashikala Srikanth. As required under Section 177 of the Companies Act 2013, the Company has established Whistle Blower policy and the same has been uploaded in the following web link.

<http://mercantileventures.co.in/files/Whistle%20blower%20policy.pdf>

#### **25. CORPORATE SOCIAL RESPONSIBILITY**

The company has complied with the provisions of Corporate Social Responsibility. The CSR Policy related disclosures are annexed to this report.



## 26. ANNUAL RETURN

The extracts of annual return in Form MGT 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to this report.

The copy of annual return has been uploaded on the Company's website, under the web link: <http://mercantileventures.co.in>.

## 27. PARTICULARS OF EMPLOYEES

The Company has no employee whose salary exceeds the limits as prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Key Managerial personnel) Rules, 2014

## 28. TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### Conservation of Energy and Technical Absorption:

The business of the Company is leasing of immovable properties. The particulars prescribed under Section 134 of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy and technology absorption are not applicable to the business operations of the Company.

### Foreign Exchange Earnings and Outgo:

- (a) Foreign Exchange Inflow: Nil
- (b) Foreign Exchange Outflow: Nil

## 29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company.

## 30. QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks in the reports of M/s DPV & Associates, Statutory Auditors and Mr. R. Kannan, Secretarial Auditor.

## 31. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves for the continuance / appointment as independent directors under the provisions of the Companies Act, 2013 and the relevant rules.

## 32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a) Industry Scenario

The real estate market continues to be sluggish during the year. This trend is expected to improve in the ensuing years with the anticipated uptick in the economy.

### b) Opportunities and Threats

Having assumed necessary security and discipline with the introduction of RERA, it is expected to create a platform for further growth in the real estate sector.

### c) Segment-wise or produce-wise performance

The company is operating only in leasing segment.

### d) Future Outlook and state of the company's affairs

The main business of the Company is investment in properties for leasing. The revenue stream from the operations is expected to improve in the immediate future.

The Company would be entering into facility management and man power supply services business from the financial year 2019-2020. The prospects for this line of business are good and the company is expected to generate decent revenues from the aforesaid activities.

### e) Risk and concerns

As per the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee has to be set up by top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year. As per this regulation the Company is not required to constitute a Risk Management Committee. The Company however has constituted a Risk Management Committee to constantly review the technical and commercial risks the company has to face so that the interests of the shareholders are protected. .



**f) Internal control systems and adequacy.**

The company has an adequate internal control system.

**g) Material developments in Human Resources / Industrial Relations front, including number of people employed. - Nil**

**h) Details of significant changes in key financial ratios (Change of 25% or more as compared to the immediately previous financial year).**

During the year, on a standalone basis there was no significant change in the financial ratios as compared to the previous year which are more than 25%.

**i) Any change in return of net worth as compared to the immediately previous financial year.**

The details of return of net worth as compared to the immediately previous financial year are provided in the financial statements

**INFORMATION PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year – 2018-19	Mr. E N Rangaswami, Whole-time Director	6.50
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2018-19.	Mr. E N Rangaswami, Whole-time Director	20.00
	Mr. V Padmanabha Sarma, Chief Financial Officer	17.10
	Mr. N Prasanna Varadan, Company Secretary Resigned (w.e.f 08.11.2018)	32.93
The percentage increase in the median remuneration of employees in the financial Year – 2018-19.	14.59	
The number of permanent employees on the rolls of Company as on 31.03.2019	2	
Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof	Average percentage increase already made in the salaries of employees other than the key managerial personnel in the FY 2018-19.	10.56%
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2018-19	20.88%

**INFORMATION PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: DETAILS OF EMPLOYEES IN TERMS OF REMUNERATION RECEIVED DURING THE YEAR**

Details of top 10 employees in terms of remuneration received during the year.							
Name	Designation	Remuneration (Rs. in Lakhs)	Qualification	Experience	Date of Joining	Age	Last Employment
E N . Rangaswami	Whole-Time Director	48.00	B.Sc., ACA	40 Years	05/12/2012	63	Manali petrochemicals Ltd, General Manager (Finance)
V Padmanabha Sarma	Chief Financial Officer	13.90	B.Com., ACA	43 Years	01/12/2012	69	MCC Finance Ltd, Senior Vice president
N Prasanna Varadan Resigned w.e.f 08.11.18	Company Secretary	5.35	B. Com., MBA, ACS	7 Years	13/07/2015	31	S V Global Ltd, Secretarial executive
S. Yoganandhan	Company Secretary	2.27	B. Com, ACS	10 Years	02/11/2018	31	Proactive Solutech India Private Limited Company Secretary
V M Arunchalam	Assistant Manager (Accounts)	7.15	B.Com.,	31 Years	12/06/2013	52	SPIC SMO, Accounts Manager
L S Venkataraman	Executive (Co-ordination)	5.10	BA.,	42 Years	09/11/2012	66	Manali Petrochemicals Ltd, executive

1. The above appointments are contractual.
2. As per the disclosure available with the Company, none of the above employees is related to any director and does not hold any shares in the Company.
3. The remuneration shown above includes contributions to provident and other funds.

**AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY**

Company is adopting remuneration guidelines for fixing the remuneration as per the Remuneration policy.

**ACKNOWLEDGEMENT**

Your directors express their grateful thanks for the assistance, co-operation and support extended to the Company by promoters, shareholders and the bankers and appreciation for their continued support. The Directors also place on record their appreciation of the good work put in by the employees of the company.

Place: Chennai  
Date: 23 May 2019

**E N Rangaswami**  
(DIN: 06463753)  
Whole-time Director

By order of the Board  
**For Mercantile Ventures Limited**  
**B. Narendran**  
(DIN 01159394)  
Director

**FORM NO. AOC -2**

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	I3 Security Private Limited Subsidiary	Chitaranjan Developers LLP Subsidiary
b)	Nature of contracts/arrangements/ transaction	Availing / Rendering of services	Availing / Rendering of services
c)	Duration of the contracts/arrangements/ transaction	Not Applicable	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable	Not Applicable
e)	Date of approval by the Board	Appropriate approvals have been taken for related party transactions	Appropriate approvals have been taken for related party transactions
f)	Amount paid as advances, if any	Nil	122.92 Laksh

Place: Chennai  
Date: 23 May 2019

**E N Rangaswami**  
(DIN: 06463753)  
Whole-time Director

By order of the Board  
**For Mercantile Ventures Limited**  
**B. Narendran**  
(DIN 01159394)  
Director

## ANNEXURE FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2019

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

### (I) REGISTRATION & OTHER DETAILS:

i	CIN	L65191TN1985PLC037309
ii	Registration Date	23/12/1985
iii	Name of the Company	Mercantile Ventures Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	88, Mount Road, Guindy, Chennai - 600 032 Telephone No. 044-4043 2209 Email:cs@mercantileventures.co.in
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building, No. 1, Club house road, Chennai - 600 002. Ph- 044-28460390/95.

### (II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Leasing of immovable properties	77	100%

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name of the Company	CIN	Subsidiary/ Associate	% of Shares Held
1	Chitaranjan Developers LLP	AAE-2671	Subsidiary (LLP)	98% of capital contibuted by Mercantile Ventures Ltd
2	I3 Security Private Limited	U74120TN2011PTC082965	Subsidiary	100% held by Mercantile Ventures Ltd
3	National Trust Housing Finance Limited	U65922TN1995PLC031681	Associate	49% held by Mercantile Ventures Ltd

**Note:** - M/s. Rayce Electronic Intelligence India Private Limited and M/s. Oasis Ventures Private Limited merged with M/s. i3 Security Private Limited vide National Company Law Tribunal order dated 03 May, 2019, with the appointed date 01 April 2018

Chitaranjan Developers LLP became a subsidiary w.e.f 01-10-2018

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	<b>INDIAN</b>									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	-	41252	41252	0.04	-	48312	48312	0.04	0.01
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
c.	BODIES CORPORATE	56232305	177250	56409555	50.40	57953861	177250	58131111	51.94	1.53
d.	FINANCIAL INSTITUTIONS/ BANKS	-	-	-	-	-	-	-	-	-
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>56232305</b>	<b>218502</b>	<b>56450807</b>	<b>50.44</b>	<b>57953861</b>	<b>225562</b>	<b>58179423</b>	<b>51.98</b>	<b>1.54</b>
2.	<b>FOREIGN</b>									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	230	-	230	-	230	-	230	-	-
b.	BODIES CORPORATE	14244955	-	14244955	12.73	14244955	-	14244955	12.73	-
c.	INSTITUTIONS	-	-	-	-	-	-	-	-	-
d.	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-	-
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>14245185</b>	<b>-</b>	<b>14245185</b>	<b>12.73</b>	<b>14245185</b>	<b>-</b>	<b>14245185</b>	<b>12.73</b>	<b>-</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>70477490</b>	<b>218502</b>	<b>70695992</b>	<b>63.17</b>	<b>72199046</b>	<b>225562</b>	<b>72424608</b>	<b>64.71</b>	<b>1.54</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
a.	Mutual Funds/UtI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	-	100	100	-	-	100	100	-	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Any Other									
	<b>Sub - Total (B)(1)</b>	-	<b>100</b>	<b>100</b>	-	-	<b>100</b>	<b>100</b>	-	-
2.	Non-Institutions									
a.	Bodies Corporate	22364196	8116999	30481195	27.24	28167395	587143	28754538	25.70	(1.54)
b.	Individuals -									
	i Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	839612	9464946	10304558	9.21	1145261	9111812	10257073	9.17	(0.04)
	ii Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	225336	177250	402586	0.36	274021	177250	451271	0.40	0.04
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any Other									
	Clearing Members	202	-	202	-	300	-	300	-	-
	Hindu Undivided Families	17830	100	17930	0.01	-	-	-	-	(0.01)
	Non Resident Indians	3950	10932	14882	0.01	4175	10932	15107	0.01	-
	Resident Huf	-	-	-	-	14348	100	14448	0.01	0.01
	Trusts	750	-	750	-	750	-	750	-	-
	<b>Others</b>	<b>22732</b>	<b>11032</b>	<b>33764</b>	<b>0.03</b>	<b>19573</b>	<b>11032</b>	<b>30605</b>	<b>0.03</b>	-
	<b>Sub - Total (B)(2)</b>	<b>23451876</b>	<b>17770227</b>	<b>41222103</b>	<b>36.86</b>	<b>29606250</b>	<b>9887237</b>	<b>39493487</b>	<b>35.32</b>	<b>(1.54)</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>23451876</b>	<b>17770327</b>	<b>41222203</b>	<b>36.83</b>	<b>29606250</b>	<b>9887337</b>	<b>39493587</b>	<b>35.29</b>	<b>(1.54)</b>
	<b>Total (A)+(B)</b>	<b>93929366</b>	<b>17988829</b>	<b>111918195</b>	<b>100.00</b>	<b>101805296</b>	<b>10112899</b>	<b>111918195</b>	<b>100.00</b>	-
C.	Shares Held By Custodians And Against Which Depository Receipts Have Been Issued									
	Promoter And Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	<b>Total Custodian (C)</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>93929366</b>	<b>17988829</b>	<b>111918195</b>	<b>100.00</b>	<b>101805296</b>	<b>10112899</b>	<b>111918195</b>	<b>100.00</b>	-

**(ii) SHARE HOLDING OF PROMOTERS**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year"
		No of shares	% of total shares of the company"	% of shares pledged / encumbered to total shares"	No of shares	% of total shares of the company"	% of shares pledged / encumbered to total shares"	
1	Trinity Auto Points Ltd	20956000	18.72	-	20956000	18.72	-	-
2	South India Travels Pvt Ltd	11052500	9.88	-	18582056	16.60	-	6.7277
3	Golden Star Assets Consultants Pvt Ltd	14396000	12.86	-	14396000	12.86	-	-
4	Ranford Investments Ltd	7807955	6.98	-	7807955	6.98	-	-
5	Darnolly Investments Ltd	6437000	5.75	-	6437000	5.75	-	-
6	Sicagen India Limited	4008205	3.58	-	4008205	3.58	-	-
7	First Leasing Co Of India Ltd	177250	0.16	-	177250	0.16	-	-
8	Jawahar Vadivelu	27100	0.02	-	27100	0.02	-	-
9	Navia Markets Limited	11600	0.01	-	11600	0.01	-	-
10	Muthiah A C - Huf	7060	0.01	-	9068	0.01	-	-
11	Vadivelu Al	8144	0.01	-	8144	0.01	-	-
12	Muthiah A C	4000	-	-	4000	-	-	-
13	Ashwin C Muthiah	230	-	-	230	-	-	-
14	Gold Nest Trading Company Ltd	5808000	5.19	-	-	-	-	(5.19)
15	Chidambaram M A	2008	-	-	-	-	-	-

**(iii) Change in Promoters' Shareholding**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Share	% of total shares of the Company	No of Share	% of total shares of the Company
<b>1</b>	<b>SOUTH INDIA TRAVELS PVT LTD</b>				
	At the beginning of the year 01-Apr-2018	11052500	9.8755	11052500	9.8755
	Demated 16-Nov-2018	7529556	6.7277	18582056	16.6032
	At the end of the Year 30-Mar-2019	18582056	16.6032	18582056	16.6032
<b>2</b>	<b>MUTHIAH A C</b>				
	At the beginning of the year 01-Apr-2018	700	0.0006	700	0.0006
	Transmission 21-Sep-2018	2008	0.0017	2708	0.0024
	At the end of the Year 30-Mar-2019	2708	0.0024	2708	0.0024
<b>3</b>	<b>GOLD NEST TRADING COMPANY LTD</b>				
	At the beginning of the year 01-Apr-2018	5808000	5.1895	5808000	5.1895
	Transfer 15-Mar-2019	(5808000)	5.1895	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Share	% of total shares of the Company	No of Share	% of total shares of the Company
<b>4</b>	<b>CHIDAMBARAM M A</b>				
	At the beginning of the year 01-Apr-2018	1858	0.0016	1858	0.0016
	Transmission 21-Sep-2018	(1858)	0.0016	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>5</b>	<b>CHIDAMBARAM M A</b>				
	At the beginning of the year 01-Apr-2018	150	0.0001	150	0.0001
	Transmission 21-Sep-2018	(150)	0.0001	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-

**(iv) Shareholding Pattern of Top ten Shareholders**

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED</b>				
	At the beginning of the year 01-Apr-2018	9220000	8.2381	9220000	8.2381
	Transfer 15-Mar-2019	5808000	5.1895	15028000	13.4276
	At the end of the Year 30-Mar-2019	15028000	13.4276	15028000	13.4276
<b>2</b>	<b>TWINSHIELD CONSULTANTS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	5039365	4.5027	5039365	4.5027
	At the end of the Year 30-Mar-2019	<b>5039365</b>	<b>4.5027</b>	<b>5039365</b>	<b>4.5027</b>
<b>3</b>	<b>SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED</b>				
	At the beginning of the year 01-Apr-2018	3714800	3.3192	3714800	3.3192
	At the end of the Year 30-Mar-2019	3714800	3.3192	3714800	3.3192
<b>4</b>	<b>SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2018	2276000	2.0336	2276000	2.0336
	At the end of the Year 30-Mar-2019	2276000	2.0336	2276000	2.0336
<b>5</b>	<b>SPIC OFFICERS AND STAFF WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2018	2064000	1.8442	2064000	1.8442
	At the end of the Year 30-Mar-2019	2064000	1.8442	2064000	1.8442



SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>6</b>	<b>EKA ENTERPRISES LTD</b>				
	At the beginning of the year 01-Apr-2018	200000	0.1787	200000	0.1787
	At the end of the Year 30-Mar-2019	200000	0.1787	200000	0.1787
<b>7</b>	<b>HARRINGTON INVESTMENTS LTD</b>				
	At the beginning of the year 01-Apr-2018	155000	0.1384	155000	0.1384
	At the end of the Year 30-Mar-2019	155000	0.1384	155000	0.1384
<b>8</b>	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year 01-Apr-2018	109526	0.0978	109526	0.0978
	Purchase 06-Apr-2018	984	0.0008	110510	0.0987
	Purchase 13-Apr-2018	1089	0.0009	111599	0.0997
	Purchase 27-Apr-2018	1249	0.0011	112848	0.1008
	Purchase 13-Jul-2018	1977	0.0017	114825	0.1025
	Purchase 20-Jul-2018	69	0.0000	114894	0.1026
	Purchase 27-Jul-2018	1652	0.0014	116546	0.1041
	Purchase 03-Aug-2018	1950	0.0017	118496	0.1058
	Purchase 10-Aug-2018	1106	0.0009	119602	0.1068
	Purchase 17-Aug-2018	701	0.0006	120303	0.1074
	Purchase 24-Aug-2018	584	0.0005	120887	0.1080
	Purchase 14-Sep-2018	6074	0.0054	126961	0.1134
	Purchase 02-Nov-2018	250	0.0002	127211	0.1136
	Purchase 09-Nov-2018	1270	0.0011	128481	0.1147
	Purchase 16-Nov-2018	492	0.0004	128973	0.1152
	Purchase 23-Nov-2018	200	0.0001	129173	0.1154
	Purchase 30-Nov-2018	760	0.0006	129933	0.1160
	Purchase 07-Dec-2018	550	0.0004	130483	0.1165
	Purchase 11-Jan-2019	2635	0.0023	133118	0.1189
	Purchase 18-Jan-2019	2088	0.0018	135206	0.1208
	Purchase 25-Jan-2019	2818	0.0025	138024	0.1233
	Purchase 01-Feb-2019	635	0.0005	138659	0.1238
	Purchase 15-Feb-2019	250	0.0002	138909	0.1241
	Purchase 21-Feb-2019	2450	0.0021	141359	0.1263
	Purchase 01-Mar-2019	50	0.0000	141409	0.1263
	Purchase 22-Mar-2019	2320	0.0020	143729	0.1284
	Purchase 29-Mar-2019	2488	0.0022	146217	0.1306
	At the end of the Year 30-Mar-2019	146217	0.1306	146217	0.1306
<b>9</b>	<b>NACHIYAR</b>				
	At the beginning of the year 01-Apr-2018	72550	0.0648	72550	0.0648
	At the end of the Year 30-Mar-2019	72550	0.0648	72550	0.0648
<b>10</b>	<b>EVEREST INVESTMENTS LTD</b>				
	At the beginning of the year 01-Apr-2018	55000	0.0491	55000	0.0491
	At the end of the Year 30-Mar-2019	55000	0.0491	55000	0.0491

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>11</b>	<b>ALYX ENTERPRISES PVT LTD</b>				
	At the beginning of the year 01-Apr-2018	2092300	1.8694	2092300	1.8694
	Sale 21-Sep-2018	(2092300)	1.8694	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>12</b>	<b>ARMENIAN VENTURES LTD</b>				
	At the beginning of the year 01-Apr-2018	1198736	1.0710	1198736	1.0710
	Sale 21-Sep-2018	(1198736)	1.0710	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>13</b>	<b>ARMENIAN VENTURES LTD</b>				
	At the beginning of the year 01-Apr-2018	314448	0.2809	314448	0.2809
	Sale 21-Sep-2018	(314448)	0.2809	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>14</b>	<b>DICK ENTERPRISES PVT LTD</b>				
	At the beginning of the year 01-Apr-2018	958350	0.8562	958350	0.8562
	Sale 21-Sep-2018	(958350)	0.8562	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>15</b>	<b>AJARA VENTURES LTD</b>				
	At the beginning of the year 01-Apr-2018	631550	0.5642	631550	0.5642
	Sale 21-Sep-2018	(631550)	0.5642	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-
<b>16</b>	<b>UNMAJ ENTERPRISES LTD</b>				
	At the beginning of the year 01-Apr-2018	484400	0.4328	484400	0.4328
	Sale 21-Sep-2018	(484400)	0.4328	-	-
	At the end of the Year 30-Mar-2019	-	-	-	-

**(V) SHAREHOLDING OF EACH DIRECTORS AND KEY MANAGERIAL PERSONNEL**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mr. AL Chandramouli</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-
<b>2</b>	<b>Ms.Sashikala Srikanth</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-
<b>3</b>	<b>Mr. B Narendran</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-
<b>4</b>	<b>Mr. E N Rangaswami</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-

<b>5</b>	<b>Mr. V Padmanabha Sarma</b>				
	At the beginning of the year 01-Apr-2018	10	-	10	-
	At the end of the Year 31-Mar-2019	10	-	10	-
<b>6</b>	<b>Mr. N Prasanna Varadan*</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-
	* Resigned with effect from 08-11-2018				
<b>7</b>	<b>Mr. S. Yoganandhan**</b>				
	At the beginning of the year 01-Apr-2018	-	-	-	-
	At the end of the Year 31-Mar-2019	-	-	-	-

\*\* Appointed with effect from 09-11-2018

#### (VI) INDEBTEDNESS

(Rs. in lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans *	Deposits	Total Indebtedness
<b>Indebtness as at 01.04.2018</b>				
i) Principal Amount	333.04	69.61	-	402.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5.28	-	5.28
<b>Total (i+ii+iii)</b>	<b>333.04</b>	<b>74.89</b>	<b>-</b>	<b>407.93</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	333.04	74.89	-	407.93
Net Change	333.04	74.89	-	407.93
<b>Indebtedness as at 31.03.2019</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Represents the liability component of compound financial instrument (Zero % convertible Preference Shares).

#### VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Whole-time Director

(Rs.Lakhs)

Sl. No.	Particulars of Remuneration	Total Amount
	<b>Name</b>	<b>Mr. E N Rangaswami</b>
	<b>Designation</b>	<b>Whole-time Director</b>
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	48.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others	-
5	Others, specify	-
	<b>Total (A)</b>	<b>48.00</b>
	Ceiling as per the Act	120.00

## B. REMUNERATION TO OTHER DIRECTORS:

The details of sitting fees paid to directors during the year forms part of the Corporate Governance Report.

## C. Remuneration to Key Managerial Personnel other than WTD

(Rs. In lakhs)

Sl.No		Mr. V. Padmanabha Sarma	Mr. Prasanna Varadhan*	Mr. S Yoganandhan\$	Total
	Designation	Chief Financial Officer	Company Secretary	Company Secretary	
	Gross Salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	13.90	5.35	2.27	21.52
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others	-	-	-	-
5	Others, specify	-	-	-	-
	Total (C)	13.90	5.35	2.27	21.52

\* Resigned with effect from 08-11-2018

\$ Appointed with effect from 09-11-2018

## VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year

By order of the Board  
For Mercantile Ventures Limited

Place: Chennai  
Date: 23 May 2019

**E N Rangaswami**  
(DIN: 06463753)  
Whole-time Director

**B. Narendran**  
(DIN 01159394)  
Director

## Annual Report of Corporate Social Responsibility Activities (CSR) & CSR Policy

[Pursuant to Section 135 of the Companies Act, 2013]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has adopted CSR policy as specified in Schedule VII of Companies Act, 2013.

2. Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013 and the Rules pertaining thereto, a committee of the Board known as 'Corporate Social Responsibility Committee (CSR Committee)' has been constituted comprising of the following members:

### Name Category Description

Sashikala Srikanth - Independent Director

B Narendran - Independent Director

EN Rangaswami – Whole Time Director

3. Average net profit of the Company for last three financial years, as per Section 198 of Companies Act, 2013.

The net profits of the Company during the last three financial year

(Rs. In Lakhs)

Sl. No	Financial Year	Net profit / (loss)
1.	2017-18	402.19
2.	2016-17	(2781.20)
3.	2015-16	277.79
	Total net profit / (Loss)	2101.22
	Average net profit / (Loss)	(700.41)

Accumulated profits/(loss) for the last three years are negative i.e. (Rs. 700.41 Lakhs) and hence the Company is not required to spend towards CSR.

The average net profit of the Company for the last three financial years to calculate the minimum CSR expenditure is (Rs. 700.41 lakhs).

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) Prescribed CSR expenditure is Rs. Nil.
5. Details of CSR spent during the financial year
  - a. Total amount to be spent for the financial year: Rs. Nil
  - b. Amount unspent, if any: Rs. Nil
  - c. Manner in which the amount spent during the financial year: No amount spent as it is not required.
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The average net profit is negative and hence the Company is not required to spend any amount towards CSR activity.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

It is confirmed by the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR activities and Policy of the Company.

By order of the Board  
For Mercantile Ventures Limited

**E N Rangaswami**  
(DIN: 06463753)  
Whole-time Director

**B. Narendran**  
(DIN 01159394)  
Director

Place: Chennai  
Date: 23 May 2019



## Form No. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MERCANTILE VENTURES LIMITED**  
No.88, Mount Road  
Guindy,  
Chennai- 600032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Mercantile Ventures Limited** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company'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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019 (Audit Period)** 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not Applicable during the Audit period
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not applicable during the Audit Period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the Audit Period.
  - (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998 - Not applicable during the Audit Period.

The other laws as may be applicable specifically to the company in my opinion:

- a) The Indian Contract Act, 1872.
- b) Transfer of Property Act, 1882,
- c) Building and Other Construction Workers (Regulation of Employment and conditions of Services) Act, 1996.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Notified with effect from 01st October, 2017).

(ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that there were no actions / events in pursuance of

- (a) The Securities and Exchange Board of India (Issue and Listing and Debt Securities) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

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 that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Major decision is carried through while dissenting member's views are captured and recorded as part of the minutes.

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

Based on a review of the reports by operation departments of the company to Top Management/Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it.

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

Place : Chennai  
Date : 23 May 2019

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363

## 'Annexure A'

To,  
The Members  
**M/s Mercantile Ventures Limited**

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 process 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 process 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai  
Date : 23 May 2019

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363

## CORPORATE GOVERNANCE REPORT

### 1. Philosophy on Code of Governance:

The Company strives to conduct business with sound corporate governance practices which reflect fairness, integrity, accountability and transparency in our dealings with stakeholders and regulatory authorities. Your company's principles of Corporate Governance are based on the philosophy of empowerment and responsibility. It feels the management must be empowered to drive the organization forward in the best interest of all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI (LODR)).

### 2. BOARD OF DIRECTORS

#### a) Composition and membership in other Boards

As on 31 March, 2019, the Board of Directors of the Company comprised of four directors. The Board comprises of one executive director and three non-executive independent directors. The non-executive directors bring independent judgment in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions. All information as required under LODR are being made available to the Board.

Date of the Board meeting	Strength of the Board	No. of Directors present
18/05/2018	4	4
10/08/2018	4	4
25/10/2018	4	4
11/02/2019	4	4
28/03/2019	4	4

No director of the Company is a Chairman of more than five board-committees or a member of more than ten board-committees as stipulated under the corporate governance code.

Particulars of the Board's composition, attendance at board meetings and the previous annual general meeting, number of other directorships held and board-committee memberships of the Company's Directors, as at 31st March, 2019 are given below:

Sl. No.	Director	Attendance particulars		No. of directorship held in other listed entities including this listed entity	No. of other board – committee positions held including this listed entity	
		Board meeting	Last AGM		As Member	As Chairman
1.	Mr. B Narendran Non-Executive Independent	5	Yes	5	9	3
2.	Mr. AL Chandramouli Non-Executive Independent	5	Yes	1	2	2
3.	Ms. Sashikala Srikanth Non-Executive Independent	5	Yes	5	7	3
4.	Mr. E N Rangaswami Whole-time Director, Executive Non-Independent	5	Yes	2	3	1



**Name of the other listed entity where Directors of the Company are Directors and the Category of Directorship.**

Sl. No.	Director	Name of listed entity/s in which concerned director is a director	Category of Directorship
1.	Mr. B Narendran Non-Executive Independent	Sicagen India Limited Southern Petrochemical Industries Corporation Limited Tuticorin Alkali chemicals & Fertilisers Limited India Radiators Limited	Non-Executive independent Director in all companies.
2.	Mr. AL Chandramouli Non-Executive Independent	Nil	Nil
3.	Ms. Sashikala Srikanth Non-Executive Independent	Sicagen India Limited Tamilnadu Petroproducts Ltd. Manali Petrochemicals Limited Southern Petrochemical Industries Corporation Limited	Non-Executive independent Director in all companies.
4.	Mr. E N Rangaswami Whole-time Director, Executive Non-Independent	India Radiators Limited	Non-Executive Non-independent Director

**Notes:**

- Other directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.
- Only membership in Audit Committees and Stakeholder's Relationship Committee (including Mercantile Ventures Limited) are reckoned for other board committee memberships.
- None of the Directors hold any shares in the Company nor have any inter se relationship.
- The details of familiarization programmes conducted for the Independent Directors are disclosed in the website of the Company at <http://mercantileventures.co.in>.

**Skills / Expertise / Competencies of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses (Leasing, property development), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- Financial and Management skills.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

**Independent Director**

The independent directors of the Company have been appointed in terms of requirement of the act, listing regulations adopted by the Company and fulfilled all the conditions set therein.

There was no change in composition of independent directors during the year.

**Familiarization Programme for Independent Directors.**

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc., through various programmes. These include orientation programme and other initiatives to update the directors on an ongoing basis. Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations.

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link: [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

## COMMITTEES OF THE BOARD

### 3. Audit Committee

The terms of reference of the Audit Committee cover the matters specified for audit committees under Section 148 of the Companies Act, 2013, the rules made thereon and SEBI (LODR) Regulations, 2015.

The role of the Audit Committee shall include the following:

1. Oversee the company's financial reporting process and review its financial statements.
2. In addition to the normal overall review of the financial performance, Audit Committee will also recommend the quarterly results, appointment of auditors, recommendation of dividend, application of accounting standards, discussion on financial audit reports, etc.
3. Recommend the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of their fees.
4. Review of internal control and internal audit system.
5. Review of risk management policies and practices and also include the following:
  - a) To investigate any activity within its terms of reference.
  - b) To seek information from any employee, if needed.
  - c) To obtain outside legal or other professional advice.
  - d) To secure attendance of outsiders with relevant expertise.

The Audit Committee comprise of three non-executive independent directors.

During the year under review the committee met five times during the year ended 31.03.2019 viz., on 18 May 2018, 10 August, 2018, 25 October, 2018, 11 February 2019 and 28 March, 2019. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	5
Mr. B Narendran	5
Ms. Sashikala Srikanth	5

The Company Secretary acts as the Secretary for the Audit Committee. The statutory auditors, internal auditor, Whole-time director and Chief Financial Officer of the company attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

### 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted to formulate and recommend to the Board, from time to time the compensation structure for directors of the Board and key managerial personnel of the Company.

The Committee met two times during the year ended 31.03.2019 viz., on 18 May 2018 and 25 October 2018. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. B Narendran, Chairperson	2
Mr. AL Chandramouli	2
Ms. Sashikala Srikanth	2

#### Criteria for evaluation of the performance of the Independent Directors.

The criteria for evaluation of the performance of Independent Directors, include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committee of which they are Members/ Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

### 5. Remuneration to Directors

#### Remuneration policy and criteria for making payments to Non-Executive Directors

The Remuneration Policy of the Company as approved by the Board inter alia, contains the criteria for appointment of Independent Directors, Executive Directors, Key Managerial Personnel and other employees, manner of appointment, remuneration policy for Executive and Non-Executive Directors, Guiding principles for fixing remuneration to employees who are not directors, etc. The following is the Remuneration Policy for Directors.

#### a. For Executive Directors

The remuneration of the Whole Time Director may comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee (NRC) and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. The Director(s) are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

#### b. For Non-Executive Directors

The Non-Executive Directors will be paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, the Articles of Association of the Company and as recommended by the NRC. Different scales of sitting fee may be fixed for each category of the directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of directors.

In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors

#### Disclosure with respect to payment of remuneration to Whole Time Director

Mr. E N Rangaswami, was re-appointed as Whole-Time Director (WTD) of the company for a further a period of three years with effect from 05 December 2018.

Sl. No	Description	Mr. E N Rangaswami
1	Salary and Allowances	48.00
2	Performance Linked Pay	Nil
3	Perquisites	Nil
	<b>Total</b>	<b>48.00</b>

#### Note:

- In addition to the above, contribution to Provident and Superannuation Funds are made as per applicable law/rules/terms of employment.
- The performance linked pay is determined as per the appraisal system in vogue.
- The Executive Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation and no severance fee is payable.
- No Employee Stock Option has been offered by the Company to any of the directors.

#### Non-executive Directors

The non-executive directors are being remunerated by way of sitting fees. The sitting fees paid to non-executive directors for the year ended 31st March, 2019 are as follows:

Sl.No.	Name of the Director	Sitting fees
1.	Mr. AL Chandramouli	1,25,000
2.	Mr. B Narendran	1,25,000
3.	Ms. Sashikala Srikanth	1,25,000
	<b>Total</b>	<b>3,75,000</b>

None of the non-executive directors had any pecuniary relationship with the Company other than receipt of sitting fees.

#### 6. Stakeholders Relationship Committee:

The terms of reference to the stakeholders' relationship committee are related to transfer, transmission, demat, remat, split/consolidation of shares and issue of duplicate share certificates, etc and also to oversee the redressal of investors' complaints. The committee met 4 times during the year ended 31.03.2019. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	4
Mr.E N Rangaswami	4
Ms. Sashikala Srikanth (w.e.f 11.02.2019)	1

**Details of the Compliance Officer:**

S Yoganandhan - Company Secretary & Compliance Officer

**Details of Shareholders Complaints:**

Number of complaints received during the year: 10

Number of complaints solved during the year : 10

Number of complaints pending at the end of the year – Nil

**7. General Meetings**

**a) Details of location, date and time of Annual General Meetings held during the last three years:**

Year	Location	Date and Time
15th AGM –2015 – 2016	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	19 September, 2016 3.30 PM
16th AGM –2016 – 2017	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	28 July, 2017 2.00PM
17th AGM 2017-2018	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	10 August, 2018 10.00 AM

**b) Special resolutions**

The following special resolutions were passed in the previous three Annual General Meeting.

Date of AGM	Subject
19 September, 2016	Reappointment of Mr. E N Rangaswami (DIN: 06463753) as Whole-time Director of the Company for a period of three years and payment of remuneration.
28 July, 2017	No special resolutions passed.
10 August, 2018	Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013

**c) Passing of resolution by Postal Ballot**

During the year Company has circulated two Postal Ballots.

- i) Amended the object clause of Memorandum of Association with the consent of 99.99% of the valid votes, 0.0003% of dissent votes. Mrs. B. Chandra, Practicing Company Secretary, Chennai was the scrutinizer appointed for the Postal Ballot process.
- ii) Enhanced limits under section 180(1)(a) with the consent of 99.99% of the valid votes, 0.0012% of dissent votes and enhanced the limits under section 186 of Companies Act, 2013 with the consent of 99.99% of the valid votes, 0.0011% of dissent votes. Mrs. B. Chandra, Practicing Company Secretary, Chennai was the scrutinizer appointed for the Postal Ballot process.

At present there is no proposal to pass any special resolution through postal ballot. The procedure for postal ballot would be as prescribed under the Act.

**8. Means of Communication:**

The quarterly, half-yearly and yearly financial results of the company are forwarded to the Bombay Stock Exchange immediately upon approval by the Board of Directors and are published in "News Today" (English) and "Malai Sudar" (Tamil). The results are also displayed in the website of the Company viz. [www.mercantileventures.co.in](http://www.mercantileventures.co.in).

**Functional website of the company as per Regulation 46 of SEBI (LODR) Regulations, 2015**

Pursuant to the requirement of Regulation 46 of the SEBI (LODR) Regulations, 2015 the Company maintains a functional website and the website address is [www.mercantileventures.co.in](http://www.mercantileventures.co.in). Website of the company provides the basic information about the company viz. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the company is regularly updating the information provided on its website.

## 9. General Shareholder Information:

1.	<b>Annual General Meeting :</b>	
	Date	02 August, 2019
	Time	02.00 PM
	Venue	Rajah Annamalai Mandram, Esplanade, Chennai – 600108.
2.	Financial calendar	The financial year of the company commences on 1st April and ends on 31st March.
3.	Dividend payment date	The Company has not recommended / declared any dividend during the year.
4.	Listing of equity shares on stock exchanges.	Bombay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001. Listing fees upto 2019-20 have been paid to the aforesaid exchange.
5.	Stock Code	538942 - Bombay Stock Exchange Limited.
	ISIN	INE689O01013
6 & 7	Market price date vis a vis indices	Annexed to this report
8	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Off. Anna Salai, Chennai – 600 002
9	Share transfer system	The authority to approve share transfers has been delegated by the Board of Directors to the Stakeholders Relationship Committee. The Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer Agent within fifteen days of receipt of documents, provided the documents are found to be in order.
10	Distribution of shareholding	Annexed to this report
11	Dematerialisation of shares and liquidity	90.96 % equivalent to 10,18,05,296 equity shares of the total equity capital is held in dematerialised form. The company's equity shares are regularly traded in the Bombay Stock Exchange Limited in the compulsory demat form.
12.	Convertible instrument	Company has not issued any convertible instrument.
13.	Address for correspondence	Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address viz. <b>Cameo Corporate Services Limited</b> Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 Fax No. 28460129 Email: cameo@cameoindia.com For other general matters or in case of any difficulties/grievances investors may contact <b>S. Yoganandhan</b> Company Secretary Mercantile Ventures Limited 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 044 – 4043 2209 Email: cs@mercantileventures.co.in
14.	Credit ratings obtained, if any	Company has not obtained any credit ratings.

## DISTRIBUTION OF HOLDINGS

Share holding of nominal value of Rs.10/-	Share Holders		Number of Shares	
	Number	%	Number	%
Range – Shares				
1 – 500	48241	93.85	6889382	6.16
501 – 1000	2285	4.45	1746600	1.56
1001 – 2000	602	1.17	853537	0.76
2001 – 3000	119	0.23	302331	0.27
3001 – 4000	41	0.08	153836	0.14
4001 – 5,000	34	0.07	158469	0.14
5,001 – 10,000	40	0.08	301147	0.27
10,001 – And Above	38	0.07	101512893	90.70
<b>TOTAL</b>	<b>51400</b>	<b>100.00</b>	<b>111918195</b>	<b>100.00</b>

### Shareholding pattern as of 31 March, 2019

Particulars	Equity shares held	% to paid-up capital
Promoters	7,24,24,608	64.71
<b>Public</b>		
Bodies Corporate	2,87,54,538	25.69
Financial Institutions/ Banks	100	00.00
Others	1,07,38,949	09.60
Grand total	11,19,18,195	100.00

### Market / Share Price Data vis a vis indices.

#### Bombay Stock Exchange Limited, Mumbai

Month	BSE		Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2018	12.78	9.00	35993.53	34302.89
May 2018	14.94	11.94	35877.41	34784.68
June 2018	14.95	13.35	37644.59	35106.57
July 2018	13.47	8.70	38989.65	37128.99
August 2018	11.84	8.15	38934.35	35985.63
September 2018	12.00	8.78	36616.64	33291.58
October 2018	9.25	8.42	36389.22	34303.38
November 2018	8.50	6.63	36554.99	34426.29
December 2018	8.75	6.31	36701.03	35375.51
January 2019	8.08	5.47	37172.18	35287.16
February 2019	5.47	4.11	38748.54	35926.94
March 2019	6.70	3.96	39487.45	38460.25

### 10. Other disclosure.

- a) There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
- b) There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- c) As stipulated under the Act and the Regulations a Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company. No personnel has been denied access to the Audit Committee.
- d) All the mandatory requirements of Corporate Governance under the Regulations have been complied with.
- e) The policy for determining material subsidiaries has been placed on the website of the Company [www.mercantileventures.co.in](http://www.mercantileventures.co.in).
- f) The policy on dealing with related party transaction has been placed on the website of the Company [www.mercantileventures.co.in](http://www.mercantileventures.co.in).
- g) The Company has neither commodity hedging activities nor any foreign exchange transaction during the year.
- h) The Company has not raised any funds through preferential allotment or qualified institutional placement.
- i) Certificate on Corporate Governance  
All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. R Kannan, Practicing Company Secretary, has submitted a certificate to this effect. A compliance certificate from Mr. R Kannan, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.
- j) The Board of directors has accepted all the recommendations made by the committees.

- k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below.

(Rs. Lakhs)

Companies	Financial Year 2018-19		
	Mercantile Ventures Limited	I3 Security Private Limited	Chitaranjan Developers LLP
Payment to statutory auditors	DPV & Associates	Venkatesh & Co.,	Venkatesh & Co.,
Audit Fees	3.50	3.75	0.25
Tax Audit Fees	-	-	-
Other Services	-	-	-
Reimbursement of expenses	-	-	-
Total	3.50	3.75	0.25

- l) Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Number of complaints filed during the financial year - Nil
  - Number of complaints disposed of during the financial year – Nil
  - Number of complaints pending as on end of the financial year – Nil
11. All the requirements of corporate governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.
12. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:  
There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.  
The Company has appointed a practicing chartered accountant as internal Auditor who carries out the audit and the report is presented to the Audit Committee for review and further directions.
13. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the Regulations.
14. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
15. The company is in the process of transferring unclaimed shares to demat suspense account opened for this purpose.
16. Code of Conduct  
The Board of directors has laid down a code of conduct for all Board members and senior management personnel of the Company who have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director and Chief Financial Officer to this effect is enclosed at the end of this Report. The code of conduct is also posted in the website of the Company viz., [http://www.mercantileventures.co.in/files/CODE\\_OF\\_CONDUCT\\_DIRECTORS.pdf](http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_DIRECTORS.pdf) and [http://www.mercantileventures.co.in/files/CODE\\_OF\\_CONDUCT\\_SENIORMANAGEMENT.pdf](http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_SENIORMANAGEMENT.pdf).
17. Insider Trading  
Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has prescribed a code of conduct for prevention of insider trading and code of corporate disclosure practices. The code of fair disclosure practice and procedures for unpublished price sensitive information is available at <http://www.mercantileventures.co.in/files/Code%20for%20Disclosures%20Reg%208.pdf>

#### DECLARATION BY WHOLE TIME DIRECTOR

##### To the Members of Mercantile Ventures Limited

Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to declare that the Members of the Board and Senior Management Personnel have affirmed compliance with the respective Codes of Conduct.

By order of the Board  
For Mercantile Ventures Limited  
**E N Rangaswami**  
(DIN: 06463753)  
Whole-time Director

Place: Chennai  
Date: 23 May 2019



## **CERTIFICATE TO THE MEMBERS OF MERCANTILE VENTURES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mercantile Ventures Limited, for the year ended 31st March, 2019 as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

We also states 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.

Place : Chennai  
Date : 23 May 2019

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363



## INDEPENDENT AUDITORS' REPORT

To  
**TO THE MEMBERS OF MERCANTILE VENTURES LIMITED**

### Report on Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Mercantile Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 25 to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of Pending tax assessments and demands for the year ended March 31, 2019 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

#### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. Therefore we have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, including other changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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 financial statements, including the disclosures, and whether the 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 standalone 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 outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
  - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements vide Note 25.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DPV & Associates**  
Chartered Accountants  
F.R.No.011688S

**CA Vaira Mutthu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **MERCANTILE VENTURES LIMITED** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 **MERCANTILE VENTURES LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 DPV & Associates**  
Chartered Accountants  
F.R.No.011688S  
**CA Vaira Mutthu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019.

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MERCANTILE VENTURES LIMITED of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii. The Company is in the business of providing services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to any Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) In the light of above, we do not comment on terms and conditions of grant of such loans.
  - (b) In the light of above, we do not comment on repayment of the principal amount and interest.
  - (c) In the light of above, we do not comment on the reasonable steps have been taken by the company for recovery of the principal and interest.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - According to the records of the Company and according to the information and explanations given to us, there are no dues of Income tax and Goods and service Tax except as mentioned below

S.No	Assessment Year	Demand Amount (Rs in Lakhs)	Status
1	AY 2015-16	35.39	20% of the disputed demand amounting to Rs.8.86 lakhs has been paid under protest. Rectification Order u/s 154 requested for earlier assessment years and cross objections filed before the Income-tax Appellant Tribunal for 2013-14 is pending to be disposed off.
2	In CIT(A) AY 2016-17	28.58	Appeal filed however is pending before CIT Appeals

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DPV & Associates**  
Chartered Accountants  
F.R.No.011688S

**CA Vaira Mutthu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019

## INDEPENDENT AUDITORS' REPORT

To the Members

M/s.Mercantile Ventures Limited

### Report on the abridged standalone financial statements

1. The accompanying abridged financial statements of Mercantile Ventures Limited (the "Company") comprise the abridged balance sheet as at March, 31 2019, the abridged statement of profit and loss and abridged cash flow statement for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited financial statements of the Company for the year ended March 31 2019 prepared by the Company's Management in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"), covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Act and Schedule III to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

### Management's Responsibility for the Abridged Financial Statements

4. The Company's Management is responsible for the preparation of the abridged financial statements in accordance with sub-clause (1) of section 136. The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged financial statements that are consistent with the audited financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.
5. The Company's Management (including Directors) are also responsible for ensuring that the Company complies with the requirements of the Rules.

### Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

### Opinion

7. In our opinion, the accompanying abridged financial statements, are consistent, in all material respects, with the audited statutory financial statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with Schedule III to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in accordance with the Rules.

**For DPV & Associates**  
Chartered Accountants  
F.R.No.011688S

**CA Vaira Mutthu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019

## ABRIDGED STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

(Statement containing the salient features of Balance Sheet as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(Rs.in Lakhs)

	Particulars	As at 31 March 2019	As at 31 March 2018
	<b>ASSETS</b>		
(1)	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	8092.12	8399.46
	(b) Capital work-in progress	4401.62	4401.62
	(c) Financial Assets: Investments	6908.54	5733.87
	(d) Deferred tax assets (net)	990.15	963.54
		<b>20392.43</b>	<b>19498.49</b>
(2)	<b>Current assets</b>		
	(a) Inventories	-	-
	(b) Financial Assets		
	(i) Investments	951.38	567.44
	(ii) Trade receivables	120.65	138.10
	(iii) Cash and cash equivalents	319.74	69.89
	(iv) Other Current Financial Assets	4578.68	5045.60
	(c) Current Tax Assets	550.84	639.87
		<b>6521.29</b>	<b>6460.90</b>
	<b>Total Assets</b>	<b>26913.72</b>	<b>25959.39</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share Capital	11191.82	11191.82
	(b) Other Equity	14877.62	13447.56
		<b>26069.44</b>	<b>24639.38</b>
(1)	<b>LIABILITIES</b>		
	<b>Non-current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	-	365.02
	(ii) Other financial liabilities	252.20	235.00
		<b>252.20</b>	<b>600.02</b>
(2)	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade payables	9.93	19.10
	(ii) Other financial liabilities	9.35	46.99
	(b) Provisions	572.80	653.90
		<b>592.08</b>	<b>719.99</b>
	<b>Total Equity and Liabilities</b>	<b>26913.72</b>	<b>25959.39</b>
The accompanying notes are an integral part of the abridged standalone financial statements.			
Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link <a href="http://www.mercantileventures.co.in">www.mercantileventures.co.in</a>			

As per our report of even date attached.

### For DPV & Associates

Chartered Accountants  
F.R. No. 011688S

### CA K Vaira Mutthu

Membership. No. 218791  
Partner

Place : Chennai

Date : 23 May 2019

For and on behalf of the Board

### E N Rangaswami

Whole-time Director  
DIN: 06463753

### V. Padmanabha Sarma

Chief Financial Officer

### AL Chandramouli

Director  
DIN: 02299091

### S. Yoganandhan

Company Secretary



## ABRIDGED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Statement containing the salient features of Profit and Loss as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(Rs.in Lakhs)

S.No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
I	<b>Revenue:</b>		
	Revenue from Operations	541.18	514.89
	Other Income	422.99	726.08
	<b>Total Revenue</b>	<b>964.17</b>	<b>1240.97</b>
II	<b>Expenses</b>		
	Employee-benefit expense	84.32	72.60
	Finance costs	51.74	63.27
	Depreciation and amortization expense	102.98	111.93
	Other expenses	319.61	431.15
	<b>Total expenses</b>	<b>558.65</b>	<b>678.95</b>
III	<b>Profit/(loss) before exceptional items and tax</b>	<b>405.52</b>	562.02
IV	<b>Exceptional items</b>	-	-
V	<b>Profit/(loss) before tax</b>	<b>405.52</b>	562.02
VI	<b>Tax expense:</b>		
	(1) Current tax	149.47	189.16
	(2) Deferred tax	(26.61)	295.53
VII	<b>Profit/(Loss) for the period from continuing operations</b>	<b>282.66</b>	77.33
VIII	Other Comprehensive Income	1082.45	638.26
IX	<b>Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>1365.11</b>	715.59
X	Earnings per equity share:		
	(1) Basic	0.25	0.07
	(2) Diluted	0.25	0.07

The accompanying notes are an integral part of the abridged standalone financial statements.

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

### For DPV & Associates

Chartered Accountants  
F.R. No. 011688S

**CA K Vaira Mutthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 23 May 2019

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director  
DIN: 06463753

**V. Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director  
DIN: 02299091

**S. Yoganandhan**  
Company Secretary

## ABRIDGED STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

### (A) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid up

	No. of shares	Rs. In lakhs
As at 31 March 2017	111918195	11191.82
As at 31 March 2018	111918195	11191.82
As at 31 March 2019	111918195	11191.82

### (B) Other equity

(Rs. In lakhs)

Particulars	Reserves and surplus				Items of other comprehensive income			Total
	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained earnings	Effect of measuring investments at fair value	Other items of other comprehensive income	
Balance as at 1 April 2017	38.86	295.28	12250.20	375.60	222.36	-	-	13182.30
Profit for the year	-	-	-	-	77.33	-	-	77.33
Other comprehensive income	-	-	-	-	-	384.18	254.08	638.26
Total comprehensive income for the year	-	-	-	-	77.33	384.18	254.08	715.59
Any other change	(26.15)	-	-	-	(424.18)	-	-	(450.33)
Balance as at 31 March 2018	12.71	295.28	12250.20	375.60	(124.49)	384.18	254.08	13447.56
Balance as at 1 April 2018	12.71	295.28	12250.20	375.60	(124.49)	384.18	254.08	13447.56
Profit for the year	-	0-	-	-	282.66	-	-	282.66
Other comprehensive income	-	-	-	-	-	773.88	308.57	1082.45
Total comprehensive income for the year	-	-	-	-	282.66	773.88	308.57	1365.11
Share of Profit from LLP	-	-	-	-	(1.04)	-	-	(1.04)
Any other change	(12.71)	65.99	-	-	12.71	-	-	65.99
Balance as at 31 March 2019	-	361.27	12250.20	375.60	169.84	1158.06	562.65	14877.62

The accompanying notes are an integral part of the abridged standalone financial statements.

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

**For DPV & Associates**  
Chartered Accountants  
F.R. No. 011688S

**CA K Vaira Mutthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 23 May 2019

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director  
DIN: 06463753

**AL Chandramouli**  
Director  
DIN: 02299091

**V. Padmanabha Sarma**  
Chief Financial Officer

**S. Yoganandhan**  
Company Secretary

## ABRIDGED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from Operating Activities	1,123.83	404.33
Cash flows from Investing Activities	(508.96)	(409.56)
Cash flows from Financing Activities	(365.02)	(26.86)
Net increase/(decrease) in cash and cash equivalents	249.85	(32.09)
Cash and Cash Equivalents at the beginning of the period	69.89	101.98
Cash and Cash Equivalents at the end of the period	319.74	69.89
<b>Cash and Cash equivalents are shown below:</b>		
Cash on Hand	-	0.01
Balances with Banks on Current account	319.74	69.88
<b>Total</b>	<b>319.74</b>	<b>69.89</b>

The accompanying notes are an integral part of the abridged standalone financial statements.

**Note:** Complete Balance Sheet, Statement on Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

**For DPV & Associates**

Chartered Accountants  
F.R. No. 011688S

**CA K Vaira Mutthu**

Membership. No. 218791  
Partner

Place : Chennai

Date : 23 May 2019

For and on behalf of the Board

**E N Rangaswami**

Whole-time Director  
DIN: 06463753

**V. Padmanabha Sarma**

Chief Financial Officer

**AL Chandramouli**

Director  
DIN: 02299091

**S. Yoganandhan**

Company Secretary

# SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 1 Overview

### 1.1. Company Overview

Mercantile Ventures Limited ( MVL) is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu, India. The Company has its primary listings on the BSE Limited in India.

### 1.2. Basis of Preparation of Financial Statements:-

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after

Effective April 1, 2018, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The year end figures are taken from the source and rounded to the nearest digits.

### 1.3. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 1.4. Cash Flow Statement

Cash Flows are reported using the indirect method whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the company are segregated based on the available information.

### 1.5. Critical accounting estimates

#### A) Revenue recognition

Revenue is recognised on accrual method on rendering of services when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured.

- a. Revenue recognition from rent is recognised based on the agreement entered with the customers.
- b. Reimbursement of expenses in respect of Repairs & Maintenance, Electricity Charges & Fuel charges were accounted on accrual basis.
- c. Interest income is recognised based on accrual basis
- d. Other Income were accounted on accrual basis
- e. Dividend income shall be recognised when the share holder's right to receive payments is established. In respect of the investment in Preference Shares, dividend income is recognised based on the right to receive based on contractual obligations.

#### B) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities

#### C) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. Also refer to note no.5.

## 1.6. Property, Plant and Equipment

The land and properties of the company are stated at fair value and depreciation provided on straight line method over the estimated useful lives of the assets. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The Company depreciates property, plant and equipment over their estimated useful lives using the Straight line method.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Amounts paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date and cost of property, plant, and equipment not ready for intended use before such date are disclosed under capital work-in-progress. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## 1.7. Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating Unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is adjusted to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

## 1.8. Financial Instruments

### 1. Initial recognition

- a. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Loans, borrowings and payables are recognised net of directly attributable to transaction costs.
2. (i) Financial assets carried at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - (ii) They are presented as current assets except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method less any impairment loss.
  - (iii) Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.
  - (iv) Cash and cash equivalents comprise cash on hand and in banks.

### 3. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

#### 4. Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### 5. Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### 1.9 Employee benefit

**Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

**Compensated absences:** The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at the end of each financial year.

#### 1.10 Foreign Currency Transactions

There are no such transactions in the current financial year.

#### 1.11 Segment Reporting

The main business of the company is that of lease of immovable properties which is the only business segment for the current period.

#### 1.12. Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(a) Current income tax: Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax: Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### 1.13. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

## 2 Other Income-Note Reference No:18

(Rs. in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest received	305.48	312.57
Other Income	117.51	413.51
<b>Total</b>	<b>422.99</b>	<b>726.08</b>

**3 Other Expenses: Note reference No:21**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Repairs and maintenance	95.23	100.38
Rates and Taxes	70.57	47.16
Loss on sale of investments	-	206.34
Other Expenses	153.81	77.27
<b>Total</b>	<b>319.61</b>	<b>431.15</b>

**4 As per Ind AS 24, the disclosures of transactions with the related parties are given below:**

**Related Parties:**

**Subsidiary:**

i3 Security Private Limited

**Subsidiary LLP**

Chitaranjan Developers LLP

**Associate:**

National Trust Housing Finance Limited

**Key Managerial Personnel:**

Mr. E.N. Rangaswami, Whole-time Director

The following are transactions and Closing Balances with the related parties during current year

Particulars of transaction	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
Transaction with related parties			
Security charges paid to M/s. i3 Security Private Ltd	Subsidiary	0.08	0.08
Maintenance charges paid to Oasis Ventures Private Ltd	Subsidiary	6.00	6.00
Rent collected- Oasis Ventures Private Limited	Subsidiary	1.24	1.21
Whole-time Director's remuneration - Mr. E. N. Rangaswami	Key Managerial Personnel	48.00	40.00
<b>Chitaranjan Developers LLP*</b>	Subsidiary LLP		
Investment in Capital (Transfer from loan)		294.00	-
Loans and advances		46.07	-
Recovery from loans and advances		18.76	-
Realisation of interest on loan		33.89	-
<b>Dividend received</b>			
National Trust Housing Finance Limited	Associate	21.00	24.00
<b>Closing balances:</b>			
<b>Investment in Subsidiaries:</b>			
i3 Security Private Limited		592.03	285.18
Chitaranjan Developers LLP	Subsidiary LLP		
Capital		294.00	-
Unsecured Loans		122.92	386.00
Investment in National Trust Housing Finance Limited	Associate	3079.53	2,603.61

\* Chitaranjan Developers LLP became a subsidiary from 01-10-2018

**5 Contingent liabilities and commitments (to the extent not provided for):**

	Year ended 31 March 2019	Year ended 31 March 2018
<b>i) Contingent liabilities :</b>		
a) Claims against the company not acknowledged as debt;	Nil	Nil
b) Guarantees-charge created on company's asset for third party loan	12500.00	Nil
c) Other money for which the company is contingently liable.		
Disputed demand in respect of Assessment Year 2015-16	35.39	44.25
Disputed tax demand in respect of Assessment Year 2016-17.	28.58	-
Appeal filed by the company is pending before CIT(A)		
<b>ii) Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	406.92	406.92
b) Uncalled liability on shares and other investments partly paid;	Nil	Nil
c) Other commitments (specify nature)	Nil	Nil

**6** The figures for the previous year have been regrouped / reclassified wherever necessary.



# **Consolidated Financial Statements 2018-19**

## INDEPENDENT AUDITOR'S REPORTS

To  
The Members of  
Mercantile Ventures Limited

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of **Mercantile Ventures Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary referred together as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2019, the Consolidated profit and Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 28 to the Consolidated Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of Pending tax assessments and demands for the year ended March 31, 2019 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

#### Information Other than the Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so,

place reliance on the work the other auditors. Other information so far it relates to the subsidiary is traced from their financial statements audited by the other auditors. Therefore we have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the 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 Group'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 Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Consolidated 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 outweigh the public interest benefits of such communication.

- a) We did not audit of the financial statements of subsidiary whose Consolidated financial statements reflect total assets of Rs.1104.97 lacs as at 31st March 2019, total revenue of Rs.2903.23 lacs and net cash outflows amounting to Rs.18.21 lacs for the year ended on that date, as considered in the Consolidated financial statements.
- b) We did not audit the financial statements of associate namely M/s.National Trust Housing Finance Limited whose financial statements reflect total assets of Rs.27243.21 lacs as at 31st March 2019, total revenue of Rs.4266.55 lacs for the year ended on that date, as considered in the Consolidated financial Statements.
- c) These Financial statements have been audited by other auditors whose reports have been furnished to us by the management and in our opinion the consolidated financial statements, in so far as it relates to and disclosures included in respect of these subsidiary and associate, and our report in the terms of the sub-section (3) and (11) of the section 143 of the act in so far as it relates to the aforesaid subsidiary and associate, is based solely upon the report of the other auditors and management representations.
- d) Our Opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in the respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements/information certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS 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 of Parent as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Parent and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements vide Note 28.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For DPV & Associates**  
Chartered Accountants  
F.R.No.011688S

**CA Vaira Muttu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT** (Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of MERCANTILE VENTURES LIMITED of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 **Mercantile Ventures Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

#### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over Financial Reporting**

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



## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 DPV & Associates**  
Chartered Accountants  
F.R.No.011688S

**CA Vaira Mutthu K**  
M.NO. 218791  
Partner

Place : Chennai  
Date : 23 May, 2019

## INDEPENDENT AUDITORS' REPORT

### To The Members of Mercantile Ventures Limited and Group

#### Report on the Abridged Consolidated Financial Statements

1. The accompanying Abridged Financial Statements of Mercantile Ventures Limited ("the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow statement for the year ended then together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited consolidated financial statements of the Holding Company for the year ended March 31, 2019 prepared by the Company's Management in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"), covered by our attached report of even date to the Members of the Holding Company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Act and Schedule III to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Holding Company.

#### Management's Responsibility for the Abridged Consolidated Financial Statements

4. The Holding Company's Management is responsible for the preparation of the abridged consolidated financial statements in accordance with sub-clause (1) of section 136. The Holding Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged consolidated financial statements that are consistent with the audited consolidated financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.
5. The Holding Company's Management (including Directors) are also responsible for ensuring that the Holding Company complies with the requirements of the Rules.

#### Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

#### Opinion

7. In our opinion, the accompanying abridged consolidated financial statements, are consistent, in all material respects, with the audited consolidated statutory financial statements of the Holding Company as at and for the year ended March 31, 2019 is prepared in accordance with Schedule III to the Act, covered by our attached report of even date to the Members of the Holding Company pursuant to section 143 of the Act, in accordance with the Rules.

**For DPV & Associates**  
Chartered Accountants  
(Firm's Registration No. 011688S)

**CA Vaira Mutthu K**  
(Membership.No. 218791)  
Partner

Place : Chennai  
Date : 23 May 2019

## ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(Statement containing the salient features of Balance Sheet as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(Rs.in Lakhs)

	Particulars	As at 31 March 2019	As at 31 March 2018
	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	8096.90	8407.68
	(b) Capital work-in progress	4401.62	4401.62
	(c) Other Intangible Assets	331.71	58.15
	<b>Financial Assets:</b>		
	(a) Investments	7184.83	6021.45
	(b) Deferred tax assets (Net)	1005.83	975.12
	(c) Other Loans and advances	1.04	1.04
		<b>21021.93</b>	<b>19865.06</b>
(2)	<b>Current assets</b>		
	<b>Inventories</b>	1.25	0.53
	<b>(a) Financial Assets</b>		
	i) Investments	952.38	567.44
	ii) Trade receivables	692.02	571.69
	iii) Cash and cash equivalents	511.99	295.86
	iv) Other current financial assets	4,593.44	5067.63
	(b) Current Tax Assets	634.10	722.58
		<b>7385.18</b>	<b>7225.73</b>
	<b>Total Assets</b>	<b>28407.11</b>	<b>27090.79</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share Capital	11191.82	11191.82
	(b) Other Equity	15965.79	14185.29
		<b>27157.61</b>	<b>25377.11</b>
(1)	<b>LIABILITIES</b>		
	<b>Non-current Liabilities</b>		
	a) Non Controlling Interest	-	-
	b) Financial Liabilities		
	(i) Borrowings	-	365.02
	(ii) Other financial liabilities	252.20	235.00
		<b>252.20</b>	<b>600.02</b>
(2)	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade payables	21.24	42.76
	(ii) Other financial liabilities	94.90	73.42
	(b) Provisions	881.16	997.48
		<b>997.30</b>	<b>1113.66</b>
	<b>Total Equity and Liabilities</b>	<b>28407.11</b>	<b>27090.79</b>

The accompanying notes are an integral part of the abridged Consolidated financial statements.

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

**For DPV & Associates**

Chartered Accountants  
F.R. No. 011688S

**CA K Vaira Mutthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 23 May 2019

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director  
DIN: 06463753

**V. Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director  
DIN: 02299091

**S. Yoganandhan**  
Company Secretary



## ABRIDGED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Statement containing the salient features of Profit and Loss account as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(Rs.in Lakhs)

S.No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
I	<b>Revenue:</b>		
	Revenue from operations	3439.59	2995.44
	Other income	427.82	730.12
	<b>Total Revenue</b>	<b>3867.41</b>	<b>3,725.56</b>
II	<b>Expenses</b>		
	Cost of goods sold	-	-
	Cost of services / Material consumed	1,034.09	908.80
	Employee benefits expense	1,664.83	1,419.49
	Finance costs	51.90	63.92
	Depreciation and amortisation expense	106.69	116.52
	Other expenses	486.64	594.02
	<b>Total expenses</b>	<b>3344.15</b>	<b>3102.75</b>
III	<b>Profit/(loss) before exceptional items and tax</b>	<b>523.26</b>	<b>622.81</b>
IV	<b>Exceptional Items</b>	-	-
V	<b>Profit/(loss) before tax</b>	<b>523.26</b>	<b>622.81</b>
VI	<b>Tax expense</b>		
	1) Current tax	183.13	215.28
	2) Deferred tax	(30.71)	293.39
VII	<b>Profit/(loss) for the period from continuing operations</b>	<b>370.84</b>	<b>114.14</b>
VIII	<b>Other Comprehensive Income</b>	<b>1082.45</b>	<b>638.26</b>
IX	<b>Total Comprehensive Income for the period Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>1453.29</b>	<b>752.40</b>
	Attributable to:		
	Owners of the company	1453.29	752.40
	Non-controlling interests	-	-
X	<b>Earnings per equity share</b>		
	(1) Basic	0.33	0.10
	(2) Diluted	0.33	0.10

The accompanying notes are an integral part of the abridged consolidated financial statements.

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

### For DPV & Associates

Chartered Accountants  
F.R. No. 011688S

### CA K Vaira Mutthu

Membership. No. 218791  
Partner

Place : Chennai

Date : 23 May 2019

For and on behalf of the Board

### E N Rangaswami

Whole-time Director  
DIN: 06463753

### V. Padmanabha Sarma

Chief Financial Officer

### AL Chandramouli

Director  
DIN: 02299091

### S. Yoganandhan

Company Secretary

## Abridged Consolidated Statement of changes in equity for the year ended 31 March 2019

### (A) Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid up

	No. of shares	Rs. In lakhs
As at 31 March 2017	111918195	11191.82
As at 31 March 2018	111918195	11191.82
As at 31 March 2019	111918195	11191.82

### (B) Other equity

(Rs. In lakhs)

Particulars	Reserves and surplus					Items of other comprehensive income		Total
	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained earnings	Effect of measuring investments at fair value	Other items of other comprehensive income	
Balance as at 1 April 2017	38.86	295.28	12252.47	375.60	758.27			13720.48
Profit for the year					114.14			114.14
Other comprehensive income						384.18	254.08	638.26
Total comprehensive Income for the year					114.14	384.18	254.08	752.40
Profit of associate					162.74			162.74
Any other change	(26.15)				(424.18)			(450.33)
Balance as at 31 March 2018	12.71	295.28	12252.47	375.60	610.97	384.18	254.08	14185.29
Balance as at 1 April 2018	12.71	295.28	12252.47	375.60	610.97	384.18	254.08	14185.29
Profit for the year					370.84			370.84
Other comprehensive income						773.88	308.57	1082.45
Total comprehensive Income for the year					370.84	773.88	308.57	1453.29
Profit of associate					295.60			295.60
Share of Profit from LLP					(1.04)			(1.04)

Consolidation adjustment in opening balance					32.65			32.65
Any other change	(12.71)				12.71			-
Balance as at 31 March 2019	-	295.28	12252.47	375.60	1321.73	1158.06	562.65	15965.79

The accompanying notes are an integral part of the abridged Consolidated financial statements.

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

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Partner

Place : Chennai

Date : 23 May 2019

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DIN: 06463753

**V. Padmanabha Sarma**

Chief Financial Officer

**AL Chandramouli**

Director  
DIN: 02299091

**S. Yoganandhan**

Company Secretary

## Abridged Consolidated Cash Flow Statement for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from Operating Activities	1,022.81	415.39
Cash flows from Investing Activities	(441.66)	(410.67)
Cash flows from Financing Activities	(365.02)	(6.86)
Net increase/(decrease) in cash and cash equivalents	216.13	(2.14)
Cash and Cash Equivalents at the beginning of the period	295.86	298.00
Cash and Cash Equivalents at the end of the period	511.99	295.86
<b>Cash and Cash equivalents are shown below:</b>		
Cash on Hand	0.61	0.42
Balances with Banks on Current account	511.38	295.44
<b>Total</b>	<b>511.99</b>	<b>295.86</b>

The accompanying notes are an integral part of the abridged Consolidated financial statements.

**Note:** Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link [www.mercantileventures.co.in](http://www.mercantileventures.co.in)

As per our report of even date attached.

**For DPV & Associates**

Chartered Accountants  
F.R. No. 011688S

**CA K Vaira Mutthu**

Membership. No. 218791  
Partner

Place : Chennai

Date : 23 May 2019

For and on behalf of the Board

**E N Rangaswami**

Whole-time Director  
DIN: 06463753

**V. Padmanabha Sarma**

Chief Financial Officer

**AL Chandramouli**

Director  
DIN: 02299091

**S. Yoganandhan**

Company Secretary

## CONSOLIDATED NOTES TO THE ABRIDGED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. Group Overview and Significant Accounting Policies

#### 1.1. Group Overview

Mercantile Ventures Limited ( MVL) is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu, India. The Company has its primary listings on the BSE Limited in India.

#### List of Subsidiaries with percentage of holding:

Name of the entity	Country of incorporation and other particulars	Holding (%)
i3 Security Pvt Ltd	a subsidiary of the company incorporated under the laws of India.	100.00
Chitaranjan Developers LLP	a subsidiary(LLP)of the company incorporated under the laws of India.	98.00

#### 1.2 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('Act') to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI), the Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards which requires a change in the accounting policy hitherto in use.

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Mercantile Ventures and all its subsidiary. The consolidated financial statements are prepared on the following basis:

- The financial statements of the parent company and the subsidiary have been combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profit/losses in full in accordance with Ind AS110 for Consolidated Financial Statements. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiary.
- The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made being an asset is recognized as "Goodwill" in the consolidated financial statements.
- The proportionate share of the Group's interest in associates is accounted under equity method of accounting in accordance with Ind AS 28 Investments in Associates and Joint Ventures.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence share of movements in equity since the date the parent subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.

#### 1.4. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.5 Cash Flow Statement

Cash Flows are reported using the indirect method whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the company are segregated based on the available information.

## 1.6 Critical accounting estimates

### A) Revenue recognition

Revenue is recognised on accrual method on rendering of services when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured.

- a. Revenue recognition from rent is recognised based on the agreement entered with the customers .
- b. Reimbursement of expenses in respect of Repairs & Maintenance, Electricity Charges & Fuel charges were accounted on accrual basis.
- c. Interest income is recognised based on accrual basis.
- d. Other Income were accounted on accrual basis.
- e. Dividend income shall be recognised when the share holder's right to receive payments is established. In respect of the investment in Preference Shares, dividend income is recognised based on the right to receive based on contractual obligations.

### B) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities

## 1.7. Property, Plant and Equipment

The land and properties of the company are stated at fair value and depreciation provided on straight line method over the estimated useful lives of the assets. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The Company depreciates property, plant and equipment over their estimated useful lives using the Straight line method.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Amounts paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date and cost of property, plant, and equipment not ready for intended use before such date are disclosed under capital work-in-progress. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## 1.8. Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating Unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is adjusted to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

## 1.9. Financial Instruments

### 1. Initial recognition

- a. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Loans, borrowings and payables are recognised net of directly attributable to transaction costs.

2. (i) Financial assets carried at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) They are presented as current assets except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method less any impairment loss.
- (iii) Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.
- (iv) Cash and cash equivalents comprise cash on hand and in banks.

**3. Financial assets at fair value through other comprehensive income :**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**4. Financial assets at fair value through profit or loss:**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**5. Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**1.10. Employee benefit**

**Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

**Compensated absences:** The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at the end of each financial year.

**1.11. Foreign Currency Transactions**

There are no such transactions in the current financial year.

**1.12. Segment Reporting**

The main business of the company is that of lease of immovable properties which is the only business segment for the current period.

**1.13. Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- (a) **Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.
- (b) **Deferred income tax:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### 1.14. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

#### 2 As per IND AS 24 the disclosures of transactions with the related parties are given below:

##### Related Parties:

##### Subsidiary:

i3 Security Private Limited

##### Subsidiary LLP

Chitaranjan Developers LLP

##### Associate:

National Trust Housing Finance Limited

##### Key Managerial Personnel:

Mr. E.N. Rangaswami, Whole-time Director

The following are transactions and Closing Balances with the related parties during current year

(Rs. in Lakhs)

Particulars of transaction	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
<b>Transaction with related parties</b>			
Security charges paid to M/s. i3 Security Private Ltd	Subsidiary	0.08	0.08
Maintenance charges paid to Oasis Ventures Private Ltd	Subsidiary	6.00	6.00
Rent collected- Oasis Ventures Private Limited	Subsidiary	1.24	1.21
Whole-time Director's remuneration - Mr. E. N. Rangaswami	Key Managerial Personnel	48.00	40.00
<b>Chitaranjan Developers LLP*</b>			
Investment in Capital (Transfer from loan)	Subsidiary LLP	294.00	-
Loans and advances		46.07	-
Recovery from loans and advances		18.76	-
Realisation of interest on loan		33.89	-
<b>Dividend received</b>			
National Trust Housing Finance Limited	Associate	21.00	24.00
<b>Closing balances:</b>			
Chitaranjan Developers LLP	Subsidiary LLP		
Capital		294.00	-
Unsecured Loans		122.92	386.00
Investment in National Trust Housing Finance Limited	Associate	3947.85	3,176.37

\* Chitaranjan Developers LLP became a subsidiary from 01.10.2018



**3 Contingent liabilities and commitments (to the extent not provided for):**

**(Rs. in Lakhs)**

	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>i) Contingent liabilities :</b>		
a) Claims against the company not acknowledged as debt;	Nil	Nil
b) Guarantees-charge created on company's asset for third party loan	12500.00	Nil
c) Other money for which the company is contingently liable.		
Disputed demand in respect of Assessment Year 2015-16	35.39	44.25
Disputed tax demand in respect of Assessment Year 2016-17 .Appeal filed by the company is pending before CIT(A)	28.48	-
<b>ii) Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	406.92	406.92
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments (specify nature)	Nil	Nil

4. The figures for the previous year have been regrouped/reclassified wherever necessary.

**ADDITIONAL INFORMATION PERTAINING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2019**

(Rs. in Lakhs)

Name of the entity in the Group	Net Assets, ie. Total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Mercantile Ventures Limited	97.43	26457.85	76.22	282.66	100.00	1082.45	93.93	1365.11
wholly owned Indian Subsidiary								
i3 Security Private Limited	2.57	699.76	23.78	88.18	-	-	6.07	88.18
Non-controlling interests in all subsidiaries	-	-	-	-	-	-	-	-
<b>Total</b>	100.00	27157.61	100.00	370.84	100.00	1082.45	100.00	1453.29
Associate-Indian								
National trust Housing Finance Limited		6846.66		604.25		(0.78)		603.47

## Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries / associate companies pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 as at 31 March 2019

### Part "A:" Subsidiaries

(Rs. in Lakhs)

Particulars	i3 Security Private Limited	Chitaranjan Developers LLP *
Reporting period for the subsidiary concerned,(if different from the holding company's reporting period)	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	390.78	300.00
Other Equity	308.98	(111.38)
Total assets	1104.97	311.76
Total Liabilities( Excluding Share Capital & Reserves)	405.21	123.14
Investments	-	205.00
Turnover	2898.41	-
Profit before taxation	117.73	(26.53)
Provision for taxation	29.56	-
Profit after taxation	88.17	(26.53)
Other Comprehensive Income	-	-
Total Comprehensive Income	88.17	(26.53)
Proposed Dividend	Nil	Nil
% of shareholding	100.00	98.00

\* Subsidiary (LLP) with effect from 01 October, 2018

### Part "B": Associates Statement

(Rs. in Lakhs)

Name of the Associate	National Trust Housing Finance Limited
Latest audited Balance Sheet Date	31-03-2019
No. of Shares of Associate held by the company at the year end	73,49,890
Amount of Investment in Associates	3079.53
Extent of Holding %	49%
Description of how there is significant influence	by virtue of Shareholding
Reason why the associate is not consolidated	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	3354.86
Profit / Loss for the year - (Total Comprehensive Income)	603.47
i. Considered in Consolidation	295.70
ii. Not Considered in Consolidation	307.77

Note:

The investments have been stated at fair value.

#### For DPV & Associates

Chartered Accountants  
F.R. No. 011688S

#### CA K Vaira Mutthu

Membership. No. 218791  
Partner

Place : Chennai

Date : 23 May 2019

For and on behalf of the Board

#### E N Rangaswami

Whole-time Director  
DIN: 06463753

#### V. Padmanabha Sarma

Chief Financial Officer

#### AL Chandramouli

Director  
DIN: 02299091

#### S. Yoganandhan

Company Secretary

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# MERCANTILE VENTURES LIMITED

CIN L65191TN1985PLC037309

Registered Office: 88, Mount Road, Guindy, Chennai - 600 032.

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

Name of the attending Member(s):	Folio/DP-Client ID No. :
No. of Shares held:	

I hereby certify that I am a member / proxy appointed by the member\* of the Company and record my presence at the **Eighteenth Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108 on Friday 02 August, 2019 at 2.00 PM.**

NAME OF THE PROXY IN BLOCK LETTERS	SIGNATURE OF SHAREHOLDER/PROXY*
	*Strikeout whichever is not applicable
<b>Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.</b>	



# MERCANTILE VENTURES LIMITED

CIN L65191TN1985PLC037309

Registered Office: 88, Mount Road, Guindy, Chennai - 600 032.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act,2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him
- Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him
- Name:....., Address:.....  
E-mail Id:.....,Signature:....., or failing him

as my/our proxy to attend and vote for me/us and on my/our behalf at the **Eighteenth Annual General Meeting** of the company, to be held on **Friday 02 August, 2019 at 2.00 PM at Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** and at any adjournment thereof.

### Sl.No.of Resolutions(as in the Notice annexed)

1	2	3	4	5	6	7
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(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this.....day of.....2019

Member's Folio/DP ID-Client ID No.....Signature of Shareholder.....

Signature of Proxy holder(s).....

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.

Affix  
₹ 1  
Revenue Stamp

**Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.**

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**REQUEST TO SHAREHOLDERS FOR INFORMATION UNDER SECTION 88 OF  
THE COMPANIES ACT, 2013 AND TO REGISTER THEIR E-MAIL IDS**

1. As per Section 88 of the Companies Act, 2013 (the Act) the Register of Members is required to be updated with certain additional particulars, such as PAN, CIN/UIIN etc. Persons holding shares in physical form are requested to furnish the relevant information to enable the Company to comply with the said requirements of the Act.
2. The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report, notices and other communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein. Accordingly for receiving the annual report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents in the format appended. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

The information may be filled in the below form duly signed and sent to the Registrar and Share Transfer Agents through post, courier or by e-mail with the scanned copy of the duly signed form or handed over at the AGM Venue.

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**Cameo Corporate Services Limited,**

**Unit: Mercantile Ventures Limited**

Subramanian Building

1 Club House Road, Chennai 600 002

E-mail:investor@cameoindia.com

Dear Sirs,

As requested I am furnishing the additional particulars relating to my holding in the above Company, which may kindly be registered.

Name of the Sole/First Holder	
Folio No.	
E-mail id	
PAN	
CIN/UIIN	

I also hereby register for receipt of communication including notices and annual reports electronically to the above e-mail address.

Thanking you

Yours faithfully

Place:

Date:

Signature

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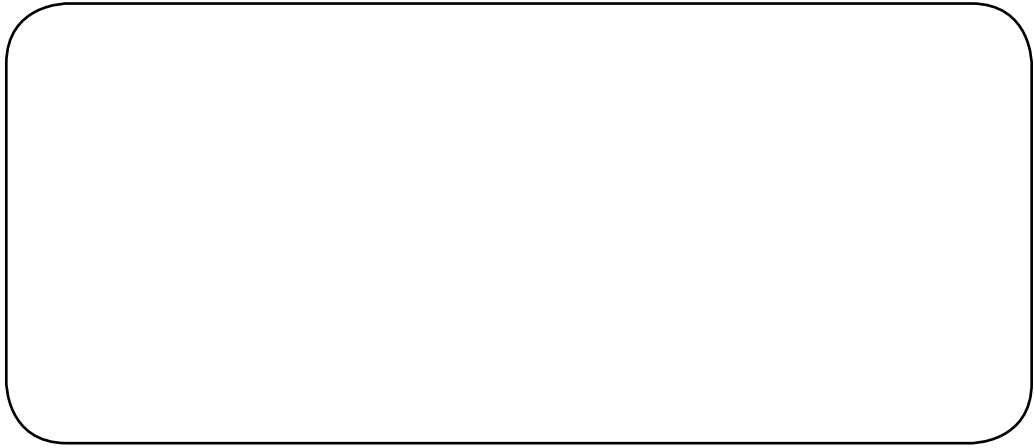


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To:



*If undelivered, please return to:*

**MERCANTILE VENTURES LIMITED**

Registered Office: 88, Mount Road, Guindy, Chennai - 600 032