



# ANNUAL REPORT

## 2015 – 16

Mercantile Ventures Limited

## Board of Directors

AL. Chandramouli	Director (DIN: 02299091)
M.Rajamani	Director (DIN: 00195006)
Sashikala Srikanth	Director (DIN: 01678374)
E.N. Rangaswami	Whole-time Director (DIN: 06463753)

## Audit Committee

AL. Chandramouli	Chairman
M.Rajamani	Member
Sashikala Srikanth	Member

## Chief Financial Officer

V Padmanabha Sarma

## Company Secretary & Compliance Officer

N Prasanna Varadan

## Registered Office

88, Mount Road,  
Guindy,  
Chennai – 600 032.  
CIN: L6519TN1985PLC037309  
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.

## Registrars and Share Transfer Agent

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

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## MERCANTILE VENTURES LIMITED

CIN: L6519TN1985PLC037309  
Registered Office: 88, Mount Road, Guindy, Chennai – 600 032

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Monday the 19th day of September 2016 at 3.30 PM** at Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108 to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements for the year ended 31 March 2016 and the Reports of Directors and Auditors thereon.  
“**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any, of the Companies Act, 2013, the financial statements of the Company for the year ended 31 March 2016, together with the Reports of the Directors, Auditors thereon and the report of Secretarial Auditor as circulated to the members and presented to the meeting be and are hereby considered and adopted”.
2. To appoint a Director in place of Mr.E N Rangaswami (DIN:06463753), who retires at this meeting and being eligible, offers himself for re-appointment, by passing the following as an Ordinary Resolution.  
“**RESOLVED THAT** pursuant 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 ratify the appointment of Auditors by passing the following as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the re-appointment of M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants as the Auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, for the fourth year in the first term of five years as recommended by the board of directors of the Company is ratified at a remuneration of Rs. 275000.”

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution:  
“**RESOLVED THAT** pursuant to Sections 196 and 197 read in conjunction with the Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its consent and approval for the reappointment of Mr. E N Rangaswami (DIN: 06463753) as Whole-time Director of the Company for a period of three years from 05 December 2015 to 04 December 2018 on the following terms and conditions and liable to retire by rotation.
  - i. Basic Salary at the rate of Rs.1,25,000 (Rupees one lakh twenty five thousand only) per month.
  - ii. Other Allowances and perquisites aggregating to Rs.1,75,000 (Rupees one lakh seventy five thousand 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 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.

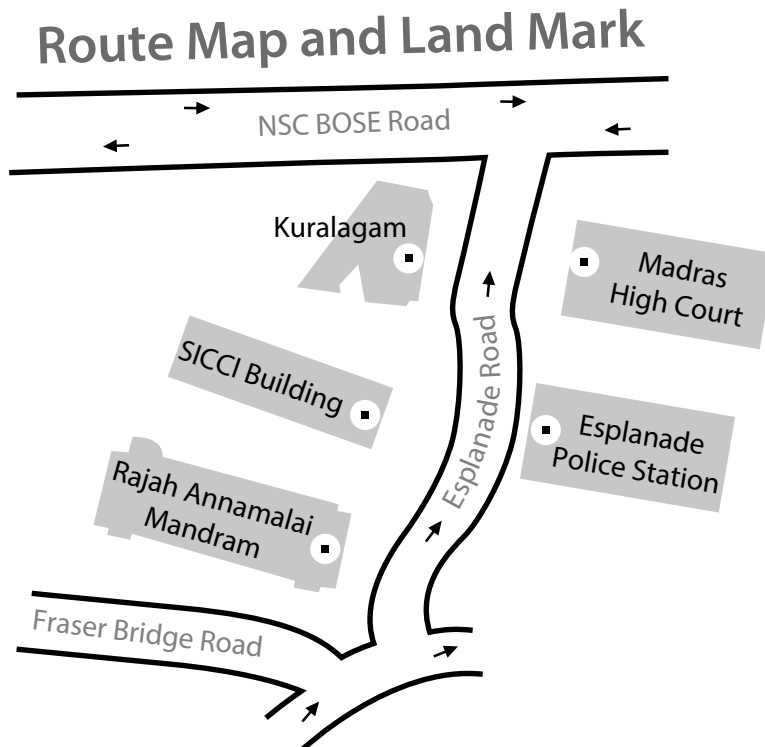
**RESOLVED FURTHER THAT** the Board, including any Committee thereof, be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the aforesaid resolution.”

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

Place: Chennai  
Date : 04 August 2016

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 13 September 2016 to 19 September 2016 both days inclusive.
3. Members are requested to convert the physical shares to demat and to effect change of address, if any.
4. Members are requested to bring their copies of Annual Report to the meetig.
5. 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. 4. The Company has appointed Mr. R Kannan, Practising Company Secretary as the scrutinizer for E-voting.
6. 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.
7. The share holding of the Members will be reckoned as on the date of 12 September 2016 for the purpose of E-voting.
8. 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)



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

### ITEM NO. 2 & 4

#### INFORMATION ABOUT THE APPOINTEE

##### BACKGROUND DETAILS:

Mr. E N Rangaswami, 60 years of age, is a Chartered Accountant with 37 years of experience. Mr. E N Rangaswami was re-appointed as a Whole-time Director for a period of 3 years from 5th December 2015 on the Remuneration as set out in the Resolution. Mr. E N Rangaswami does not hold any shares in the Company.

Other Directorships and Other Committee memberships held by Mr. E N Rangaswami are:

##### Directorships in the following companies:

1. India Radiators Limited
2. AMI Holdings Private Limited
3. Bengal Auto Parts Private Limited
4. Wilson International Trading (India) Private Limited
5. Oasis Ventures Private Limited
6. Rayce Electronic Intelligence India Private Limited

##### Committee memberships in the following company:

India Radiators Limited  
Audit Committee - Member  
Stakeholders Relationship Committee- Chairperson

##### PAST REMUNERATION:

Remuneration drawn by Mr. E N Rangaswami during the last three years are as follows:  
(Rs. in lakhs)

Year	Remuneration
2013-14	19.32
2014-15	25.00
2015-16	36.00

##### JOB PROFILE AND HIS SUITABILITY:

Mr. E N Rangaswami is the Whole-time Director, responsible for the operational management of the Company subject to the overall superintendence, guidance and control of the Board of Directors. The leadership and contribution of Mr E N Rangaswami are vital for the Company's improvement in its operational/financial performance.

##### REMUNERATION PROPOSED:

The remuneration proposed to be paid to Mr E N Rangaswami as approved by the Nomination and Remuneration committee and the Board of Directors at its meeting held on 04 November 2015 has been disclosed in the notice of the meeting.

##### COMPARATIVE REMUNERATION PROFILE WITH RESPECT OF INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:

The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.

##### PECUNIARY RELATIONSHIP, DIRECTLY OR INDIRECTLY, WITH THE COMPANY / RELATIONSHIP WITH MANAGERIAL PERSONNEL:

Mr. E N Rangaswami has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

##### DISCLOSURE OF INTEREST:

The Board recommends the adoption of this Resolution as a Special Resolution. None of the Directors of your Company is concerned or interested in this resolution other than Mr. E N Rangaswami, Director.

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

Place: Chennai  
Date : 04 August 2016



## THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

The voting period begins on 16 September 2016 and ends on 18 September 2016. E-Voting system will be available at all time except between 00:00 hours to 01:00 hours (IST). 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) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

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.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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 Ramesh Kumar 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 or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

After entering these details appropriately, click on "SUBMIT" tab.

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.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant **Mercantile Ventures Limited** on which you choose to vote.

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.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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.

Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

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.

Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users 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.

#### Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

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.

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 2016.

### REVIEW OF OPERATIONS

During the year the company has reported a profit after tax of Rs. 404.05 lakhs as against Rs. 2121.35 lakhs in the previous year

### FINANCIAL RESULTS

(Rs.Lakhs)

Description	2015-16	2014-15
Profit Before Interest & Depreciation	829.31	638.21
Interest	224.40	11.72
Depreciation	40.33	32.55
Profit Before Tax & Exceptional items	564.58	593.94
Exceptional items	-	2045.21
Profit Before Tax	564.58	2639.15
Provision for Taxation		
Current Tax	103.79	695.22
Tax relating to previous year	13.47	-
Provision for tax reversed	-	(165.53)
Deferred tax	43.27	(11.89)
Profit After Tax	404.05	2121.35

### 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.

### FIXED DEPOSIT

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

### 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.

### 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.

### CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company for the current financial year.

### 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.

### 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 2015-16 which were in conflict with the interests of the Company.



The Board has approved the policy on related party transactions. The policy has been uploaded on the Company's website, under the web link:

<http://mercantileventures.co.in/files/Related%20Party.pdf>

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

There were no qualification, reservations or adverse remarks in the reports of M/s DPV & Associates, Statutory Auditors and Mr. R. Kannan, Practicing Company Secretary.

#### **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 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.

#### **MEETINGS**

The Company had six 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 same are given in the Corporate Governance Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **Industry Scenario**

The real estate market continues to be sluggish and this trend is likely to be witnessed in the next few years.

##### **Future Outlook**

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

##### **Opportunities and Threats**

After a lull of five quarters, the overall market sentiment has experienced a sharp uptick on the back of the union budget focus on real estate and infrastructure. Apart from the Real Estate Regulation Bill becoming an Act, progressively reducing interest rates and the ample liquidity in the system are expected to help the real estate sector.

However, the challenges of demand supply mismatch, high unsold inventories across the country remain. But the signs are, nevertheless, encouraging with the improving demand and reduced supply of new projects. The stretched deadlines for completion of projects have nudged buyers away from the market and dampened the mood of buyers. The trend of tepid consumer demand is likely to persist in the current financial year.

##### **Risks & 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 company need not constitute a risk management committee. However, company 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. 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. 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.



### **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 are periodically reviewed and compliance ensured. The summary of the internal audit observations and management responses are submitted to the Board after review by the Audit Committee.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 2016;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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
- (f) 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.

### **SUBSIDIARIES**

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

- a) The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
- b) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- c) Your Company formulated a Policy on material subsidiary as required, uploaded in the website of the Company in the link <http://www.mercantileventures.co.in/files/Material%20Subsidiaries-%20Policy.pdf>

### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were prepared in accordance with accounting standard AS 21 in respect of wholly owned subsidiary Oasis Ventures Private Limited and its subsidiaries i3 Security Services Private Limited and Rayce Electronic Intelligence India Pvt Ltd. Particulars of associates as required in AS 23 were considered in respect of Navia Markets Limited and National Trust Housing Finance Ltd (NATRUST).

## PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

The financial highlights of the subsidiary and associate companies as on 31 March 2016 are given below:

(Rs.lakhs)

Particulars	Oasis Ventures Pvt Ltd	i3 Security Pvt Ltd	Rayce Electronic Intelligence India Pvt Ltd	Navia Markets Ltd	National Trust Housing Finance Ltd
	Subsidiaries			Associates	
% of shareholding held by	100.00% Mercantile Ventures Ltd	85.77% Oasis Ventures Pvt Ltd	100.00% Oasis Ventures Pvt Ltd	47.30% Mercantile Ventures Ltd	40.00% Mercantile Ventures Ltd
Total Income	103.22	1,357.01	11.56	1007.35	5236.09
Profit before tax	22.59	57.24	(24.74)	30.43	1037.36
Provision for Taxation	7.07	17.69	-	15.15	387.07
Deferred tax	-	-	-	(4.76)	71.71
Profit after tax	15.52	39.55	(24.74)	20.04	578.58

The financial highlights of National Trust Housing Finance Ltd (NATRUST) are based on the unaudited financial statements submitted by the company.

### DIRECTORS

The Company's Board comprises of the following directors at present:

Mr. AL Chandramouli  
Mr. M Rajamani  
Ms. Sashikala Srikanth  
Mr. E N Rangaswami

### KEY MANAGERIAL PERSONNEL

The Key Managerial personnel of the Company are:

Mr. E N Rangaswami - Whole-time Director  
Mr. V Padmanabha Sarma - Chief Financial Officer  
Mr. N Prasanna Varadan - Company Secretary

In the Meeting of the Board held on 30 July 2015 Mr. N Prasanna Varadan, was appointed as Company Secretary of the company with effect from 01 October 2015 in the place of Ms. S Aarthi who resigned as Company Secretary with effect from 30 September 2015.

### 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.

### 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.



## **AUDITORS**

M/s. DPV & Associates, Chartered Accountants appointed as the auditors of the company at the 13th Annual General Meeting held on 22nd September 2014 to hold office till the conclusion of the 16th AGM to be held in the year 2017 as per Section 139 of the Companies Act, 2013. Their re-appointment will have to be ratified by the Members at every AGM. In compliance with the requirements of the Companies Act, 2013, it is proposed to seek the ratification of the members for the appointment of the auditors.

## **SECRETARIAL AUDIT REPORT**

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

## **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.

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

The Audit Committee consists of three independent directors.

Mr. AL Chandramouli

Mr. M Rajamani

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>

## **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.

## **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.

## **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

## **PARTICULARS OF EMPLOYEES**

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

**INFORMATION PURSUANT TO RULE 5 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 2015-16.	Mr. E N Rangaswami, Whole-time Director	5.86	
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year 2015-16.	Mr. E N Rangaswami, Whole-time Director	44.00%	
	Mr. V Padmanabha Sarma, Chief Financial Officer	24.39%	
	Mr. N Prasanna Varadan, Company Secretary (appointed effective from 01 October 2015)	NA	
The percentage increase in the median remuneration of employees in the financial Year 2015-16.		34.15%	
The number of permanent employees on the rolls of Company – as on 31.03.2016		2	
The explanation on the relationship between average increase in remuneration and Company performance.	Profit after tax	404.05 lakhs	
	Average increase in remuneration	36.54%	
Comparison of the remuneration of the Key managerial personnel against the performance of the Company	Profit after tax	404.05 lakhs	
	Remuneration of key managerial personnel	51.14 lakhs	
Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and percentage increase/decrease in the market quotations of the shares of the company	Description	2015-16	2014-15
	Market Capitalisatio (Rs. in Lakhs)	9636.16	27576.64
	Price Earnings Ratio	31.28	12.97
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 2015-16	18.17%	
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2015-16	38.65%	

**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 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 : 04 August 2016

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

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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
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

SL No	Name of the Company	CIN	Subsidiary/ Associate
1	Oasis Ventures Private Limited	U70102TN2013PTC093554	Subsidiary
2	I3 Security Private Limited	U74120TN2011PTC082965	Subsidiary
3	Rayce Electronic Intelligence India Private Limited	U74900TN2015PTC099223	Subsidiary
4	Navia Markets Limited	U65993TN1994PLC010167	Associate
5	National Trust Housing Finance Limited	U65922TN1995PLC031681	Associate

**IV. (i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

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			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>								
<b>1.</b>	<b>Indian</b>								
a.	Individuals/Hindu Undivided Family	-	41482	41482	0.04	-	41482	41482	0.04
b.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-
c.	Bodies Corporate	57012500	2548555	59561055	53.22	59384305	177250	59561555	53.22
d.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(1)</b>	<b>57012500</b>	<b>2590037</b>	<b>59602537</b>	<b>53.26</b>	<b>59384305</b>	<b>218732</b>	<b>59603037</b>	<b>53.26</b>
<b>2.</b>	<b>Foreign</b>								
a.	Individuals (Non- Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	14244955	14244955	12.72	14244955	-	14244955	12.72
c.	Institutions	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(2)</b>	<b>-</b>	<b>14244955</b>	<b>14244955</b>	<b>12.72</b>	<b>14244955</b>	<b>-</b>	<b>14244955</b>	<b>12.72</b>
	<b>Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>57012500</b>	<b>16834992</b>	<b>73847492</b>	<b>65.98</b>	<b>73629260</b>	<b>218732</b>	<b>73847992</b>	<b>65.98</b>
<b>B.</b>	<b>Public Shareholding</b>								
<b>1.</b>	<b>Institutions</b>								
a.	Mutual Funds/UtI	-	-	-	-	-	-	-	-
b.	Financial Institutions / Banks	-	100	100	-	-	100	100	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
i.	Any Other	-	-	-	-	-	-	-	-
	<b>Sub - Total (B)(1)</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>

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			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>2.</b>	<b>Non-Institutions</b>								
a.	Bodies Corporate	18939110	4722575	23661685	21.14	19080837	6608715	25689552	22.95
b.	Individuals -								
	I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	79758	10625364	10705122	9.57	667938	9906213	10574151	9.45
	II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	15513	3676364	3691877	3.29	26363	1760018	1786381	1.60
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
d.	Any Other								
	Clearing Members	-	-	-	-	1475	-	1475	
	Hindu Undivided Families	687	300	987	0.01	6632	-	6632	0.01
	Non Resident Indians	-	10932	10932	0.01	230	10932	11162	0.01
	Trusts	-	-	-	-	50	700	750	-
		687	11232	11919	0.02	8387	11632	20019	0.02
	<b>Sub - Total (B)(2)</b>	<b>19035068</b>	<b>19035535</b>	<b>38070603</b>	<b>34.02</b>	<b>19783525</b>	<b>18286578</b>	<b>38070103</b>	<b>34.02</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>19035068</b>	<b>19035635</b>	<b>38070703</b>	<b>34.02</b>	<b>19783525</b>	<b>18286678</b>	<b>38070203</b>	<b>34.02</b>
	<b>Total (A)+(B)</b>	<b>76047568</b>	<b>35870627</b>	<b>111918195</b>	<b>100.00</b>	<b>93412785</b>	<b>18505410</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>76047568</b>	<b>35870627</b>	<b>111918195</b>	<b>100.00</b>	<b>93412785</b>	<b>18505410</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	15852500	14.16	-	15852500	14.16	-	-
3	Golden Star Assets Consultants Pvt Ltd	14396000	12.86	-	14396000	12.86	-	-
4	Gold Nest Trading Company Ltd	5808000	5.19	-	5808000	5.19	-	-
5	Ranford Investments Limited	5580000	4.99	-	-	-	-	-4.99
6	Ranford Investments Ltd	1370705	1.22	-	-	-	-	-1.22
7	Ranford Investments	857250	0.77	-	-	-	-	-0.77
8	Ranford Investments Ltd	-	-	-	7807955	6.98	-	6.98
9	Darnolly Investments Limited	5580000	4.99	-	-	-	-	-4.99
10	Darlolly Investments	857000	0.77	-	-	-	-	-0.77
11	Darnolly Investments Ltd	-	-	-	6437000	5.75	-	5.75
12	Sical Logistics Limited	1125000	1.01	-	-	-	-	-1.01
13	Sical Logistics Limited	573542	0.51	-	-	-	-	-0.51
14	Sical Logistics Limited	331898	0.30	-	-	-	-	-0.30
15	Sical Logistics Limited	318365	0.28	-	-	-	-	-0.28
16	First Leasing Co of India Ltd	177250	0.16	-	177250	0.16	-	-
17	Jawahar Vadivelu	24800	0.02	-	24800	0.02	-	-
18	Jawahar Vadivelu	2300	-	-	2300	-	-	-
19	Sical Logistics Limited	11400	0.01	-	-	-	-	-0.01
20	Navia Markets Limited	11600	0.01	-	11600	0.01	-	-
21	Vadivelu AL	5494	-	-	5494	-	-	-
22	Vadivelu AL	2550	-	-	2550	-	-	-
23	Vadivelu AL	100	-	-	100	-	-	-
24	Muthiah A C	4000	-	-	4000	-	-	-
25	Chidambaram M A	1858	-	-	1858	-	-	-
26	Chidambaram M A	150	-	-	150	-	-	-
27	Ashwin C Muthiah	200	-	-	200	-	-	-
28	Ashwin C Muthiah	30	-	-	30	-	-	-
29	Sicagen India Limited	-	-	-	2360205	2.11	-	2.11

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

23,60,205 equity shares owned by Sical Logistics Ltd got transferred to Sicagen India Ltd by virtue of scheme of Arrangement (Demerger) as sanctioned by the Hon'ble High court of Madras vide its order dated 20.12.2007

**(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-2015	9220000	8.24	9220000	8.24
	At the end of the Year 31-Mar-2016	9220000	8.24	9220000	8.24
<b>2</b>	<b>SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED</b>				
	At the beginning of the year 01-Apr-2015	3711000	3.32	3711000	3.32
	At the end of the Year 31-Mar-2016	3711000	3.32	3711000	3.32
<b>3</b>	<b>SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2015	2276000	2.03	2276000	2.03
	At the end of the Year 31-Mar-2016	2276000	2.03	2276000	2.03
<b>4</b>	<b>SPIC OFFICERS AND STAFF WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2015	2064000	1.84	2064000	1.84
	At the end of the Year 31-Mar-2016	2064000	1.84	2064000	1.84
<b>5</b>	<b>MANALI PETROCHEMICALS LIMITED</b>				
	At the beginning of the year 01-Apr-2015	1648000	1.47	1648000	1.47
	At the end of the Year 31-Mar-2016	1648000	1.47	1648000	1.47
<b>6</b>	<b>DICK FINANCIAL SERVICES LTD</b>				
	At the beginning of the year 01-Apr-2015	958350	0.85	958350	0.85
	At the end of the Year 31-Mar-2016	958350	0.85	958350	0.85
<b>7</b>	<b>COROMANDEL GROWTH FUND LTD</b>				
	At the beginning of the year 01-Apr-2015	631550	0.56	631550	0.56
	At the end of the Year 31-Mar-2016	631550	0.56	631550	0.56
<b>8</b>	<b>WINDSOR INVESTMENTS LTD</b>				
	At the beginning of the year 01-Apr-2015	484400	0.43	484400	0.43
	At the end of the Year 31-Mar-2016	484400	0.43	484400	0.43
<b>9</b>	<b>PANTHEON INVESTMENTS LTD</b>				
	At the beginning of the year 01-Apr-2015	425980	0.38	425980	0.38
	At the end of the Year 31-Mar-2016	425980	0.38	425980	0.38
<b>10</b>	<b>RIPON INVESTMENTS PRIVATE LTD</b>				
	At the beginning of the year 01-Apr-2015	156900	0.14	156900	0.14
	Changes during the year (Purchased on 01 January 2016)	2092300	1.86	2092300	1.86
	At the end of the Year 31-Mar-2016	2249200	2.00	2249200	2.00

**(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-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
<b>2</b>	<b>Mr.M Rajamani</b>				
	At the beginning of the year 01-Apr-2015	900	-	900	-
	At the end of the Year 31-Mar-2016	900	-	900	-
<b>3</b>	<b>Ms.Sashikala Srikanth</b>				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
<b>4</b>	<b>Mr. E N Rangaswami</b>				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
<b>5</b>	<b>Mr. V Padmanabha Sarma</b>				
	At the beginning of the year 01-Apr-2015	10	-	10	-
	At the end of the Year 31-Mar-2016	10	-	10	-
<b>6</b>	<b>Ms. S Aarthi</b>				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
<b>7</b>	<b>Mr.N Prasanna Varadan</b>				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-

**VI INDEBTEDNESS**

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 01.04.2015</b>				
i) Principal Amount	1,100.00	224.80	-	1,324.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,100.00</b>	<b>224.80</b>	<b>-</b>	<b>1,324.80</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	75.70	182.80	-	258.50
Net Change	75.70	182.80	-	258.50
Indebtedness as at 31.03.2016				
i) Principal Amount	1,024.30	42.00	-	1,066.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,024.30</b>	<b>42.00</b>	<b>-</b>	<b>1,066.30</b>

## VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Whole-time Director

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
	Name	Mr. E N Rangaswami
	Designation	Whole-time Director
	Total Amount	
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	36.00
	(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>36.00</b>
	Ceiling as per the Act	60.00

### 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 MD

Sl. No	Gross Salary				Total
	Name	S Aarthi	N Prasanna Varadan	V Padmanabha Sarma	
	Designation	Co.Secy	Co.Secy	C F O	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	3.29	2.10	9.74	15.13
	(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)	3.29	2.10	9.74	15.13

### VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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 M/s Mercantile Ventures Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 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 M/s Mercantile Ventures Limited ("the Company") for the financial year ended on March 31, 2016 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) 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 is not applicable for the year under review
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 2015;
  - (g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement)
- (vi) The other laws as may be applicable specifically to the company
  - (a) Transfer of Property Act, 1882
  - (b) 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



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

- I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the institute of Company Secretaries of India (icsi).
- II. The Listing Agreement entered into by the company with the Bombay Stock Exchange (BSE).

I have also examined compliance with the applicable clauses of the Listing Agreements and The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) entered into by the BSE Limited

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

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring Compliance thereof by the Company during the year under review and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year

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 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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.

Place : Chennai  
Date : 04 August 2016

**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 compliances including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI (LODR)).

### 2. BOARD OF DIRECTORS

#### Composition and membership in other Boards

As on 31 March, 2016, the Board of Directors of the Company comprised of four directors. The Board comprises of one executive director and three non-executive directors of which all the three non-executive directors are independent. 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.

During the year under review, six meetings of the Board of Directors were held on 18 May 2015, 26 June 2015, 30 July 2015, 04 November 2015, 05 February 2016 & 04 March 2016.

Date of the Board meeting	Strength of the Board	No. of Directors present
18/05/2015	4	4
26/06/2015	4	2
30/07/2015	4	4
04/11/2015	4	4
05/02/2016	4	4
04/03/2016	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, 2016 are given below:

Sl. No.	Director	Attendance particulars		No. of other directorships	No. of other board – committee positions held	
		Board meeting	Last AGM		As Chairman	As Member
1.	Mr. M.Rajamani Non-Executive Independent	6	Yes	7	-	1
2.	Mr. AL Chandramouli Non-Executive Independent	5	Yes	1	-	-
3.	Ms. Sashikala Srikanth Non-Executive Independent	5	Yes	8	2	2
4.	Mr. E N Rangaswami Whole-time Director, Executive Non-Independent	6	Yes	6	1	2

### 3. 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).

## COMMITTEES OF THE BOARD

### 4. 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 comprises of three directors non-executive and independent directors.

During the year under review the committee met 5 times viz., on 18 May 2015, 30 July 2015, 04 November 2015, 05 February 2016 & 04 March 2016. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	5
Mr. M Rajamani	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.

### 5. 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 3 times during the year ended 31.03.2016 viz., on 18 May 2015, 30 July 2015 & 04 November 2015. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. M Rajamani, Chairperson	3
Mr. AL Chandramouli	3
Ms. Sashikala Srikanth	3

### REMUNERATION TO DIRECTORS

Mr E N Rangaswami, was appointed as Whole-Time Director (WTD) of the company for a period of three years with effect from 05 December, 2012. He has been reappointed for a further period of three years with effect from 05 December 2015 on a remuneration of Rs.36.00 lakhs per annum which was effective from 01 April 2015.



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, 2016 are as follows:

(in Rupees)

Sl.No.	Name of the Director	Sitting fees
1.	Mr. AL Chandramouli	1,05,000
2.	Mr.M Rajamani	1,30,000
3.	Ms. Sashikala Srikanth	1,05,000
	<b>Total</b>	<b>3,40,000</b>

#### 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 34 times during the year ended 31.03.2016. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. M Rajamani, Chairman	34
Mr. AL Chandramouli	22
Mr.E N Rangaswami	30

#### Details of the Compliance Officer:

N Prasanna Varadan- Company Secretary & Compliance Officer

#### Details of Shareholders Complaints:

Number of complaints received during the year: 15

Number of complaints solved during the year : 15

The Company had no pending documents for transfer as on 31st March, 2016.

#### 7. 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 practices and procedures for unpublished price sensitive information is available at <http://www.mercantileventures.co.in/files/Code%20for%20Disclosures%20Reg%208.pdf>

#### 8. FAMILIARISATION PROGRAMME

The Company has put in place a system to familiarize its independent directors about the company. In addition the company also keeps the independent directors updated on the events and developments happened in the company during the financial year 2015-16. The details of Familiarisation Programme is available at <http://www.mercantileventures.co.in/files/Familiarisation%20Programme.pdf>

#### 9. GENERAL MEETINGS

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

Year	Location	Date and Time
12th AGM – 2012 –2013	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108	30 September 2013 3 PM
13th AGM – 2013 – 2014	Rajah Annamalai Mandram, 5, Esplanade Road (Near High court), Chennai-600 108.	22 September 2014 3 PM
14th AGM – 2014 – 2015	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	25 September 2015 2.30 PM

## 10. Disclosures

During the year ended 31st March, 2016, there were no materially significant related party transactions having conflict with the interests of the Company.

There were no instances of non-compliance by the Company, penalties, strictures imposed on the company by the stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

No Resolution has been passed in Postal Ballot during the year 2015-16.

## 11. 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).

## 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.

## 12. General Shareholder Information:

1.	Annual General Meeting : Date Time Venue	19 Septemeber 2016 3.30 pm Rajah Annamalai Hall, Esplanade, Chennai – 600 108.
2.	Financial calendar April 2016 – March 2017	First quarter results - Second week of August, 2016 Half-yearly results -Second week of November, 2016 Third quarter results - Second week of February, 2017 Annual results 31 March 2017 - Last week of May, 2017
3.	Record date Book closure date	12/09/2016 13/09/ 2016 to 19/09/2016
4.	Listing of equity shares on stock exchanges	Bombay Stock Exchange Limited. The company has paid the Listing Fees to the stock exchange upto date.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Off. Anna Salai, Chennai – 600 002
6.	Stock Code ISIN	538942 - Bombay Stock Exchange Limited. INE689O01013
7.	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.
8.	Dematerialisation of shares and liquidity	83.46% equivalent to 9,34,12,785 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.
9.	Details of public funding obtained in the last three years  Depository Registry - For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	No capital has been raised in the last three years from public.  Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 : Fax No. 28460129 Email: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>

11.	Compliance Officer & address for communication	N Prasanna Varadan Company Secretary Mercantile Ventures Limited 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 044 – 4043 2209 Email: cs@mercantileventures.co.in
12.	Website	www.mercantileventures.co.in

#### DISTRIBUTION OF HOLDINGS

Share holding of nominal value of Rs.10/- Range – Shares	Share Holders		Number of Shares	
	Number	%	Number	%
10 – 5000	50946	94.09	7273130	6.50
5001 – 10,001	2333	4.31	1785267	1.60
10,001 – 20,000	582	1.07	823776	0.74
20,001 – 30,000	108	0.20	273532	0.24
30,001 – 40,000	46	0.09	173063	0.16
40,001 – 50,000	31	0.06	147827	0.13
50,001 – 1,00,000	36	0.07	263033	0.23
1,00,001 – And above	62	0.11	101178567	90.40
<b>TOTAL</b>	<b>54144</b>	<b>100.00</b>	<b>111918195</b>	<b>100.00</b>

#### Market / Share Price Data

##### Bombay Stock Exchange Limited, Mumbai

Month	High (Rs.)	Low (Rs.)
April 2015	25.85	18.30
May 2015	19.25	15.25
June 2015	16.50	10.00
July 2015	12.02	9.40
August 2015	10.39	8.10
September 2015	11.69	7.16
October 2015	12.96	9.06
November 2015	10.78	8.48
December 2015	9.72	7.90
January 2016	10.47	8.28
February 2016	11.00	9.61
March 2016	10.45	7.81

#### DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE II – CORPORATE GOVERNANCE – SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of Mercantile Ventures Limited:

We, E N Rangaswami, Whole-time Director and V Padmanabha Sarma, Chief Financial Officer, hereby declare that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct, formulated by the Company, for the year ended 31st March, 2016.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 04 August 2016

**V Padmanabha Sarma**  
Chief Financial Officer

**E N Rangaswami**  
Whole-time Director



## **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, 2016 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 Shareholders' / Investors' Grievance 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.

Place : Chennai  
Date : 04 August 2016

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

## INDEPENDENT AUDITORS' REPORT

To

**The Members of  
Mercantile Ventures Limited**

### **Report on Financial Statements**

We have audited the accompanying Financial Statements of Mercantile Ventures Limited ("the Company"), which comprises the Balance Sheet for the year ended as at March 31, 2016, and the Statement of Profit and Loss for the year ended on that date along with the Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information.

### **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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### **Opinion**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India by The Institute of Chartered Accountants of India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company for the year ended as at March 31, 2016;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on the date

### Report on Other Legal and Regulatory Requirements:-

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet complies with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The Company has adequate internal financial control system in place and operative effectiveness of such control.
  - f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section 2 of section 164 of the Companies Act, 2013

**For DPV & Associates**  
Chartered Accountants  
FRN 011688S

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

Place : Chennai  
Date : 26-May-2016

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## Annexure to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the company.
2. Since the Company is a service company there is no stock of raw material
3. a) The Company has not given or taken loans from the parties covered in the register maintained under section 189 of the Companies act, 2013.
  - b) In the light of (a) we do not comment on the interest or other conditions or security of loans.
  - c) In the light of (a) we do not comment on the payment of principal or interest.
4. In respect of loans, investments, guarantees and security the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits in the current year hence the provision of sections 73 to 76 does not apply.

6. The Central Government has not prescribed for the Company maintenance of the Cost Records under subsection 1 of section 148 of the Act.
7. a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues relating to Income Tax, and Service Tax and other statutory dues applicable to it with the appropriate authorities.  
b) 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 Service Tax.
8. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. According to the records of the Company and the information and explanation given to us, the term loan was applied for the purpose for which it was obtained.
10. We had not noticed any fraud by the Company or any fraud on the Company by its officers or employees to be reported during the year.
11. According to the records of the Company provided to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a nidhi company hence question of compliances relating to nidhi company does not apply to the Company.
13. In our opinion the Company has complied with the provisions of sections 177 and 188 of Companies Act 2013 for all transactions with the related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to information and explanations furnished to us the Company has not entered in to any non – cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under sec 45-IA of the Reserve Bank of India Act, 1934.

**For DPV & Associates**  
Chartered Accountants  
FRN 011688S

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

Place : Chennai  
Date : 26-May-2016

## BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

S. No.	Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	11269.67	11269.67
	(b) Reserves & Surplus	4	15373.20	14969.15
			<b>26642.87</b>	26238.82
2	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	5	938.99	1324.80
	(b) Deferred Tax Liabilities	6	77.08	33.81
	(c) Other Long-Term Liabilities	7	282.04	290.68
			<b>1298.11</b>	1649.29
3	<b>Current Liabilities</b>			
	(a) Other Current Liabilities	8	206.68	10.78
	(b) Short-Term Provisions	9	1290.00	1186.21
			<b>1496.68</b>	1196.99
	<b>Total - Equity &amp; Liabilities</b>		<b>29437.66</b>	29085.10
<b>B</b>	<b>ASSETS</b>			
1	<b>Non-Current Assets</b>			
	(a) Fixed Assets - Tangible Assets	10	4356.28	4269.27
	(b) Non Current Investments	11	4453.59	4266.93
	(c) Long Term Loans and Advances	12	4369.90	3013.17
	(d) Other Non-Current Assets	13	11544.57	11544.57
			<b>24724.34</b>	23093.94
2	<b>Current Assets</b>			
	(a) Trade Receivables	14	55.68	98.96
	(b) Cash and cash equivalents	15	36.00	492.51
	(c) Other Loans and Advances	16	3371.91	4780.85
	(d) Other Current Assets	17	1249.73	618.84
			<b>4713.32</b>	5991.16
	<b>Total - Assets</b>		<b>29437.66</b>	29085.10
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.				

This is the Balance Sheet referred to in our report of even date.

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K. Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V. Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
	<b>Revenue:</b>			
I	Income from Operations	18	424.51	360.75
	Other Income	19	718.02	560.27
	<b>Total Revenue</b>	(A)	<b>1142.53</b>	921.02
	<b>Expenses:</b>			
II	Employee Benefit Expense	20	63.08	49.61
	Finance Costs	21	224.40	11.72
	Depreciation and Amortization Expense	10	40.33	32.55
	Other Expenses	22	250.14	233.20
	<b>Total Expenses</b>	(B)	<b>577.95</b>	327.08
III	<b>Profit before exceptional and extraordinary items and tax</b>	(A - B)	<b>564.58</b>	593.94
IV	<b>Exceptional items (Net)</b>	23	-	2045.21
V	<b>Profit before tax</b>		<b>564.58</b>	2639.15
VI	<b>Tax Expense:</b>			
	Current Income Tax		103.79	695.22
	Tax relating to previous year		13.47	-
	Provision for Tax reversed		-	(165.53)
	Deferred tax liability / (Asset)		43.27	(11.89)
VII	<b>Profit/(Loss) for the year from continuing operations</b>		<b>404.05</b>	2121.35
VIII	<b>Profit/(Loss) for the year</b>		<b>404.05</b>	2121.35
IX	<b>Earning per equity share(in Rs)</b>			
	Basic		0.36	1.90
	Diluted		0.36	1.85
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss				

This is the Statement of Profit and Loss referred to in our report of even date.

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹in Lakhs)

	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
A	<b>Cash Flow from Operating Activities</b>				
	Profit for the year before Exceptional items and Tax		564.58		593.94
	<b>Add: Exceptional items</b>		-		2045.21
	<b>Adjustments for:</b>				
	Depreciation	40.33		32.55	
	Dividend Income	(286.79)		(180.95)	
	Short term gain on liquid funds	(7.16)		(1.70)	
	Interest Income	(396.45)		(373.75)	
	Investments written off	31.70		-	
	Profit on sale of fixed assets	(18.66)		(2045.21)	
	Profit on sale of investments	(8.40)	(645.43)	-	(2569.06)
	<b>Operating Profit before Working Capital changes</b>		(80.85)		70.09
	<b>Adjustments for:</b>				
	Long Term Liabilities	(8.64)		290.68	
	Current liabilities & Provisions	110.59		(2612.76)	
Long term Loans & Advances	(1356.73)		1370.74		
Non-Current Assets	-		2000.23		
Trade Receivables	43.28		-		
Other Current Assets	(82.12)	(1293.62)	(184.90)	863.99	
Tax paid		(1374.47)		934.08	
		(562.24)		(84.28)	
<b>Net Cash from Operating activities</b>		(1936.71)		849.80	
B	<b>Cash Flow from Investing activities</b>				
	Proceeds from sale of shares	14.92		-	
	Proceeds from sale of Fixed Assets	22.00		2066.99	
	Addition to Fixed Assets	(130.67)		(2471.19)	
	Investments	(224.89)		(699.42)	
	Income from Investments	690.40		556.40	
	Loans and Advances	1408.94	1780.70	(1214.88)	(1762.10)
		1780.70		(1762.10)	
C	<b>Cash Flow from Financing activities</b>				
	Proceeds of issue of preference shares	-		75.00	
	Long term Borrowings	(300.50)	(300.50)	1100.00	1175.00
	<b>Net Cash used in Financing Activities</b>		(300.50)		1175.00
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>		(456.51)		262.70
	<b>Cash &amp; Cash Equivalents (Opening Balance) as at 31-3-2015</b>		492.51		229.81
	<b>Cash &amp; Cash Equivalents (Closing Balance) as at 31-3-2016</b>		36.00		492.51

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## Note 1 Significant Accounting Policies

### 1. Basis of Preparation of Financial Statements

The Financial Statements have been prepared on accrual basis under the historical cost convention and applicable Accounting standards.

### 2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 3. Cash and cash equivalents (for Cash Flow Statement)

Cash on hand comprises Cash on hand and balance in Current account with Bank and other liquid funds.

### 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.

### 5. Fixed Assets

The Fixed Assets are stated at cost less accumulated Depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

### 6. Depreciation

- a) Depreciation is provided on the basis of straight Line Method adopting the rates and the manner as provided in Schedule II of the of the Companies Act, 2013 as amended.
- b) Depreciation for additions to/deductions from Fixed Assets is calculated pro rata from/to the month of additions/deletions.
- c) Fixed Assets individually costing Rs.5000 or less are depreciated in full in the year of additions.”

### 7. Investments (Long Term)

- a) Investments in shares and units are stated at cost, net of permanent diminution in value wherever necessary.
- b) Dividends are accounted for when the right to receive the payment is established.

### 8. Impairment of assets

The company recognizes impairment of assets other than the assets which are specially excluded under the Accounting Standard 28 on impairment assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying cost in the books. In case carrying amounts exceeds recoverable value impairment losses are provided for.

### 9. Revenue recognition

- a) Revenue is recognized on accrual basis and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
- b) Dividend income is recognized when the company's right to receive the dividend is established by the reporting date.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.”

### 10. 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.

### 11. Provision for current tax and deferred tax

Provision for current tax is made after taking into consideration admissible benefits under the provisions of the Income Tax 1961. Deferred taxes are recognized when considered prudent for all timing differences between taxable and accounting income.

### 12. Retirement Benefits

The company has recently commenced the operations and presently there are no post-employment and other long term benefits.

## 2. Notes on Financial Statements for the year ended 31 March 2016

### 3. Share Capital

(₹ in Lakhs)

Particulars		As at 31 March 2016		As at 31 March 2015	
Authorised Capital					
11,50,00,000 Equity Shares of Rs.10/- each			11500.00		11500.00
1,50,00,000 Preference Shares of Rs.10/- each			1500.00		1500.00
<b>Total</b>			<b>13000.00</b>		<b>13000.00</b>
<b>Issued, Subscribed &amp; Paid-up Capital</b>					
11,19,18,195 Equity Shares of Rs.10/- each fully paid up (Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)	<b>11191.82</b>			11191.82	
7,50,000 Five year Zero % optionally Convertible Preference Shares of Rs.10/- each fully paid up	<b>75.00</b>	<b>11266.82</b>		75.00	11266.82
Add: Forfeited shares		<b>2.85</b>			2.85
<b>Total</b>		<b>11269.67</b>			<b>11,269.67</b>

The Preference Shares issued during the year 2014-15 are convertible into equity shares at par or redeemable at par at the option of the shareholders at the end of five years from the date of allotment

#### 3.1. Number of Equity Shares at the beginning and end of the reporting year

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	111918195	11191.82	111918195	11191.82
Shares issued during the year	-	-	-	-
Shares outstanding at the close of the year	111918195	11191.82	111918195	11191.82

#### 3.2. Details of Shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
Trinity Auto Points Limited	20956000	18.72	20956000	18.72
South India Travels Private Limited	15852500	14.16	15852500	14.16
Golden Star Assets Consultants Private Limited	14396000	12.86	14396000	12.86
Southern Petrochemical Industries Corporation Limited	9220000	8.24	9220000	8.24
Ranford Investments Limited	7807955	6.98	7807955	6.98
Dornolly Investments Limited	6437000	5.75	6437000	5.75
Gold Nest Trading Company Limited	5808000	5.19	5808000	5.19

#### 4. Reserves & Surplus

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Capital Reserve</b>		
Opening balance	292.43	292.43
Add: Addition during the year	-	-
	292.43	292.43
Less: Deduction during the year	-	-
<b>Closing Balance (A)</b>	292.43	292.43
<b>General Reserve</b>		
Opening balance	375.60	375.60
Add: Addition during the year	-	-
	375.60	375.60
Less: Deduction during the year	-	-
<b>Closing Balance (B)</b>	375.60	375.60
<b>Securities Premium Account</b>		
Opening balance	12250.20	12250.20
Add: Premium credited on securities issued in pursuance of a Scheme of Arrangement (Refer Note 3)	-	-
	12250.20	12250.20
Less: Premium utilised during the year	-	-
<b>Closing Balance (C)</b>	12250.20	12250.20
<b>Profit &amp; Loss Account</b>		
Surplus from Profit & Loss Account	2050.92	(70.43)
Add: Profit/(Loss) for the year	404.05	2121.35
	2454.97	2050.92
Less: Deduction during the year	-	-
<b>Closing Balance (D)</b>	2454.97	2050.92
<b>Total (A to D)</b>	15373.20	14969.15

#### 5. Long Term Borrowings

<b>Secured</b>		
Term Loan-from Others	938.99	1100.00
	938.99	1100.00
<b>Unsecured</b>		
Convertible Bonds	-	224.80
<b>Total</b>	938.99	1324.80

5.1 Term Loan has been availed against hypothecation charge on rental receivables from tenants occupying company's office space and mortgage on 46118 sq. ft. of office space of the company in Chennai.

5.2 Zero interest 3 year Convertible Bonds issued to the Creditors of the company on 27 March 2013 in pursuance of a Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court matured for payment on 27 March 2016. Bonds having a maturity value of Rs 182.80 lakhs have been redeemed on the due date as per the option exercised by the bondholders. The company has not received any response from the other bondholders. Reminder letters have been sent.

#### 6. Deferred Tax Liability

Related to Fixed Assets-timing difference	77.08	33.81
<b>Total</b>	77.08	33.81

#### 7. Other Long-term Liabilities:

Rent Deposit	282.04	290.68
<b>Total</b>	282.04	290.68

#### 8. Other Current Liabilities

<b>Other Payables</b>		
a) Duties & Taxes	7.27	0.83
b) Outstanding expenses payable	72.06	6.14
c) Other payables	127.35	3.81
<b>Total</b>	206.68	10.78

8.1 Other payables include unpaid zero interest convertible bonds of Rs. 42.00 lakhs (Please refer note 5.2 above)

#### 9. Short Term Provisions

Provision for Taxation	1290.00	1186.21
<b>Total</b>	1290.00	1186.21

(₹ in Lakhs)

**10. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 31-03-2015	ADDITIONS	DELETIONS	AS AT 31-03-2016	AS AT 31-03-2015	DELETIONS	AS AT 31-03-2016	AS AT 31-03-2016	AS AT 31-03-2015
<b>Tangible Assets</b>									
Freehold Land	3622.66	-	-	<b>3622.66</b>	-	-	-	<b>3622.66</b>	3622.66
Buildings	586.77	3.87	4.47	<b>586.17</b>	64.37	1.14	<b>72.79</b>	<b>513.38</b>	522.40
Computers	1.23	-	-	<b>1.23</b>	0.79	-	<b>1.18</b>	<b>0.05</b>	0.44
Plant & Machinery, Airconditioners, etc	62.55	57.56	-	<b>120.11</b>	2.03	-	<b>7.40</b>	<b>112.71</b>	60.52
Furniture and Fixtures	68.54	68.95	-	<b>137.49</b>	7.43	-	<b>31.86</b>	<b>105.63</b>	61.11
Office Equipments	2.85	0.29	-	<b>3.14</b>	0.71	-	<b>1.29</b>	<b>1.85</b>	2.14
<b>Total</b>	<b>4344.60</b>	<b>130.67</b>	<b>4.47</b>	<b>4470.80</b>	<b>75.33</b>	<b>1.14</b>	<b>114.52</b>	<b>4356.28</b>	<b>4269.27</b>
Previous year	1901.29	4100.69	1657.38	<b>4344.60</b>	48.88	6.10	<b>75.33</b>	<b>4269.27</b>	1852.41

**11. Details of Non-Trade Investments**  
**Non-Current Investments**

(₹in Lakhs)

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
<b>Quoted</b>						
<b>Investments in Equity instruments-fully paid up</b>						
Adarsh Chemicals Ltd	Others	10	7000	2.09	7000	2.09
Autopal Industries Ltd	Others	10	300	0.12	300	0.12
Avon Containers and Printers Ltd	Others	10	-	-	16650	4.86
Chitra Durga Spintex Ltd	Others	10	36500	3.65	36500	3.65
Crescent Finstock Ltd	Others	10	14	0.01	14	0.01
Dev Fasteners Ltd	Others	10	2800	1.25	2800	1.25
Easar Port Ltd	Others	10	2	-	2	0.00
Eastern Threads Ltd	Others	10	-	-	50300	5.07
Essar Shipping Ltd	Others	10	1	-	1	-
Hindusthan Construction Ltd	Others	10	-	-	50	0.02
Integrated Digital Info services Ltd	Others	10	200	0.02	200	0.02
ISPL Industries Ltd	Others	10	37000	22.01	37000	22.01
Karuthuri Floritech Ltd	Others	10	-	-	7400	0.97
Karuthuri Floritech Ltd-Partly paid	Others	10	-	-	360000	9.00
Kumbat Financial Services Ltd	Others	10	10100	1.01	10100	1.01
Malvika Steels Ltd	Others	10	-	-	48600	19.44
Manali Petrochemicals Limited	Others	10	300	0.03	-	-
Reliance petroleum Ltd	Others	10	-	-	400	0.05
Ritish International Ltd	Others	10	12900	4.03	12900	4.03
S & S Power Switch Gears Ltd	Others	10	77	0.01	77	0.01
S&S Industries Ltd	Others	10	560	0.01	560	0.01
Sai Industries Ltd	Others	10	4400	0.44	4400	0.44
Saptharishi Agro Industries Ltd	Others	10	3700	0.80	3700	0.80
Sharp industries Ltd	Others	10	40	0.06	40	0.06
Sicagen India Ltd	Others	10	465423	0.05	465423	0.05
Sical Logistics Ltd	Others	10	474469	308.16	484469	314.66
Southern Petrochemical Industries Corporation Ltd	Others	10	289250	73.75	289250	73.75
Stanes Amalgamated Ltd	Others	10	-	-	225	0.03
Tebma Shipyards Ltd	Others	10	3400	3.68	3400	3.68
TN Jayabharat Mills Ltd	Others	10	2000	0.83	2000	0.83
Tribology India Ltd	Others	10	2350	2.25	2350	2.25
<b>Sub Total - (A)</b>				<b>424.26</b>		470.17

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
<b>Unquoted</b>						
Absolute Aromatics Ltd	Others	10	27200	17.68	27200	17.68
Agrimarine Exports Ltd	Others	10	8000	1.00	8000	1.00
Albaraka Finance House Ltd	Others	10	13500	2.10	13500	2.10
Alpine Industries	Others	10	-	-	124	0.06
AM Corporate Social Responsibility Foundation Ltd	Others	10	12000	0.12	-	-
Ananthi Constructions Ltd	Others	10	3900	0.21	3900	0.21
Aquamarine Food Products Ltd	Others	10	-	-	1300	0.38
Armaan Electricals Ltd	Others	10	-	-	10800	0.98
Armenian Investments Ltd	Others	10	19600	1.96	19600	1.96
Balaji Hotels and Enterprises Ltd	Others	10	1000	0.84	1000	0.84
Biochem Synergy Ltd	Others	10	-	-	2800	1.04
Bureau of Information Technology Ltd	Others	10	-	-	3700	2.27
Carrier Airconditioning & Refrigeration Ltd	Others	10	132	0.02	132	0.02
Cauvery Sugars and Chemicals Ltd	Others	10	-	-	50	0.03
Central Cables Ltd	Others	10	-	-	2900	2.44
Claro India Ltd	Others	10	600	0.12	600	0.12
Coromandel Growth Fund Ltd	Others	10	5000	0.50	5000	0.50
Dick Financial Services Pvt. Ltd	Others	10	120000	12.00	120000	12.00
Elliot Investments Ltd	Others	10	20000	2.00	20000	2.00
Euro Marine Products Ltd	Others	10	-	-	12100	0.79
Evergo Capital Markets Ltd	Others	10	-	-	14100	1.11
Gangadharam Appliances Ltd	Others	10	700	0.17	700	0.17
Gil Hospitals Ltd	Others	10	12500	2.19	12500	2.19
Hitco Drills Ltd	Others	10	-	-	290700	29.11
HMG Industries Ltd	Others	10	6900	4.06	6900	4.06
Hyataisun Magnetics Ltd	Others	10	-	-	4500	1.41
IGGI Resorts Ltd	Others	10	5300	1.82	5300	1.82
Indian Dyestuff Ltd	Others	10	-	-	66	0.07
Indo French Biotech Ltd	Others	10	-	-	200	0.02
Jain Farms Palm Oil Ltd	Others	10	50000	5.00	50000	5.00
Jayanthi Business Machines Ltd	Others	10	-	-	3000	1.05
Kailash Structurals Ltd	Others	10	1000	0.19	1000	0.19
Karthik Alloys Ltd	Others	10	3890	2.74	3890	2.74
Keycer Agro Products Ltd	Others	10	-	-	8000	0.81
Kongarar Textiles Ltd	Others	10	2600	1.17	2600	1.17
Maxworth Country India Ltd	Others	10	-	-	29500	1.84



Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
Modi Threads Ltd	Others	10	200	0.03	200	0.03
National Trust Housing Finance Ltd	Associate	10	5999890	691.76	5999890	689.99
Navia Markets Limited	Associate	10	1289410	145.06	1289410	145.06
Niranjana Paper Mills Ltd	Others	10	-	-	1100	0.11
Oasis Ventures Private Ltd	Subsidiary	10	1310000	131.00	760000	76.00
PA Cotton & Spinning Mills Ltd	Others	10	1400	2.10	1400	2.10
Pacific Granites Ltd	Others	10	6300	3.73	6300	3.73
Pango Exports Ltd	Others	10	-	-	15000	1.52
Pantheon Investments Ltd	Others	10	8800	0.88	8800	0.88
Pioneer Cashew Industries Ltd	Others	10	4300	0.44	4300	0.44
Premier Housing Ltd	Others	10	-	-	8800	4.41
Pushya Industrial Gases Ltd	Others	10	-	-	250	0.03
Raghavendra Spinners Ltd	Others	10	-	-	8300	1.63
Rainbow Holidays Resorts International Ltd	Others	10	-	-	32600	3.28
Rajalakshmi Mills Ltd	Others	10	-	-	1100	0.62
Rajsree Polyfil Ltd	Others	10	-	-	100	0.01
Raymond Synthetics Ltd	Others	10	100	0.01	100	0.01
Reed Relays & Electronics Ltd	Others	10	50	0.07	50	0.07
Renewal Energy Ltd	Others	10	-	-	1200	2.76
Ripon Investments Private Ltd	Others	10	38000	3.80	38000	3.80
SAE India Ltd	Others	10	-	-	2700	2.82
Shaktakiri Solvents Ltd	Others	10	-	-	5100	1.42
Shamrao Vithal Co-operative Bank Ltd	Others	10	500	0.01	500	0.01
Sholingar Textiles Ltd	Others	10	12300	9.47	12300	9.47
SJB Tubes Ltd	Others	10	-	-	6600	0.66
SOL Pharmaceuticals Ltd	Others	10	-	-	87	0.02
STI Biplus Tubing (I) Ltd	Others	10	-	-	10800	8.08
Success Investments Ltd	Others	10	37800	3.78	37800	3.78
Tamarai Mills Ltd	Others	10	4250	3.96	4250	3.96
Tri Star Soya Ltd	Others	10	5450	4.23	5450	4.23
Windsor Investments Ltd	Others	10	7800	0.78	7800	0.78
Woolworth India Ltd	Others	10	50	0.03	50	0.03
XS Financial Services Ltd	Others	10	42800	3.56	42800	3.56
Zen Global Finance Ltd	Others	10	400	0.07	400	0.07

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
<b>Sub Total - (B)</b>				<b>1060.66</b>		<b>1074.55</b>
<b>Total (a) : (A) + (B)</b>				<b>1484.92</b>		<b>1544.72</b>
Investments in Preference Shares						
EDAC Engineering Ltd		10	20000000	2000.00	20000000	2000.00
<b>Total (b)</b>				<b>2000.00</b>		2000.00
<b>Share Capital Advance</b>						
<b>India Radiators Ltd</b>		10	10095000	1009.50	8415000	841.50
<b>Total (c)</b>				<b>1009.50</b>		<b>841.50</b>
Aggregate amount of Investments (a) + (b) + (c)				<b>4494.42</b>		4386.22
<b>Less: Provision for diminution in value of investments</b>				<b>40.83</b>		119.29
<b>Net Value of Investments</b>				<b>4453.59</b>		4266.93

- Allotment of shares by India Radiators Limited is subject to approval of the revival scheme by the Board of Industrial and Financial Reconstruction
- Investments written off during the year aggregate Rs110.16 lakhs

	(Rs in lakhs)	(Rs in lakhs)
Aggregate amount of Non-Current quoted investments	424.26	470.17
Market value of Non-current quoted investments	756.12	904.59

#### 12. Long-Term Loans and Advances

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Others - Unsecured considered good</b>		
Capital Advances	<b>4369.90</b>	3013.17
<b>Total</b>	<b>4369.90</b>	3013.17

12.1 Capital Advances represent advances made towards purchase of immovable properties and fixed assets

#### 13. Other Non-Current Assets

Unsecured, considered good		
Other Advances	<b>11544.57</b>	11544.57
<b>Total</b>	<b>11544.57</b>	11544.57

13.1 The Non-Current assets relate to the balances of old NBFC business.

#### 14. Trade Receivables:

Sundry Debtors outstanding for less than six months	<b>55.68</b>	98.96
<b>Total</b>	<b>55.68</b>	98.96

#### 15. Cash & Cash Equivalents

Balances with Bank on Current Account	<b>35.81</b>	492.45
Cash on Hand	<b>0.19</b>	0.06
<b>Total</b>	<b>36.00</b>	492.51

### 16. Other Loans and Advances-Unsecured

	As at 31 March 2016	As at 31 March 2015
Loans and Advances - Inter Corporate Deposits	2114.38	3562.59
Other Advances	1257.53	1218.26
<b>Total</b>	<b>3371.91</b>	<b>4780.85</b>

#### 16.1 Details of Inter corporate Deposits disclosed pursuant to Section 186(4) of the Companies Act, 2013

EDAC Engineering Ltd	2114.38	2862.59
Greenstar Fertilizers Ltd	-	700.00

The above Inter Corporate Deposits are given for the business purposes of the recipient companies

### 17. Other Current Assets

Income Tax Advance	1249.73	618.84
<b>Total</b>	<b>1249.73</b>	<b>618.84</b>

### 18. Income from Operations

	Year ended 31 March 2016	Year ended 31 March 2015
Rent of immovable properties	424.51	360.75
<b>Total</b>	<b>424.51</b>	<b>360.75</b>

### 19. Other Income

Dividend received	286.79	180.95
Interest received	396.45	373.75
Short term Gain on Liquid Funds	7.16	1.70
Profit on sale of investments	8.40	-
Profit on sale of fixed assets	18.66	-
Bad debts recovered	0.53	-
Miscellaneous income	0.03	3.87
<b>Total</b>	<b>718.02</b>	<b>560.27</b>

### 20. Employment Benefit Expenses

Salaries	61.80	48.70
Staff Welfare	1.28	0.91
<b>Total</b>	<b>63.08</b>	<b>49.61</b>

### 21. Finance Cost

Interest on secured loan	127.93	11.72
Interest on Inter corporate deposit	96.47	-
<b>Total</b>	<b>224.40</b>	<b>11.72</b>

## 22. Other Expenses

(₹ in Lakhs)

	As at 31 March 2016		As at 31 March 2015	
Rates & Taxes		44.80		30.19
Repairs & Maintenance		79.15		83.98
Postage, Telephone & Courier charges		19.70		30.34
Travelling Expenses		1.95		3.03
Legal Expenses		4.18		-
Professional & Consultancy charges		10.50		13.16
Auditors Remuneration - Statutory Audit	2.75		2.25	
- Taxation	2.76		3.72	
- Other services	-		0.10	
- Out of pocket expenses	0.14	5.65	0.06	6.13
Miscellaneous Expenses		4.27		3.09
Advertisement Charges		2.35		6.48
Director Sitting Fees		3.40		2.31
Electricity and Fuel charges		31.70		18.42
Filing Fees		1.48		0.97
Printing & Stationery		6.97		8.25
Investments written off	110.16		6.37	
Less: provision for diminution in value of investments	(78.46)	31.70	(6.37)	-
Interest on Income Tax		1.88		3.35
Insurance Expenses		0.46		0.38
Loss on sale of investments		-		23.12
<b>Total</b>		250.14		233.20

## 23. Exceptional Items

Profit on sale of Fixed Assets		-		2045.21
<b>Total</b>		-		2045.21

23.1 The profit on sale of fixed assets represents profit arising from sale of immovable properties belonging to the Company.

24. Expenditure in foreign currency during the current period NIL NIL

25. Earnings in foreign exchange received during the current period NIL NIL

**26. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:**

**Related Parties:**

**Subsidiaries:**

Oasis Ventures Private Limited  
i3 Security Private Limited  
Rayce Electronic Intelligence India Private Limited

**Associates:**

Navia Markets Limited  
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

(₹in Lakhs)

Particulars of transaction	Relationship	Year ended 31 March 2016	Year ended 31 March 2015
<b>Transaction with related parties</b>			
1. Security charges paid to M/s. i3 Security Private Limited	<b>Subsidiary</b>	<b>0.07</b>	17.75
2. Maintenance charges paid to Oasis Ventures Private Ltd	<b>Subsidiary</b>	<b>28.65</b>	42.27
3. Rent collected- Oasis Ventures Private Limited	<b>Subsidiary</b>	<b>1.08</b>	0.88
4. Reimbursement of expenses by Oasis ventures Private Ltd	<b>Subsidiary</b>	-	10.02
5. Sale of Products and services-Rayce Electronic Intelligence India Private Ltd	<b>Subsidiary</b>	<b>2.14</b>	-
6. Whole-time Director's remuneration - Mr. E. N. Rangaswami	<b>Key Managerial Personnel</b>	<b>36.00</b>	25.00
Closing balances:			
<b>Investment in Subsidiaries:</b>			
Oasis Ventures Private Limited		<b>131.00</b>	76.00
<b>Investment in Associates:</b>			
Navia Markets Limited		<b>145.06</b>	145.06
National Trust Housing Finance Limited		<b>691.76</b>	689.99
<b>27. Commitments on capital account and not provided for</b>		<b>313.25</b>	1313.25
<b>28. Dividend receivable on Preference Shares</b>		<b>260.00</b>	260.00

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



## INDEPENDENT AUDITORS' REPORT

To

**The Members of  
Mercantile Ventures Limited**

### **Report on Consolidated Financial Statements**

We have audited the accompanying Financial Statements of Mercantile Ventures Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate comprising of the Consolidated Balance Sheet for the year ended as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintaining 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of

- a) The consolidated state of affairs of the Group and its associates as at 31/03/2016;
- b) The consolidated profit/ loss statement; and
- c) The consolidated cash flow statement for the year ended on the date.

#### **Other Matters**

We did not audit the financial statements/ financial information of the subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 380.74 Lakhs as at 31st March, 2016, total revenue of Rs.1477.73 Lakhs and net cash flows amounting to Rs. 8.66 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.240.91 Lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements/ financial information have not been audited by us.

These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management except in the case of National Trust Housing Finance Limited which is based on provisional results furnished by the management and in our opinion the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely upon the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, based on the comments in the auditors' report in the holding company, subsidiary companies and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the report of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The Group has adequate internal financial control system in place and operative effectiveness of such control
  - f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the group companies and its associate companies are disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the matter to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. There were no pending litigations which would impact the consolidated financial position of the Group and its associates.
    2. The Group and its associates do not have any material foreseeable losses in long-term contracts including derivative contracts.

3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies incorporated in India.

**For DPV & Associates**  
Chartered Accountants  
FRN 011688S

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

Place : Chennai  
Date : 26-May-2016

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## Annexure to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements"  
of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1. a) The Group is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets, wherever applicable.  
b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. a) Since the Group is a service oriented group there is no stock of raw material  
b) In light of our comments in sub para (a) above this question is not applicable to the company  
c) In light of our comments in sub para (a) above this question is not applicable to the company
3. a) In the Group has not given or taken loans from the parties covered in the register maintained under section 189 of the Companies Act, 2013.  
b) In the light of (a) we do not comment on the interest or other conditions or security of loans.  
c) In the light of (a) we do not comment on the payment of principal or interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems and procedures, which are commensurate with the size of the Group, and the nature of its business, for the purchase of assets and for the sale of services. There are no major weaknesses in internal control.
5. The Group has not accepted any deposits from the public. Therefore the provisions of section 73 to Section 76 of the Companies Act 2013 and rules framed there under are not applicable.
6. The Central Government has not prescribed for the Group maintenance of the Cost Records under sub-section 1 of section 148 of the Act.
7. a) According to the records of the Group, it is regular in depositing undisputed statutory dues relating to Income Tax, Service Tax and other statutory dues applicable to it with the appropriate authorities.  
b) According to the records of the Group and according to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Wealth Tax, Excise Duty, Customs Duty, etc.  
c) The company is not required to transfer any amount to Investor Education and Protection Fund as per the relevant provisions of the Companies Act, 1956 and rules made there under.
8. The Holding Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year. However, with respect to subsidiaries, the clause is not applicable.



9. According to the records of the Group, the Group have not borrowed from financial institution or banks.
10. The Group has not given guarantee for loans taken by others from Bank or financial institution.
11. Term Loan was applied for the purpose for which they were obtained, wherever applicable.
12. According to information and explanations furnished to us no fraud on or by the Group has been noticed or reported during the year.

**For DPV & Associates**  
Chartered Accountants  
FRN 011688S

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

Place : Chennai  
Date : 26-May-2016

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

S. No.	Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	11269.67	11269.67
	(b) Reserves & Surplus	4	15734.86	15077.12
			<b>27004.53</b>	26346.79
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	5	938.99	1324.80
	(b) Deferred Tax Liabilities	6	76.87	33.71
	(c) Other Long Term Liabilities	7	307.44	331.44
			<b>1323.30</b>	1689.95
<b>3</b>	<b>Current Liabilities</b>			
	(a) Trade Payables	8	10.48	-
	(b) Other Current Liabilities	9	298.12	66.85
	(c) Short-Term Provisions	10	1433.83	1285.49
			<b>1742.43</b>	1352.34
	<b>Total - Equity &amp; Liabilities</b>		<b>30070.26</b>	29389.08
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets - Tangible Assets	11	4360.43	4272.73
	(b) Goodwill - Intangible Assets		12.85	3.67
	(c) Non Current Investments	12	4625.66	4263.08
	(d) Long Term Loans and Advances	13	4369.90	3013.17
	(e) Other Non-Current Assets	14	11545.47	11545.47
			<b>24914.31</b>	23098.12
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	15	19.33	-
	(b) Trade Receivables	16	303.10	256.52
	(c) Cash and cash equivalents	17	143.66	590.14
	(d) Other Loans and Advances	18	3433.05	4822.34
	(e) Other Current Assets	19	1256.81	621.96
			<b>5155.95</b>	6290.96
	<b>Total - Assets</b>		<b>30070.26</b>	29389.08

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

This is the Consolidated Balance Sheet referred to in our Report of even date.

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K. Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V. Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
	<b>Revenue:</b>			
I	Income from Operations	20	1813.34	1302.99
	Other Income	21	721.77	563.77
	<b>Total Revenue</b>	<b>(A)</b>	<b>2535.11</b>	<b>1866.76</b>
	<b>Expenses:</b>			
II	Cost of Services		30.58	95.00
	Employee Benefit Expense	22	1277.32	766.71
	Finance Costs	23	224.91	11.91
	Depreciation and Amortization Expense	11	43.40	33.68
	Other Expenses	24	342.44	303.61
	<b>Total Expenses</b>	<b>(B)</b>	<b>1918.65</b>	<b>1210.91</b>
III	Profit before exceptional and extraordinary items and tax	<b>(A - B)</b>	<b>616.46</b>	655.85
IV	Exceptional items (Net)	25	-	2045.21
V	Profit before tax		<b>616.46</b>	2701.06
	<b>Tax Expense:</b>			
	Current Income Tax		128.67	712.67
	Provision for Taxation reversed		-	(165.53)
	Tax relating to previous year		13.47	-
	Deferred tax liability / (Asset)		43.15	(12.10)
VII	Profit/(Loss) for the year from continuing operations		<b>431.17</b>	2166.02
VIII	Profit/(Loss) for the year		<b>431.17</b>	2166.02
IX	Minority interest		5.63	10.52
X	Pre-acquisition profit(capital reserve)		1.59	-
XI	Consolidated profit for the year attributable to the group(VIII-IX-X)		<b>423.95</b>	2155.50
IX	(a) Basic earnings per equity share		<b>0.38</b>	1.93
	(b) Diluted earnings per equity share		<b>0.37</b>	1.88

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss.

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹in Lakhs)

	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
<b>A</b>	Cash Flow from Operating Activities				
	Profit for the year before Exceptional items and Tax		<b>616.46</b>		655.85
	<b>Add: Exceptional items</b>		-		2045.21
	<b>Adjustments for:</b>				
	Depreciation	<b>43.48</b>		33.68	
	Dividend Income	<b>(286.79)</b>		(180.95)	
	Short term gain on liquid funds	<b>(7.16)</b>		(1.70)	
	Interest Income	<b>(396.15)</b>		(377.23)	
	Investments written off	<b>31.70</b>		-	
	Profit on sale of fixed assets	<b>(18.66)</b>		(2045.21)	
	Profit on sale of investments	<b>(8.40)</b>	<b>(641.98)</b>	-	(2571.41)
	<b>Operating Profit before Working Capital changes</b>		<b>(25.52)</b>		129.65
	<b>Adjustments for:</b>				
	Goodwill	<b>3.21</b>		1.23	
	Long Term Liabilities	<b>(8.64)</b>		290.68	
Current liabilities & Provisions	<b>175.93</b>		(2566.96)		
Loans & Advances	<b>(1356.75)</b>		1370.74		
Non-Current Assets	-		1999.33		
Trade Receivables	<b>43.28</b>		-		
Other Current Assets	<b>(212.87)</b>	<b>(1355.84)</b>	(253.80)	841.22	
<b>Net Cash from operations</b>		<b>(1381.36)</b>		970.87	
Tax (Paid)/ refund		<b>(564.50)</b>		(84.28)	
<b>Net Cash from Operating activities</b>		<b>(1945.86)</b>		886.59	
<b>B</b>	<b>Cash Flow from Investing activities</b>				
	Proceeds from sale of shares	<b>14.92</b>		-	
	Proceeds from sale of Fixed Assets	<b>22.00</b>		2066.99	
	Addition to Fixed Assets	<b>(134.43)</b>		(2474.40)	
	Investments	<b>(256.96)</b>		(709.40)	
	Income from Investments	<b>690.41</b>		559.88	
	Loans and Advances	<b>1408.94</b>	<b>1744.88</b>	(1232.85)	(1789.78)
<b>Net Cash from Investing activities</b>		<b>1744.88</b>		(1789.78)	
<b>C</b>	<b>Cash Flow from Financing activities</b>				
	Proceeds of issue of Securities	<b>55.00</b>		75.00	
	Repayment of long term borrowings	<b>(300.50)</b>		-	
	Long Term borrowings	-		1100.00	
	<b>Net Cash used in Financing Activities</b>		<b>(245.50)</b>		1175.00
<b>Net Cash Flows during the year (A) + (B) + (C)</b>		<b>(446.48)</b>		271.81	
Cash & Cash Equivalents (Opening Balance) as at 31-3-2015		<b>590.14</b>		318.33	
<b>Cash &amp; Cash Equivalents (Closing Balance) as at 31-3-2016</b>		<b>143.66</b>		590.14	

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K. Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V. Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## Note 1 Significant Accounting Policies

### 1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared on accrual basis under the historical cost convention and applicable Accounting standards.

### 2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 3 Cash and cash equivalents(for Cash Flow Statement)

Cash on hand comprises Cash on hand and balance in Current account with Bank and other liquid funds.

### 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.

### 5 Fixed Assets

The Fixed Assets are stated at cost less accumulated Depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

### 6 Depreciation

- a) Depreciation is provided on the basis of straight Line Method adopting the rates and the manner as provided in Schedule II of the Companies Act, 2013 as amended
- b) Depreciation for additions to/deductions from Fixed Assets is calculated pro rata from/to the month of additions/deletions.
- c) Fixed Assets individually costing Rs.5000 or less are depreciated in full in the year of additions.

### 7 Investments (Long Term)

- a) Investments in shares and units are stated at cost, net of permanent diminution in value wherever necessary.
- b) Dividends are accounted for when the right to receive the payment is established.

### 8 Impairment of assets

The company recognizes impairment of assets other than the assets which are specially excluded under the Accounting Standard 28 on impairment assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying cost in the books. In case carrying amounts exceeds recoverable value impairment losses are provided for.

### 9 Revenue recognition

- a) Revenue is recognized on accrual basis and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

- b) Dividend income is recognized when the company's right to receive the dividend is established by the reporting date.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

## 10 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.

## 11 Provision for current tax and deferred tax

Provision for current tax is made after taking into consideration admissible benefits under the provisions of the Income Tax 1961. Deferred taxes are recognized when considered prudent for all timing differences between taxable and accounting income.

## 12 Retirement Benefits

The company has recently commenced the operations and presently there are no post-employment and other long term benefits.

## 2 Notes on Consolidated Financial Statements for the year ended 31 March 2016

### 2.1 Basis of preparation

The Consolidated Financial Statements relate to M/s. Mercantile Ventures Limited (the company) and its subsidiary companies. The company and its subsidiary companies constitute the Group. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified accounting standards under the Companies Accounting Standards Rule 2006 as notified accounting standards under the Companies Accounting Standard Rules 2006 as amended and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

### 2.2 Basis of consolidation

- i The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company ie year ended 31 March 2016 and are prepared based on the accounting policies consistent with those used by the company.
- ii The financial statements of the group have been prepared in accordance with the AS 21 and AS 23 - Consolidated financial statements and other generally accepted accounting principles in India.

### 2.3 The consolidated financial statements have been prepared on the following basis:

- i The consolidated financial statements of the company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities income and expenses. The intra group balances and transactions have been fully eliminated.
- ii 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 recognised as "Goodwill" in the consolidated financial statements.
- iii Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

### 2.4 Rayce Electronic Intelligence India Private Limited became an wholly owned subsidiary of Oasis Ventures Private Limited on its corporation on 13.02.2015.

### 3 Share Capital

(₹ in Lakhs)

Particulars		As at 31 March 2016		As at 31 March 2015	
Authorised Capital					
11,50,00,000 Equity Shares of Rs.10/- each		11500.00		11500.00	
1,50,00,000 Preference Shares of Rs.10/- each		1500.00		1500.00	
<b>Total</b>		<b>13000.00</b>		<b>13000.00</b>	
<b>Issued, Subscribed &amp; Paid-up Capital</b>					
11,19,18,195 Equity Shares of Rs.10/- each fully paid up (Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)	11191.82		11191.82		
7,50,000 Five year Zero % optionally Convertible Preference Shares of Rs.10/- each fully paid up	75.00	11266.82	75.00	11266.82	
Add: Forfeited shares		2.85		2.85	
<b>Total</b>		<b>11269.67</b>		<b>11269.67</b>	

The Preference Shares issued during the year 2014-15 are convertible in to equity shares at par or redeemable at par at the option of the shareholder at the end of five years from the date of allotment

#### 3.1. Number of Equity Shares at the beginning and end of the reporting year

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	111918195	11191.82	111918195	11191.82
Shares issued during the year	-	-	-	-
Shares outstanding at the close of the year	111918195	11191.82	111918195	11191.82

#### 3.2. Details of Shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
Trinity Auto Points Limited	20956000	18.72	20956000	18.72
South India Travels Private Limited	15852500	14.16	15852500	14.16
Golden Star Assets Consultants Private Limited	14396000	12.86	14396000	12.86
Southern Petrochemical Industries Corporation Limited	9220000	8.24	9220000	8.24
Ranford Investments Limited	7807955	6.98	7807955	6.98
Dornolly Investments Limited	6437000	5.75	6437000	5.75
Gold Nest Trading Company Limited	5808000	5.19	5808000	5.19

#### 4. Reserves & Surplus

Particulars	As at 31 March 2016	As at 31 March 2015
Capital Reserve		
Opening balance	292.43	292.43
Add: Addition during the year	-	-
	292.43	292.43
Less: Deduction during the year	-	-
<b>Closing Balance (A)</b>	<b>292.43</b>	<b>292.43</b>
General Reserve		
Opening balance	375.60	375.60
Add: Addition during the year	-	-
	375.60	375.60
Less: Deduction during the year	-	-
<b>Closing Balance (B)</b>	<b>375.60</b>	<b>375.60</b>
Securities Premium Account		
Opening balance	12252.47	12252.47
Add: Premium credited on securities issued in pursuance of a Scheme of Arrangement (Refer Note 3)	-	-
	12252.47	12252.47
Less: Premium utilised during the year	-	-
<b>Closing Balance (C)</b>	<b>12252.47</b>	<b>12252.47</b>
Profit & Loss Account		
Surplus from Profit & Loss Account	2156.62	(60.54)
Add: Profit/(Loss) for the year	423.95	2155.50
Transfer of Profits of Associate	240.91	62.16
	2821.48	2157.12
Less: Deduction during the year	7.12	0.50
<b>Closing Balance (D)</b>	<b>2814.36</b>	<b>2156.62</b>
<b>Total (A to D)</b>	<b>15734.86</b>	<b>15077.12</b>

#### 5. Long Term Borrowings

Particulars	As at 31 March 2016	As at 31 March 2015
Secured		
Term Loan-from Others	938.99	1100.00
Unsecured		
Convertible Bonds	-	224.80
<b>Total</b>	<b>938.99</b>	<b>1324.80</b>



**5.1** Term Loan has been availed against hypothecation charge on rental receivables from tenants occupying company's office space and mortgage on 46118 sq. ft. of office space of the company in Chennai.

**5.2** Zero interest 3 year Convertible Bonds issued to the Creditors of the company on 27 March 2013 in pursuance of a Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court nated for payment on 27 March 2016. Bonds having a maturity value of Rs 182.80 lakhs have been redeemed on the due date as per the option exercise by the bondholders. The company has not received any response from the other bondholders. Reminder letters have been sent

## 6 Deferred Tax Liability

Particulars	As at 31 March 2016	As at 31 March 2015
Related to Fixed Assets-timing difference	76.87	33.71
<b>Total</b>	<b>76.87</b>	<b>33.71</b>

## 7 Other Long-term Liabilities:

Particulars	As at 31 March 2016	As at 31 March 2015
Rent Deposit	282.04	290.69
Minoirty interest	25.40	40.75
<b>Total</b>	<b>307.44</b>	<b>331.44</b>

## 8 Trade Payables

Particulars	As at 31 March 2016	As at 31 March 2015
Trade Payables	10.48	-

## 9 Other Current Liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
Other Payables		
a) Duties & Taxes	7.79	0.83
b) Outstanding Expenses payable	72.06	7.57
c) Other payables	218.27	58.45
<b>Total</b>	<b>298.12</b>	<b>66.85</b>

**9.1** Other payables include unpaid Zero interest Convertible Bonds of Rs 42.00 lakhs( please refer note 5.2 above)

## 10 Short term Provsions

Particulars	As at 31 March 2016	As at 31 March 2015
Short term Provsions	93.08	-
Provision for Taxation	1340.75	1285.49
<b>Total</b>	<b>1433.83</b>	<b>1285.49</b>

**11 Fixed Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31-03-2015	ADDITIONS	DELETIONS	AS AT 31-03-2015	DELETIONS	FOR THE YEAR	AS AT 31-03-2016	AS AT 31-03-2015
Tangible Assets								
Freehold Land	3622.66	-	-	3622.66	-	-	3622.66	3622.66
Buildings	586.78	3.87	4.47	586.18	1.14	9.56	513.39	522.41
Computers	5.43	1.64	-	7.07	-	2.50	1.47	2.33
Airconditioners, etc	63.71	57.56	-	121.27	-	5.37	113.55	61.36
Furniture and Fixtures	69.73	69.28	-	139.01	-	24.83	105.94	61.49
Office Equipments	3.29	2.08	-	5.37	-	1.14	3.42	2.48
Total	4351.60	134.43	4.47	4481.56	1.14	43.40	4360.43	4272.73
Previous year	1905.11	4103.87	1657.38	4351.60	6.10	33.68	4272.73	1853.82

**Note:**

Depreciation for prior years amounting to Rs.0.70 lakhs has been adjusted in the Depreciation Reserve as at 31-3-2015.

## 12 Details of Non-Trade Investments

### Non-Current Investments

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
<b>Quoted</b>						
Investments in Equity instruments-fully paid up						
Adarsh Chemicals Ltd	Others	10	7000	2.09	7000	2.09
Autopal Industries Ltd	Others	10	300	0.12	300	0.12
Avon Containers and Printers Ltd	Others	10	-	-	16650	4.86
Chitra Durga Spintex Ltd	Others	10	36500	3.65	36500	3.65
Crescent Finstock Ltd	Others	10	14	0.01	14	0.01
Dev Fasteners Ltd	Others	10	2800	1.25	2800	1.25
Easar Port Ltd	Others	10	2	-	2	-
Eastern Threads Ltd	Others	10	-	-	50300	5.07
Essar Shipping Ltd	Others	10	1	-	1	-
Hindusthan Construction Ltd	Others	10	-	-	50	0.02
Integrated Digital Info services Ltd	Others	10	200	0.02	200	0.02
ISPL Industries Ltd	Others	10	37000	22.01	37000	22.01
Karuthuri Floritech Ltd	Others	10	-	-	7400	0.97
Karuthuri Floritech Ltd-Partly paid	Others	10	-	-	360000	9.00
Kumbat Financial Services Ltd	Others	10	10100	1.01	10100	1.01
Malvika Steels Ltd	Others	10	-	-	48600	19.44
Manali Petrochemicals Ltd	Others	10	300	0.03	-	-
Reliance petroleum Ltd	Others	10	-	-	400	0.05
Ritish International Ltd	Others	10	12900	4.03	12900	4.03
S & S Power Switch Gears Ltd	Others	10	77	0.01	77	0.01
S & S Industries Ltd	Others	10	560	0.01	560	0.01
Sai Industries Ltd	Others	10	4400	0.44	4400	0.44
Saptharishi Agro Industries Ltd	Others	10	3700	0.80	3700	0.80
Sharp industries Ltd	Others	10	40	0.06	40	0.06
Sicagen India Ltd	Others	10	465423	0.05	465423	0.05
Sical Logistics Ltd	Others	10	474469	308.16	484469	314.66
Southern Petrochemical Industries Corporation Ltd	Others	10	289250	73.75	289250	73.75
Stanes Amalgamated Ltd	Others	10	-	-	225	0.03
Tebma Shipyards Ltd	Others	10	3400	3.68	3400	3.68
TN Jayabharat Mills Ltd	Others	10	2000	0.83	2000	0.83
Tribology India Ltd	Others	10	2350	2.25	2350	2.25
<b>Sub Total - (A)</b>				<b>424.26</b>		<b>470.17</b>
<b>Unquoted</b>						
Absolute Aromatics Ltd	Others	10	27200	17.68	27200	17.68
Agrimarine Exports Ltd	Others	10	8000	1.00	8000	1.00
Albaraka Finance House Ltd	Others	10	13500	2.10	13500	2.10
Alpine Industries	Others	10	-	-	124	0.06
AM Corporate Social Responsibility Foundation Ltd	Others	10	12000	0.12	-	-

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
Ananthi Constructions Ltd	Others	10	3900	0.21	3900	0.21
Aquamarine Food Products Ltd	Others	10	-	-	1300	0.38
Armaan Electricals Ltd	Others	10	-	-	10800	0.98
Armenian Investments Ltd	Others	10	19600	1.96	19600	1.96
Balaji Hotels and Enterprises Ltd	Others	10	1000	0.84	1000	0.84
Biochem Synergy Ltd	Others	10	-	-	2800	1.04
Bureau of Information Technology Ltd	Others	10	-	-	3700	2.27
Carrier Airconditioning & Refrigeration Ltd	Others	10	132	0.02	132	0.02
Cauvery Sugars and Chemicals Ltd	Others	10	-	-	50	0.03
Central Cables Ltd	Others	10	-	-	2900	2.44
Claro India Ltd	Others	10	600	0.12	600	0.12
Coromandel Growth Fund Ltd	Others	10	5000	0.50	5000	0.50
Dick Financial Services Pvt. Ltd	Others	10	120000	12.00	120000	12.00
Elliot Investments Ltd	Others	10	20000	2.00	20000	2.00
Euro Marine Products Ltd	Others	10	-	-	12100	0.79
Evergo Capital Markets Ltd	Others	10	-	-	14100	1.11
Gangadharam Appliances Ltd	Others	10	700	0.17	700	0.17
Gil Hospitals Ltd	Others	10	12500	2.19	12500	2.19
Hitco Drills Ltd	Others	10	-	-	290700	29.11
HMG Industries Ltd	Others	10	6900	4.06	6900	4.06
Hyataisun Magnetics Ltd	Others	10	-	-	4500	1.41
IGGI Resorts Ltd	Others	10	-	1.82	5300	1.82
Indian Dyestuff Ltd	Others	10	-	-	66	0.07
Indo French Biotech Ltd	Others	10	-	-	200	0.02
Jain Farms Palm Oil Ltd	Others	10	50000	5.00	50000	5.00
Jayanthi Business Machines Ltd	Others	10	-	-	3000	1.05
Kailash Structurals Ltd	Others	10	1000	0.19	1000	0.19
Karthik Alloys Ltd	Others	10	3890	2.74	3890	2.74
Keycer Agro Products Ltd	Others	10	-	-	8000	0.81
Konmgarar Textiles Ltd	Others	10	2600	1.17	2600	1.17
Maxworth Country India Ltd	Others	10	-	-	29500	1.84
Modi Threads Ltd	Others	10	200	0.03	200	0.03
National Trust Housing Finance Ltd	Associate	10	5999890	923.19	5999890	689.99
Navia Markets Limited	Associate	10	1289410	216.70	1289410	207.21
Niranjana Paper Mills Ltd	Others	10	-	-	1100	0.11
Rayce Electronics Intelligence India Private Ltd	Subsidiary	10	-	-	100000	10.00
PA Cotton & Spinning Mills Ltd	Others	10	1400	2.10	1400	2.10
Pacific Granites Ltd	Others	10	6300	3.73	6300	3.73
Pango Exports Ltd	Others	10	-	-	15000	1.52
Pantheon Investments Ltd	Others	10	8800	0.88	8800	0.88
Pioneer Cashew Industries Ltd	Others	10	4300	0.44	4300	0.44
Premier Housing Ltd	Others	10	-	-	8800	4.41
Pushya Industrial Gases Ltd	Others	10	-	-	250	0.03

Name of Company	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2016	No. of Shares/ Units	As at 31 March 2015
Raghavendra Spinners Ltd	Others	10	-	-	8300	1.63
Rainbow Holidays Resorts International Ltd	Others	10	-	-	32600	3.28
Rajalakshmi Mills Ltd	Others	10	-	-	1100	0.62
Rajsree Polyfil Ltd	Others	10	-	-	100	0.01
Raymond Synthetics Ltd	Others	10	100	0.01	100	0.01
Reed Relays & Electronics Ltd	Others	10	50	0.07	50	0.07
Renewal Energy Ltd	Others	10	-	-	1200	2.76
Ripon Investments Private Ltd	Others	10	38000	3.80	38000	3.80
SAE India Ltd	Others	10	-	-	2700	2.82
Shaktakiri Solvents Ltd	Others	10	-	-	5100	1.42
Shamrao Vithal Co-operative Bank Ltd	Others	10	500	0.01	500	0.01
Sholingar Textiles Ltd	Others	10	12300	9.47	12300	9.47
SJB Tubes Ltd	Others	10	-	-	6600	0.66
SOL Pharmaceuticals Ltd	Others	10	-	-	87	0.02
STI Biplus Tubing (I) Ltd	Others	10	-	-	10800	8.08
Success Investments Ltd	Others	10	37800	3.78	37800	3.78
Tamarai Mills Ltd	Others	10	4250	3.96	4250	3.96
Tri Star Soya Ltd	Others	10	5450	4.23	5450	4.23
Windsor Investments Ltd	Others	10	7800	0.78	7800	0.78
Woolworth India Ltd	Others	10	50	0.03	50	0.03
XS Financial Services Ltd	Others	10	42800	3.56	42800	3.56
Zen Global Finance Ltd	Others	10	400	0.07	400	0.07
<b>Sub Total - (B)</b>				<b>1232.73</b>		<b>1070.70</b>
<b>Total (a) : (A) + (B)</b>				<b>1656.99</b>		<b>1540.87</b>
(b) Investments in Preference Shares						
EDAC Engineering Ltd		10	20000000	2000.00	20000000	2000.00
<b>Total (b)</b>				<b>2000.00</b>		<b>2000.00</b>
(c) Share Capital Advance						
India Radiators Ltd		10	10095000	1009.50	8415000	841.50
<b>Total (c)</b>				<b>1009.50</b>		<b>841.50</b>
<b>Aggregate amount of Investments (a) + (b) + (c)</b>				<b>4666.49</b>		<b>4382.37</b>
Less: Provision for diminution in value of investments				40.83		119.29
<b>Net Value of Investments</b>				<b>4625.66</b>		<b>4263.08</b>

12.1 Allotment of shares by India Radiators Limited is subject to approval of the revival scheme by the Board of Industrial and Financial Reconstruction

12.2 Goodwill on consolidation on shares of Navia Markets Limited and National Trust Housing Finance Ltd is valued at Rs107.89 lakhs in accordance with AS 23. These investments are carried 'in the books at cost plus the investor's share of profits of the investment in the associate.

(Rs. in lakhs)

Aggregate amount of Non-Current quoted investments	424.26	470.17
Market value of Non-current quoted investments	756.12	904.59

### 13 Long-Term Loans and Advances

(Rs. in lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
Others - Unsecured considered good		
Capital Advances	4369.90	3013.17
<b>Total</b>	<b>4369.90</b>	<b>3013.17</b>

13.1 Capital Advances represent advances made towards purchase of immovable properties and Fixed Assets

### 14 Other Non-Current Assets

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Other Advances	11545.47	11545.47
<b>Total</b>	<b>11545.47</b>	<b>11545.47</b>

14.1 The Non-Current assets relate to the balances of old NBFC business.

### 15 Inventories

Particulars	As at 31 March 2016	As at 31 March 2015
Inventories	13.39	-
Work-in-progress	5.94	-
<b>Total</b>	<b>19.33</b>	<b>-</b>

### 16 Trade Receivable

Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivable outstanding for less than six months	300.99	256.52
Trade receivable outstanding for more than six months	2.11	
<b>Total</b>	<b>303.10</b>	<b>256.52</b>

### 17 Cash & Cash Equivalents

Particulars	As at 31 March 2016	As at 31 March 2015
Balances with Bank on Current Account	142.49	587.73
Cash on Hand	1.17	2.41
<b>Total</b>	<b>143.66</b>	<b>590.14</b>

### 18 Other Loans and Advances

Particulars	As at 31 March 2016	As at 31 March 2015
Loans and Advances - Inter Corporate Deposits	2114.38	3562.59
Other Advances	1318.67	1259.75
<b>Total</b>	<b>3433.05</b>	<b>4822.34</b>

**18.1 Details of Inter corporate Deposits disclosed pursuant to Section 186(4) of the Companies Act, 2013**

(Rs. in lakhs)

Edac Engineering Ltd	<b>2114.38</b>	2862.59
Greenstar Fertilizers Ltd	-	700.00

The above Inter Corporate Deposits are proposed to be utilised for the business purposes of the recipient companies  
The above disclosure was not applicable for the previous year

**19 Other Current Assets**

Particulars	As at 31 March 2016	As at 31 March 2015
Income Tax Advance	1256.63	621.96
Other advances	0.18	-
<b>Total</b>	<b>1256.81</b>	621.96

**20 Income from Operations**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Rent of immovable properties	424.51	360.75
Man power supply services	-	884.19
Sale of services	1376.94	7.75
Housing keeping charges	-	50.30
Sale of Products	11.89	-
<b>Total</b>	<b>1813.34</b>	1302.99

**21 Other Income**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Dividend received	286.79	180.95
Interest received	399.39	377.23
Short term Gain on Liquid Funds	7.16	1.70
Profit on sale of investments	8.40	-
Profit on sale of fixed assets	18.66	-
Bad debts recovered	0.53	-
Miscellaneous income	0.84	3.89
<b>Total</b>	<b>721.77</b>	563.77

**22 Employment Benefit Expenses**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries	1276.04	692.18
Contribution to PF & ESI	-	65.11
Staff Welfare	1.28	9.42
<b>Total</b>	<b>1277.32</b>	766.71

## 23 Finance Cost

(Rs. in lakhs)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest	224.71	11.91
Bank Charges	0.20	-
<b>Total</b>	<b>224.91</b>	<b>11.91</b>

## 24 Other Expenses

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
Rates & Taxes		46.47		30.90
Repairs & Maintenance		56.48		98.33
Director's Remuneration		29.40		23.46
Postage, Telephone & Courier charges		21.48		31.89
Travelling Expenses		23.21		10.27
Professional & Consultancy charges		48.28		17.40
Auditors Remuneration - Statutory Audit	4.75		3.93	
- Taxation	2.76		3.72	
- Other services	-		0.59	
- Out of pocket expenses	0.14	7.65	0.06	8.30
Miscellaneous Expenses		6.96		5.91
Advertisement Charges		2.35		6.53
Director Sitting Fees		3.40		2.31
Rent		11.96		10.54
Electricity and Fuel charges		32.55		19.00
Filing Fees		2.33		1.04
Printing & Stationery		8.41		9.50
Interest on Income Tax		1.88		3.35
Investments written off:	110.16		6.37	
Less: Provision for diminution in value of investments	(78.46)	31.70	(6.37)	-
Preliminary Expenses		0.08		0.08
Insurance Expenses		0.46		0.45
Legal expenses		4.18		-
Goodwill written off		3.21		1.23
Loss on sale of investments		-		23.12
<b>Total</b>		<b>342.44</b>		<b>303.61</b>



## 25 Exceptional Items

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit on sale of Fixed Assets	-	2045.21
<b>Total</b>	-	2045.21

25.1 The profit on sale of fixed assets represents profit arising from sale of immovable properties belonging to the company.

26 Expenditure in foreign currency during the current period **NIL** NIL

27 Earnings in Foreign Exchange received during the current period **NIL** NIL

28 As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

### Related Parties:

#### Subsidiaries:

Oasis Ventures Private Limited

i3 Security Private Limited

Rayce Electronic Intelligence India Private Limited

#### Associates:

Navia Markets Limited

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 2016	Year ended 31 March 2015
<b>Transaction with related parties during the year 2015-16</b>			
1. Security charges paid to M/s. i3 Security Private Limited	<b>Subsidiary</b>	<b>0.07</b>	17.75
2. Maintenance charges paid to Oasis Ventures Private Ltd	<b>Subsidiary</b>	<b>28.65</b>	42.27
3. Rent collected- Oasis Ventures Private Limited	<b>Subsidiary</b>	<b>1.08</b>	0.88
4. Reimbursement of expenses by Oasis ventures Private Ltd	<b>Subsidiary</b>	-	10.02
5. Sale of Products and services-Rayce Electronic Intelligence India Private Ltd	<b>Subsidiary</b>	<b>2.14</b>	-
6. Whole-time Director's remuneration - Mr. E. N. Rangaswami	<b>Key Managerial Personnel</b>	<b>36.00</b>	25.00
<b>Closing balances:</b>			
<b>Investment in Subsidiaries:</b>			
Oasis Ventures Private Limited		<b>131.00</b>	76.00
<b>Investment in Associates:</b>			
Navia Markets Linmited		<b>216.70</b>	207.21
National Trust Housing Finance Limited		<b>923.19</b>	689.99

29 Commitments on capital account and not provided for **313.25** 1313.25

30 Dividend receivable on Preference Shares **260.00** 260.00

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



**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 2016**

**Part "A:" Subsidiaries**

(₹ in Lakhs)

Particulars	Oasis Ventures Private Limited	i3 Security Private Limited	Rayce Electronics Intelligence India Private Limited
Reporting period for the subsidiary concerned, (if different from the holding company's reporting period)	NA	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	NA
Share capital	131.00	85.20	31.00
Reserves & surplus	25.84	93.26	(24.74)
Total assets	172.68	385.53	29.08
Total Liabilities( Excluding Share Capital & Reserves)	15.84	207.07	22.82
Investments	139.41	-	-
Turnover	103.22	1357.01	11.56
Profit before taxation	22.59	57.24	(24.74)
Provision for taxation	7.07	17.69	-
Profit after taxation	15.52	39.55	(24.74)
Proposed Dividend	-	-	-
% of shareholding	100.00	85.77	100.00

**Part "B": Associates Statement**

Name of the Associate	Navia Markets Limited	National Trust Housing Finance Limited
Latest audited Balance Sheet Date	31-03-2016	31-03-2016
No. of Shares of Associate held by the company on the year end	1289410	5999890
Amount of Investment in Associates	145.06	691.76
Extent of Holding %	47.30	40.00
Description of how there is significant influence	by virtue of Shareholding	by virtue of Shareholding
Reason why the associate is not consolidated	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	584.91	2358.44
Profit / Loss for the year	20.04	578.58
i. Considered in Consolidation	9.48	231.43
ii. Not Considered in Consolidation	10.56	347.15

Note: The financial results of National Trust Housing Finance Limited, Associate have been consolidated based on the unaudited figures provided by the company.

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director

**Sashikala Srikanth**  
Director

Place : Chennai  
Date : 26 May 2016

**V.Padmanabha Sarma**  
Chief Financial Officer

**N.Prasanna Varadan**  
Company Secretary



# 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 **15<sup>th</sup> Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108 on Monday, the 19 September 2016 at 3.30 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 **15<sup>th</sup> Annual General Meeting** of the company, to be held on **Monday, the 19 September 2016 at 3.30 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
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(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this.....day of.....2016

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

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

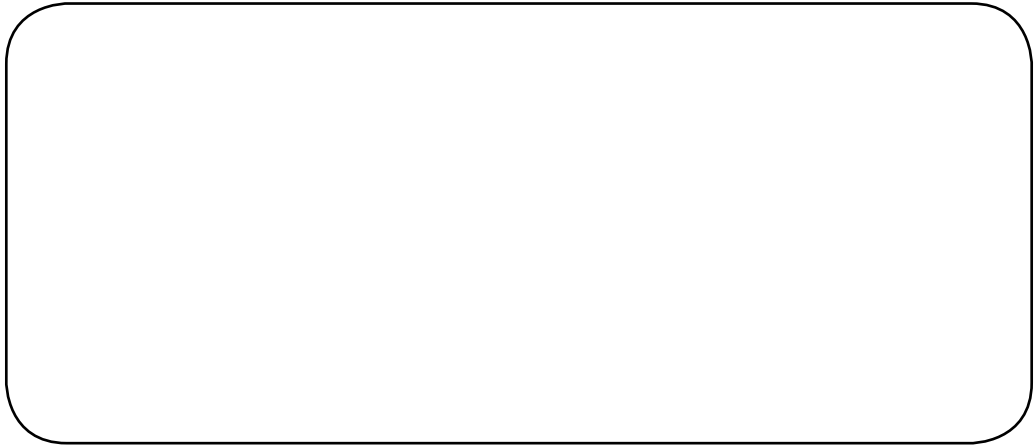
Affix  
₹ 1  
Revenue Stamp

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.

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

To:



*If undelivered, please return to:*

**MERCANTILE VENTURES LIMITED**

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