



ANNUAL REPORT

2014 – 15

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

S Aarthi

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 Fourteenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Friday the 25th day of September 2015 at 2.30 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 2015 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, 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 to Section 152 and other applicable provisions, if any of the Companies Act, 2013, Mr. E N Rangaswami (DIN: 06463753), Whole-time Director who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.”
3. To 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 (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 ₹ 275000.”

SPECIAL BUSINESS

4. To Consider and if thought fit, to pass with or without modification the following resolutions as ordinary resolution.
“**RESOLVED THAT** pursuant to the Section 160, 161 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force Ms. Sashikala Srikanth (DIN: 01678374) is appointed as a director of the Company, not liable to retire by rotation”.
RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director of the Company for a period of five years from 25 March 2015, be and is hereby approved”.
5. To Consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.
“**RESOLVED THAT** pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Mr. M Rajamani (DIN: 00195006) as an Independent Director of the Company for a period of five years from 25 March 2015, be and is hereby approved”.
6. To Consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.
“**RESOLVED THAT** pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Mr. A L Chandramouli (DIN: 02299091) as an Independent Director of the Company for a period of five years from 25 March 2015, be and is hereby approved”.
7. To Consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.
“**RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to:

- make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate; and
- acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to an aggregate sum of ₹ 200 crore, notwithstanding that the aggregate of loans and investments so far made, or proposed to be made or given by the Board may exceed sixty per cent of the company's paid-up share capital, free reserves and securities premium account or one hundred per cent of the company's free reserves and securities premium account, whichever is more.

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

Place : Chennai

Date : 30 July 2015

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 Transfer Books will remain closed from 19 September 2015 to 25 September 2015 both days inclusive.
3. All the shareholders 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.
5. Pursuant to the stipulations in Clause 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. 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 earlier 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 18 September 2015 for the purpose of E-voting
8. As per SEBI directive, submission of self attested PAN copy of transferee/ legal heir including joint holders, if any is mandatory for registration of transfer/transmission/transposition of shares. Hence the respective transferee/ legal heir including joint holders are requested to attach their self attested PAN copy to Company/RTA while lodging the documents for registration
9. Members those who hold share(s) in physical form are requested to notify immediately any change in their address to the Company/ RTA and those who hold share(s) in demat to concerned depository participants.
10. 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).
11. The related Explanatory statement pursuant to sec 102 of the Companies Act, 2013, in respect of item No.4 to 7 is annexed hereto.

ANNEXURE TO NOTICE

Explanatory Statement required in pursuance of section 102 of the Companies Act, 2013.

ITEM No. 4

The Board of Directors at their meeting held on 25 March 2015, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Sashikala Srikanth as an Additional Director under Section 161(1) of the Companies Act, 2013 of the Company and as an Independent Non-executive Director of the Company for five consecutive years under Section 149 of the Companies Act, 2013. The appointment as Independent director requires the approval of the members

Ms. Sashikala Srikanth has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Ms. Sashikala Srikanth fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement for her appointment as an Independent Director of the Company

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Sashikala Srikanth as an Independent Director.

Except the respective appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions.

ITEM No. 5 & 6

Mr. M Rajamani and Mr. AL Chandramouli were appointed as Directors of the Company liable to retire by rotation and categorized as Independent Directors under the Listing Agreement. In terms of the relevant provisions of the Companies Act, 2013 (the Act) at the Meeting held on 25 March 2015, these Directors have been appointed by the Board as Independent Directors under Section 149 of the Act read with the other provisions, rules and Schedule IV to the Act, for a period of five years w.e.f. the said date. As per Section 150 their appointment is to be approved by the shareholders and hence the same is placed for consideration and approval at the AGM. In terms of the relevant provisions of the Act, the above directors will not be liable to retirement by rotation. Both the appointees comply with the criteria for independent directors specified in Section 149(6) of the Act. Considering their qualification, experience, stature and standing, they are qualified to be appointed as the Independent Directors of the Company. Their appointment and guidance as the Independent Directors will be of great value to the Company.

The Board recommends the resolutions for the consideration of the Members.

Except the respective appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions.

ITEM No. 7

As per Section 186 of the Companies Act, 2013 aggregate of investments/ securities/loans and advances/ guarantees should not exceed 60% of the paid up capital and free reserves or 100% of the free reserves whichever is more without the approval of the shareholders. Considering the existing investments/ loans & advances and taking into account the future plans of the Company, it is deemed necessary to obtain the approval of the shareholders to invest in shares/ securities or provide loans and advances, provide guarantees upto ₹ 200 crore

The Board recommends the resolutions for the consideration of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions.

Place : Chennai
Date : 30 July 2015

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

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHT BY ELECTRONIC MEANS

1. The voting period begins on 22 September 2015 and ends on 24 September 2015. E-Voting system will be available at all time except between 00:00 hrs to 01:00 hrs. (IST). During this period shareholders of the Company to whom notice of the AGM have been despatched electronically or physically by registered post or courier, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to register themselves as Corporates by logging on to <https://www.evotingindia.co.in>. A scanned copy of the Registration Form duly signed and seal affixed should be e-mailed to helpdesk.evoting@cdslindia.com. The login details will be sent by CDSL by reply mail. After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they can cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
3. The following are the instructions for participating in the e-voting on the resolutions contained in the notice of the Annual General Meeting. These apply to all the Members of the Company and who receive the notice either by e-mail or physical copy.
 - a) Log on to the e-voting website www.evotingindia.com during the voting period.
 - b) Click on "Shareholders" tab.
 - c) Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - d) Enter your User ID as shown below

| | |
|--|--|
| Members holding shares in demat form with CDSL | Sixteen digits beneficiary ID |
| Members holding shares in demat form with NSDL | Eight Character DP ID followed by eight digits client ID |
| Members holding shares in physical form | Folio No. |

- e) Enter the image verification as displayed and click on "Login"
- f) Enter the password:
 - Members holding shares in Demat form and who have already exercised e-voting on an earlier occasion through www.evotingindia.com in respect of their holding in any other company shall use their existing password. If the password has been forgotten they will have to enter the User ID and Image Verification Code and then click on "Forgot Password" to enter the details as prompted by the system for retrieving the password.
 - Password entry for Members who are holding shares in demat form and are exercising e-voting for the first time and for Members holding shares in Physical form shall be as below:

| | |
|----------------|---|
| PAN | 10 digit PAN issued by the Income Tax Department, if the same has been registered with the DP or as the case may be with the Company. For Members who have not registered their PAN, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN Field. |
| *Date of Birth | Date of Birth as registered with the DP or as the case may be with the Company in DD/MM/YYYY format. |
| *Bank Details | Enter the Bank details as recorded in your demat account are in the Company records for the said demat account are folio |

* Enter any one of the details in order to login.

- g) Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have to repeat the process under (e) above until the proper password is entered.
- h) Members holding shares in physical form will be directed to the "Company Selection" menu.
- i) Members holding shares in demat form and participating in e-voting through www.evotingindia.com for the first time will be required mandatorily to create their own password to proceed with the e-voting process. The new password shall be used by them for any future e-voting on CDSL Platform. After completion of the new password creation, they will be directed to the Company Selection Menu.
- j) Click on the EVSN for Mercantile Ventures Limited and you will be directed to the E-Voting Screen.
- k) The Description of the Resolutions as set out in the Notice of the Meeting and the voting options "YES/NO" will be displayed for each of the resolutions on this Screen for voting.
- l) Click on the "Resolutions File Link" if you wish to view the full description of the resolutions.
- m) Select the option YES or NO for each of the item as desired by you. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- n) After selection, click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the voting press OK, else press CANCEL to change your vote.
 - o) Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
 - p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
4. Voting through electronic means would be on the basis of proportion of shares held by the member viz., on "one-share one-vote" basis.
 5. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT

Mr. AL Chandramouli, aged about 69 years, holds Master degree in Geology. He has 4 decades of rich experience in Planning, Risk Management, Credit, Estate Department, Human Resources, Forex trading, Public issues and many other important areas of Banking Sector. He has headed the International division of a bank. He has also served in many important committees of Indian Banks Association.

Other Directorships held

Aishwaryam Corporate Services Private Limited - Director

Other Committee Membership held - Nil

Mr. M Rajamani, aged about 70 years, holds a Bachelor degree in Chemical Engineering and a Post Graduate Diploma from IIT Madras. He is also a fellow member of National Institute of Personnel Management. He has 4 decades of valuable experience in Fertilizers, Chemicals and Engineering Industries. He is also well experienced in Project Implementation, Materials Management, Operation Management, Human Resource Management and Financial Management.

Other Directorships held

South India House Estates & Properties Limited - Director

Trinity Auto Points Limited - Managing Director

Corn Industries and General Enterprises Limited - Director

Golden Star Assets Consultatnts Private Limited - Director

Renowned Engineers Private Limited - Whole Time Director

Twinsheid Consultants Private Limited - Director

Dynamic Fertilizers Trading Private Limited - Director

Other Committee Membership held - Nil

Ms. Sashikala Srikanth, aged 59 years is a graduate in economics and a chartered accountant. At present, she is providing consultancy to various corporates including the areas of CSR. She was Senior General Manager- Resources of IAL Group and Group Financial Controller of Shattaff Group, Dubai from 2003 to 2005 and held various other senior management level positions in leading Companies from 1996 to 2005. She was also associated with AF Ferguson & Co Chartered Accountants.

Other Directorships held

Trust Properties Development Co Private Limited - Director

Sicagen India Limited - Director

Tamilnadu Petroproducts Limited - Director

Manali Petrochemicals Limited - Director

Southern Petrochemical Industries Corporation Limited - Director

Greenstar Fertilizers Limited - Director

Edac Engineering Limited - Director

Other Committee Membership Held

Southern Petrochemical Industries Corporation Limited- Audit Committee Member

Greenstar Fertilizers Limited- Audit Committee Chairman

Greenstar Fertilizers Limited- Corporate Social Responsibility Committee Member

Edac Engineering Limited- Audit Committee Member

Sicagen India Limited - Audit Committee Member

BOARDS' REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2015.

REVIEW OF OPERATIONS

During the year the company has reported a profit after tax of ₹ 2121.35 lakhs as against ₹ 259.12 lakhs in the previous year

FINANCIAL RESULTS

(₹ Lakhs)

| Description | 2014-15 | 2013-14 |
|---------------------------------------|----------|----------|
| Profit Before Interest & Depreciation | 638.21 | 889.72 |
| Interest | 11.72 | - |
| Depreciation | 32.55 | 8.84 |
| Profit Before Tax & Exceptional items | 593.94 | 880.88 |
| Exceptional items | 2045.21 | (508.03) |
| Profit Before Tax | 2639.15 | 372.85 |
| Provision for Taxation | | |
| Current Tax | 695.22 | 228.40 |
| Deferred tax | (11.89) | (114.67) |
| Provision for tax reversed | (165.53) | - |
| Profit After Tax | 2121.35 | 259.12 |

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 COMMITMENT, IF ANY, 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 THE REPORT

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.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 are provided in 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 2014-15 which were in conflict with the interest of the Company.

The Board has approved policies on Related Party Transactions. The policy have been uploaded on the Company's website, under the web link: <http://mercantileventures.co.in/files/Related%20Party.pdf>

EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was 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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had six Board meetings during the financial year under review. Details of the same are given in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY SCENARIO

The real estate market has slowed down in India's large cities with prices falling by 7 to 18% year-on-year. The trend is expected to continue in the immediate future.

FUTURE OUTLOOK

The main business of the Company is investment in immovable properties for leasing. The revenue from operations are expected to remain at the existing level.

OPPORTUNITIES AND THREATS

The real estate sector continued to face a challenging environment due to tepid demand scenario, continued high borrowing costs for both industry and the consumer. A down trend in the interest rate cycle remains crucial for the revival of the sector. The residential segment too continues to witness a lacklustre demand scenario. The demand for office space continues to be subdued, with the vacancy rates of about 17% for Pan India. There exists a negative trend in the real estate market which is supported by the falling prices and reduced volumes in the registration offices across the country. The trend of sluggish demand, consumer resistance to high prices, is expected to continue in the current financial year.

RISKS & CONCERNS

As per the amended Listing Agreement, the Risk Management Committee has to be set up to constantly review the technical and commercial risks the Company has to face so that the interests of the shareholders are protected. This Committee has to be constituted with the majority of the members of the Board of Directors. The senior executives of the Company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors. Accordingly, a Risk Management Committee is formed comprising Ms. Sashikala Srikanth, as chairman of the committee, and the other members are Mr. E N Rangaswami, Whole-time Director and Mr. Padmanabha Sarma, Chief Financial officer

The Committee will meet periodically to study the risks, threats & concerns and submit a report to the Board of Directors to mitigate the risk.

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 Practising 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 2015;
- 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 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 under Clause 49(V)(D) and the policy is uploaded on the website of the Company under the web link:
<http://www.mercantileventures.co.in/files/Material%20Subsidiaries-%20Policy.pdf>
Rayce Electronic Intelligence India private Limited became a wholly owned subsidiary of Oasis Ventures Private Limited, wholly owned subsidiary with effect from 13 February 2015.

ASSOCIATES

Navia Markets Limited became an associate of the Company during the year ended March 2015.

The following Companies ceased to be Associates with effect from March 2015.

Armenian Investments Limited
Elliot Investments Limited
Pantheon Investments Limited
Ripon Investments Limited
Success Investments Limited
Windsor Investments Limited

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with accounting standard AS 21 in respect of Oasis Ventures Private Limited and i3 Security Services Private Limited, subsidiaries and AS 23 in respect of Navia Markets Limited, associate.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

The Financial highlights of the Subsidiary and Associate Companies as on 31 March 2015 is as below:

(₹ Lakhs)

| Particulars | Oasis Ventures Private Limited -Subsidiary | i3 Security Private Limited -Subsidiary | Navia Markets Limited -Associate |
|------------------------------|---|--|--------------------------------------|
| Total Income | 118.54 | 827.21 | 1037.62 |
| Profit before tax | 14.51 | 48.61 | 190.52 |
| Provision for IT | 4.58 | 12.87 | 56.30 |
| Deferred tax | (0.10) | (0.11) | 2.80 |
| Profit after tax | 10.03 | 35.85 | 131.42 |
| % of shareholding Held by | 100 Mercantile Ventures Limited | 70.66 Oasis Ventures Private Limited | 47.30 Mercantile Ventures Limited |

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

Ms. Sashikala Srikanth was appointed as an Additional Director and as an independent director for a period of five years with effect from 25 March 2015. The appointment is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Mr. K Gopalakrishnan who was appointed as a Director in the Board on 7 November 2013 resigned from the Board with effect from 10 March 2015. The company places on record the invaluable contributions made by the outgoing Director.

At the Board Meeting held on 25 March 2015 Mr. M Rajamani and Mr. AL Chandramouli have been appointed as Independent Directors of the Company for a period of five years under Section 149 of the Companies Act, 2013 (the new Act). As per the provisions of the new Act, their appointment is to be approved by the shareholders in the general meeting and hence the same is proposed to be considered at the ensuing AGM

KEY MANAGERIAL PERSONNEL

The Key Managerial personnel of the Company are:

Mr. EN Rangaswami- Whole-time Director
Mr. V Padmanabha Sarma- Chief Financial Officer
Ms. S Aarthi- Company Secretary

In the Meeting of the Board held on 28 May 2014 Mr. Padmanabha Sarma, was appointed as Chief Financial Officer and Ms. S Aarthi who was initially appointed as Company Secretary & Chief Financial Officer was re-designated as Company Secretary

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 Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Non-independent Director.

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 their duties.

The Board also evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors

AUDITORS

M/s. DPV & Associates, Chartered Accountants appointed as the Auditors of the Company at the 13 Annual General Meeting held on 22 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 Audit Report - Form - MR- 3 is annexed to this report

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report. The requisite certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to this Report.

DISCLOSURE OF COMPOSITION OF 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

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, Technology Absorption, Foreign Exchange Earnings and Outgo are not applicable to the business operations of the Company

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 – 2014-15 | Mr. E N Rangaswami, Whole-time Director | 5.42:1 | |
| The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year – 2014-15. | Mr. E N Rangaswami, Whole-time Director | 29.20 | |
| | Mr. V Padmanabha Sarma, Chief Financial Officer | 8.60 | |
| | Ms. S Aarthi, Company Secretary | 2.50 | |
| The Percentage Increase in the median Remuneration of Employees In the financial Year – 2014-15 | | 1.82 | |
| The number of permanent employees on the rolls of Company – As on 31.03.2015 | | 6 | |
| The explanation on the relationship between average increase in remuneration and Company performance. | Profit After Tax (₹ in lakhs) | 2121.35 | |
| | Average increase in Remuneration | 16.96% | |
| Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company | Profit After Tax (₹ in lakhs) | 2121.35 | |
| | Remuneration of Key Managerial Personnel | 37.75 | |
| *Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the company | Month | Share Price ₹ | Market Capitalisation ₹ in lakhs |
| | March 2015 | 24.64 | 27576.64 |
| Price Earnings Ratio | | 12.97 | |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of | Average percentile increase already made in the salaries of employees other than the managerial personnel in the FY 2014-15 | 2.14% | |
| | Average percentile increase already made in the salaries of the managerial personnel in the FY 2014-15 | 20.38% | |

*The Company's shares was listed only with effect from 9 February 2015 and the shares was quoted in BSE only from March 2015

AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY.

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 : 30 July 2015

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 31.03.2015

**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:

| | | |
|---|--|--|
| 1 | CIN | L65191TN1985PLC037309 |
| 2 | Registration Date | 23-Dec-85 |
| 3 | Name of the Company | Mercantile Ventures Limited |
| 4 | Category/Sub-category of the Company | Public Company |
| | | Listed by Shares |
| 5 | Address of the Registered office & contact details | 88, Mount Road, Guindy, Chennai Ph- 044- 40432205/09 |
| 6 | Whether listed company | Yes |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Cameo Corporate Services Limited Subramanian Building #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)

| S. No. | Name and 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 AND ASSOCIATE COMPANIES

| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---|-----------------------|--------------------------------|--|--------------------|
| 1 | Oasis Ventures Private Limited | U70102TN2013PTC093554 | Subsidiary | 100% | 2(87) |
| 2 | i3 Security Private Limited | U74120TN2011PTC082965 | Subsidiary | 77% Held by Oasis Ventures Pvt Ltd | 2(87) |
| 3 | Rayce Electronic Intelligence India Private Limited | U74900TN2015PTC099223 | Subsidiary | 100% Held by Oasis Ventures Pvt Ltd | 2(87) |
| 4 | Navia Markets Limited | U65993TN1994PLC010167 | Associate | 47.30% | 2(6) |

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|--------------------------|---|----------|---------|-------------------|---|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | 3603066 | 3603066 | 3.21 | - | 41482 | 41482 | 0.04 | 3.17 |
| b) Central Govt | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) State Govt(s) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| d) Bodies Corp. | 57012500 | 6883777 | 63896277 | 57.09 | 57012500 | 2548555 | 59561055 | 53.21 | 3.88 |
| e) Banks / FI | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| f) Any other | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub Total (A) (1) | 57012500 | 10486843 | 67499343 | 60.31 | 57012500 | 2590037 | 59602537 | 53.25 | 7.06 |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| b) Other Individuals | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| c) Bodies Corp. | - | 14244955 | 14244955 | 12.73 | - | 14244955 | 14244955 | 12.73 | 0.00 |
| d) Any other | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub Total (A) (2) | - | 14244955 | 14244955 | 12.73 | - | 14244955 | 14244955 | 12.73 | 0.00 |
| TOTAL (A) | 57012500 | 24731798 | 81744298 | 73.04 | 57012500 | 16834992 | 73847492 | 65.98 | 7.06 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| b) Banks / FI | - | 100 | 100 | 0.00 | - | 100 | 100 | 0.00 | 0.00 |
| c) Central Govt | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| d) State Govt(s) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| e) Venture Capital Funds | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| f) Insurance Companies | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| g) FIs | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| i) Others (specify) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Sub-total (B)(1):- | - | 100 | 100 | 0.00 | - | 100 | 100 | 0.00 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 18941900 | 231903 | 19173803 | 17.13 | 18939110 | 4722575 | 23661685 | 21.14 | -4.01 |
| i) Indian | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| ii) Overseas | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| b) Individuals | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 24561 | 10649179 | 10673740 | 9.54 | 79758 | 10625364 | 10705122 | 9.57 | -0.03 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 15435 | 299000 | 314435 | 0.28 | 15513 | 3676364 | 3691877 | 3.30 | -3.02 |
| c) Others - HUF | 587 | 300 | 887 | 0.00 | 687 | 300 | 987 | 0.00 | 0.00 |
| Non Resident Indians | - | 10932 | 10932 | 0.01 | - | 10932 | 10932 | 0.00 | 0.00 |
| Sub-total (B)(2):- | 18982483 | 11191314 | 30173797 | 26.96 | - | 19035535 | 38070603 | 34.02 | -7.06 |
| Total Public (B) | 18982483 | 11191414 | 30173897 | 26.96 | - | 19035635 | 38070703 | 34.02 | -7.06 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|---|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| Grand Total (A+B+C) | 75994983 | 35923212 | 111918195 | 100.00 | 57012500 | 35870627 | 111918195 | 100.00 | 0.00 |

(ii) Shareholding of Promoter

| S.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 | Ranford Investments Limited | 5580000 | 4.99% | 0.00 | 5580000 | 4.99% | 0.00 | 0.00% |
| 2 | Darnolly Investments Limited | 5580000 | 4.99% | 0.00 | 5580000 | 4.99% | 0.00 | 0.00% |
| 3 | Ranford Investments Ltd | 1370705 | 1.22% | 0.00 | 1370705 | 1.22% | 0.00 | 0.00% |
| 4 | South India Corporation (A) Ltd | 1125000 | 1.01% | 0.00 | 1125000 | 1.01% | 0.00 | 0.00% |
| 5 | Ranford Investments | 857250 | 0.77% | 0.00 | 857250 | 0.77% | 0.00 | 0.00% |
| 6 | Darlolly Investments | 857000 | 0.77% | 0.00 | 857000 | 0.77% | 0.00 | 0.00% |
| 7 | South India Corpn (Agencies) Ltd | 573542 | 0.51% | 0.00 | 573542 | 0.51% | 0.00 | 0.00% |
| 8 | South India Corporation (A) Ltd | 331898 | 0.30% | 0.00 | 331898 | 0.30% | 0.00 | 0.00% |
| 9 | Sical | 318365 | 0.28% | 0.00 | 318365 | 0.28% | 0.00 | 0.00% |
| 10 | First Leasing Co Of India Ltd | 177250 | 0.16% | 0.00 | 177250 | 0.16% | 0.00 | 0.00% |
| 11 | Jawahar Vadivelu | 24800 | 0.02% | 0.00 | 24800 | 0.02% | 0.00 | 0.00% |
| 12 | South India Corpn (Agencies) Ltd | 11400 | 0.01% | 0.00 | 11400 | 0.01% | 0.00 | 0.00% |
| 13 | Navia Markets Limited | 11100 | 0.01% | 0.00 | 11100 | 0.01% | 0.00 | 0.00% |
| 14 | Vadivelu AI | 5494 | 0.00% | 0.00 | 5494 | 0.00% | 0.00 | 0.00% |
| 15 | Muthiah A C | 4000 | 0.00% | 0.00 | 4000 | 0.00% | 0.00 | 0.00% |
| 16 | Vadivelu AI | 2550 | 0.00% | 0.00 | 2550 | 0.00% | 0.00 | 0.00% |
| 17 | Jawahar Vadivelu | 2300 | 0.00% | 0.00 | 2300 | 0.00% | 0.00 | 0.00% |
| 18 | Chidambaram M A | 1858 | 0.00% | 0.00 | 1858 | 0.00% | 0.00 | 0.00% |
| 19 | Ashwin C Muthia | 200 | 0.00% | 0.00 | 200 | 0.00% | 0.00 | 0.00% |
| 20 | Chidambaram M A | 150 | 0.00% | 0.00 | 150 | 0.00% | 0.00 | 0.00% |
| 21 | Vadivelu AI | 100 | 0.00% | 0.00 | 100 | 0.00% | 0.00 | 0.00% |
| 22 | Ashwin C Muthiah | 30 | 0.00% | 0.00 | 30 | 0.00% | 0.00 | 0.00% |
| 23 | South India Travels Pvt Ltd | 15852500 | 14.16% | 0.00 | 15852500 | 14.16% | 0.00 | 0.00% |
| 24 | Trinity Auto Points Ltd | 20956000 | 18.72% | 0.00 | 20956000 | 18.72% | 0.00 | 0.00% |
| 25 | Golden Star Assets Consultants | 14396000 | 12.86% | 0.00 | 14396000 | 12.86% | 0.00 | 0.00% |
| 26 | Gold Nest Trading Company Ltd | 5808000 | 5.19% | 0.00 | 5808000 | 5.19% | 0.00 | 0.00% |

(iii) Change in Promoters' Shareholding (Not Applicable - There is no change in Promoters Shareholding)

(iv) Shareholding Pattern of top ten Shareholders

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

| S.No | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------|--------------------------------------|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | DICK FINANCIAL SERVICES LTD | | | | | | |
| | At the beginning of the year | | | 958350 | 0.86% | 958350 | 0.86% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 958350 | 0.86% | 958350 | 0.86% |
| 2 | COROMANDEL GROWTH FUND LTD | | | | | | |
| | At the beginning of the year | | | 631550 | 0.56% | 631550 | 0.56% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 631550 | 0.56% | 631550 | 0.56% |
| 3 | SUBRAMANIAN N | | | | | | |
| | At the beginning of the year | | | 550000 | 0.49% | 550000 | 0.49% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 550000 | 0.49% | 550000 | 0.49% |
| 4 | WINDSOR INVESTMENTS LTD | | | | | | |
| | At the beginning of the year | | | 484400 | 0.43% | 484400 | 0.43% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 484400 | 0.43% | 484400 | 0.43% |
| 5 | PANTHEON INVESTMENTS LTD | | | | | | |
| | At the beginning of the year | | | 425980 | 0.38% | 425980 | 0.38% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 425980 | 0.38% | 425980 | 0.38% |
| 6 | ARMENIAN INVESTMENTS LTD | | | | | | |
| | At the beginning of the year | | | 419000 | 0.37% | 419000 | 0.37% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 419000 | 0.37% | 419000 | 0.37% |
| 7 | ELLIOT INVESTMENTS LTD | | | | | | |
| | At the beginning of the year | | | 337600 | 0.30% | 337600 | 0.30% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 337600 | 0.30% | 337600 | 0.30% |
| 8 | DICK FINANCIAL SERVICES P LTD | | | | | | |
| | At the beginning of the year | | | 331272 | 0.30% | 331272 | 0.30% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 331272 | 0.30% | 331272 | 0.30% |
| 9 | MERCANTILE CREDIT COMPANY | | | | | | |
| | At the beginning of the year | | | 314448 | 0.28% | 314448 | 0.28% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 314448 | 0.28% | 314448 | 0.28% |
| 10 | COROMANDEL GROWTH FUND LTD | | | | | | |
| | At the beginning of the year | | | 234450 | 0.21% | 314448 | 0.28% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 234450 | 0.21% | 314448 | 0.28% |

V. SHAREHOLDING OF EACH DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL

| S.No | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------|--|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Mr. A L Chandramouli | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| 2 | Mr. M Rajamani | | | | | | |
| | At the beginning of the year | | | 900 | 0.00% | 900 | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 900 | 0.00% | 900 | 0.00% |
| 3 | Ms. Sashikala Srikanth | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| 4 | Mr. E N Rangaswami | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| 5 | Mr. V Padmanabha Sarma | | | | | | |
| | At the beginning of the year | | | 10 | 0.00% | 10 | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | 10 | 0.00% | 10 | 0.00% |
| 6 | Ms. S Aarthi | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹ /Lacs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 224.80 | | 224.80 |
| ii) Interest due but not paid | | - | | - |
| iii) Interest accrued but not due | | - | | - |
| Total (i+ii+iii) | - | 224.80 | - | 224.80 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 1100.00 | - | | 1100.00 |
| * Reduction | | - | | - |
| Net Change | 1100.00 | - | - | 1100.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1100.00 | 224.80 | | 1324.80 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | - | - | | - |
| Total (i+ii+iii) | 1100.00 | 224.80 | - | 1324.80 |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ /Lacs)

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|-----|---|-------------------------|--------------|
| | Name | E N Rangaswami | |
| | Designation | Whole-time Director | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 25.00 | 25.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | - |
| 2 | Stock Option | | - |
| 3 | Sweat Equity | | - |
| 4 | Commission | | - |
| | - as % of profit | | - |
| | - others, specify | | - |
| 5 | Others, please specify | | - |
| | Total (A) | 25.00 | 25.00 |
| | Ceiling as per the Act | 30.00 | |

B. Remuneration to other Directors

The Details of Sitting fees paid to directors during the year forms part of Corporate Governance Report

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ /Lacs)

| SN. | Particulars of Remuneration | | | Total Amount |
|-----|---|---------------------|----------|--------------|
| | Name | V Padamanabha Sarma | S Aarthi | |
| | Designation | CFO | CS | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7.83 | 4.92 | 12.75 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | - |
| 2 | Stock Option | | | - |
| 3 | Sweat Equity | | | - |
| 4 | Commission | | | - |
| | - as % of profit | | | - |
| | - others, specify | | | - |
| 5 | Others, please specify | | | - |
| | Total | 7.83 | 4.92 | 12.75 |

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

*[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

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, 2015 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) The other laws as may be applicable specifically to the company i.e. Transfer of Property Act, 1882 and Indian Contracts Act, 1872

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 Listing Agreements entered into by the Company with Madras Stock Exchange Limited and BSE Limited

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

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) 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.

As per the minutes duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded

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.

I further report that during the audit period the company had the following events / actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above

- (a) *The Equity Shares of **M/s Mercantile Ventures Limited** are listed and admitted to dealings on BSE Limited in the list of "T" Group of Securities w.e.f. February 9, 2015*
- (b) *The Company has allotted 750000 Zero % 5 years Preference Shares of ₹ 10 each to M/s South India Travels Private Limited.*

Place : Chennai
Date : 30 July 2015

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Your 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

The report covers the corporate governance aspects in your company relating to the year ended 31 March 2015.

2. BOARD OF DIRECTORS

a. Composition and membership in other Boards

As on 31 March 2015, the Board of Directors of the Company comprised of 4 Directors. All information as required under Annexure 1A to Clause 49 are being made available to the Board.

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.

Number of other Directorships held and Board-Committee Memberships of the Company's Directors, as 31 March 2015 are given below:

| Sl. No. | Director | Category | No. of Other Directorship | No. of other Board – Committee positions held | |
|---------|------------------------|-----------------------------|---------------------------|---|-----------|
| | | | | As Chairman | As Member |
| 1. | Mr.M.Rajamani | Non- Executive, Independent | 7 | - | - |
| 2. | Mr.AL. Chandramouli | Non- Executive, Independent | 1 | - | - |
| 3. | Ms. Sashikala Srikanth | Non- Executive, Independent | 7 | 1 | 3 |
| 4. | Mr. E.N. Rangaswami | Executive, Non-independent | 6 | 1 | - |

b) Number of Board of Directors meetings and the dates on which held during the year ended 31 March 2015

The Board of Directors met 6 times during the year ended 31 March 2015 viz., on 28 May 2014, 13 August 2014, 12 November 2014, 23 January 2015, 6 February 2015 & 25 March 2015

Attendance of Directors at the Board of Directors Meetings held during 2014-15

| Name | Period of office held during the year ended | No. of meetings held during the period of office | No. of meetings attended |
|--------------------------|---|--|--------------------------|
| Mr.M.Rajamani | Full Year | 6 | 5 |
| *Mr .K Gopalakrishnan | 01-04-2014 - 10.03.2015 | 5 | 5 |
| Mr. AL. Chandramouli | Full Year | 6 | 6 |
| Mr. E.N. Rangaswami | Full Year | 6 | 6 |
| **Ms. Sashikala Srikanth | 25.03.2015 – 31.03.2015 | 1 | 1 |

*Mr. K Gopalakrishnan resigned from the Board of Directors with effect from 10 March 2015

**Ms. Sashikala Srikanth was appointed as additional/independent director with effect from 25 March 2015

Committees of Board of Directors

The Board has constituted various Committees to discuss, deal with the matters in detail and to monitor the activities falling within the terms of reference and discharge the roles and responsibilities as prescribed under Listing Agreement and/or the Companies Act, 2013 from time to time.

3. AUDIT COMMITTEE

Terms of reference

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.

Meetings held

The Committee met 4 times during the year ended 31.03.2015 viz., on 28 May 2014, 13 August 2014, 12 November 2014 & 6 February 2015.

Committee Composition and attendance

Attendance of Committee members at the Meetings held during 2014-15

| Name | Period of office held during the period | No. of meetings held during the period of office | No. of meetings attended |
|---------------------------------|---|--|--------------------------|
| Mr. AL. Chandramouli, Chairman | Full year | 4 | 4 |
| Mr.M.Rajamani, Member | Full year | 4 | 4 |
| *Mr.K Gopalakrishnan, Member | 01.04.2014- 10.03.2015 | 4 | 4 |
| **Ms.Sashikala Srikanth, Member | 25.03.2015- 31.03.2015 | - | - |

*Mr. K Gopalakrishnan resigned from the Board of Directors with effect from 10 March 2015

**Ms. Sashikala Srikanth was appointed as additional/independent director with effect from 25 March 2015

The composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

4. NOMINATION & REMUNERATION COMMITTEE

Terms of reference and composition

The Remuneration Committee of the Company was renamed as Nomination & Remuneration Committee in the Board Meeting of the Company held on 12 November 2014 in compliance with Companies Act, 2013 and clause 49 of the Listing Agreement. The Remuneration committee shall recommend to the Board on Nomination and appointment of Directors & Key Managerial Personnel of the company and matters relating to fixation and payment of remuneration to them.

Committee Composition & Attendance

Attendance of Committee members at the Meetings held during 2014-15

| Name | Period of office held during the period | No. of meetings held during the period of office | No. of meetings attended |
|---------------------------------|---|--|--------------------------|
| Mr.M.Rajamani, Chairman | Full year | 3 | 3 |
| Mr. AL. Chandramouli, Member | Full year | 3 | 3 |
| *Mr.K Gopalakrishnan, Member | 01.04.2014- 10.03.2015 | 2 | 2 |
| **Ms.Sashikala Srikanth, Member | 25.03.2015- 31.03.2015 | - | - |

*Mr. K Gopalakrishnan resigned from the Board of Directors with effect from 10 March 2015

**Ms. Sashikala Srikanth was appointed as additional/independent director with effect from 25 March 2015

REMUNERATION POLICY

Purpose

The Remuneration Policy is applicable to all employees of the Company, including Executives, Non-Executives and Board of Directors of the Company. The Policy is primarily focused on the employees of the Company other than Directors and Senior Executives to provide a competitive attractive remuneration to retain, protect and develop competent personnel. The pay package shall be based on the roles and responsibilities and shall consist in addition to the substantial fixed salary portion, motivating pays like Performance Pay etc. The Pay Package shall comply with general industrial practices and shall reflect the cost of living and also should take into account ability of the Company to sustain and pay such packages.

Executive Pay Package

The Executive Pay Packages shall also follow the above guidelines. However, since they are primarily responsible for taking the Company forward and improving its business ability, deviations as necessary can be made to provide substantial motivating pays apart from the fixed salary.

The Non-Executive Board of Directors would be paid Sitting Fees as decided by the Board from time to time depending on the ability of the Company, but to be within the statutory maximum.

Deviations

Deviations wherever necessary from the approved policy, can be made for individual cases and later ratified by the Board.

Other General Issues

Notice pay, Gratuity, etc., will be as per the various statutory regulations/ Company's approved policy from time to time.

Procedures

The Remuneration Committee of the Board will meet from time to time, discuss, review and approve the pay packages suggested by the executives of the Company for implementation. The pay packages/sitting fees of the Whole-time Director, other members of the Board and the Key Managerial Personnel would be fixed by the Nomination and Remuneration Committee and recommend to the Board for implementation.

Disclosures

The Policy permits publication of the gross pay of the Executives and key Managerial Personnel, as statutorily required in the Company's Annual Report.

Notice

The Company's Remuneration Policy will be uploaded in the Web Site of the Company.

DETAILS OF REMUNERATION PAID

a) Sitting fees to Non-executive Directors:

| S.No | Name of the Director | Sitting fee paid (in ₹) |
|------|------------------------|--------------------------|
| 1 | Mr. A L Chandramouli | 65000 |
| 2 | Mr. K. Gopalakrishnan | 79000 |
| 3 | Mr. M. Rajamani | 82000 |
| 4 | Ms. Sashikala Srikanth | 5000 |
| | Total | 231000 |

b) Remuneration paid/payable to Executive Director of the Company during the year ended 31 March 2015, are as follows:

(₹ in lakhs)

| Name | Salary & Special Allowances | Perquisites | Total |
|--|-----------------------------|-------------|-------|
| Mr.E N Rangaswami Whole Time Director | 25.00 | - | 25.00 |

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

Investor grievance Committee was renamed as Stakeholders Relationship Committee in compliance with Companies Act, 2013 & Clause 49 of the Listing Agreement. The terms of reference to the Shareholders/Investors Grievance 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.

Composition

1. Mr.M.Rajamani, Chairman
2. Mr.E.N Rangaswami, Member

Details of the Compliance Officer

S. Aarthi- Company Secretary & Compliance Officer

Details of Shareholders Complaints

Number of complaints received during the year: 3

Number of complaints solved during the year : 3

6. GENERAL BODY MEETINGS

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

7. DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors, subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:-

- There are no transactions with the related party viz. Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- There are no pecuniary relationships or transactions with the Non-executive Directors of the Company except the payment of sitting fees made for attending the Board Meetings of the Company.
- The Company has complied with various rules and regulations prescribed by stock exchanges, SEBI or any other statutory authority relating to capital markets and no penalties or strictures have been imposed by them on the Company.
- Statutory and Secretarial Audit reports do not contain any qualifications.
- Management Discussion Analysis Report forms part of the Directors' Report.

8. WHISTLE BLOWER POLICY

The Company has adopted whistle blower policy, the details of the same is provided in the directors' Report. The policy is also available at the Company's website in the following link:

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

It is hereby affirmed that, no personnel has been denied access to the Audit Committee

9. COMMUNICATION WITH SHAREHOLDERS

As stipulated under Clause 41 of the Listing Agreement, the quarterly results are published in English (News today) and Tamil (Makkal Kural/Maalai Sudar) newspapers within 48 hours of the conclusion of the Board Meeting at which the results are approved. The results will also be displayed in the website of the company viz. www.mercantileventures.co.in. The information stipulated in Clause 54 of the Listing Agreement will be made available in the website of the company.

10. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company who have affirmed compliance with the Code of Conduct. A declaration signed by the Whole-time Director to this effect is enclosed at the end of this Report.

11. 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.

12. SECRETARIAL AUDIT

A secretarial audit was carried out by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Secretarial Audit was conducted Mr. R. Kannan, Practising Company Secretary for the year ended 31 March 2015. Secretarial Audit Report forms part of the Annual Report.

13. GENERAL SHAREHOLDERS INFORMATION

a). Ensuing AGM

Date : 25 September 2015

Time : 2.30 PM

Venue : Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court) Chennai- 600 108

b). Financial Calendar for 2015-16 (Tentative)

The financial year of the Company is April to March of every year and the tentative financial calendar for publication of quarterly/ annual results is as under.

| | | |
|----|--|--------------------------|
| 1. | 1 st quarter ending 30 June 2015 | Before 14 August, 2015 |
| 2. | 2 nd quarter ending 30 September 2015 | Before 14 November, 2015 |
| 3. | 3 rd quarter ending 31 December 2015 | Before 14 February, 2016 |
| 4. | Last quarter & year ending 31 March 2016 | Before 30 May, 2016 |

c). Book Closure Date: 19 September 2015 to 25 September 2015

d). Dividend Payment Date: Not Applicable

e). Registrar and Share Transfer Agents (RTA)

The Company has appointed M/s. Cameo Corporate Services Limited, as its Registrar and Share Transfer Agent both for electronic and physical transactions of the shares. The shareholders are therefore requested to send all documents, correspondences, queries, intimations on any matters relating to transfer/transmission/demat/remat of shares, issue of duplicate share certificates, change of address etc., to the following address.

M/s.Cameo Corporate Services Limited

Unit: Mercantile Ventures Limited

No.:1, Club House Road, "Subramanian Building", 5 Floor

Chennai - 600 002

Tel: 044-28460390 Fax: 044-28460129 e-mail: cameo@cameoindia.com

Company Secretary has been appointed as the Compliance Officer of the Company for redressal of investors' grievances. The shareholders may correspond to cs@mercantileventures.co.in for redressal of grievances if any.

f) Share Transfer & Depository System

The physical share transfers, transmissions, transpositions etc., are processed on number of requests received and the documents duly completed in all respects are registered within the time limit as specified by the listing agreement.

The ISIN number allotted to the Company by Central Depository Services (India) Ltd (CDSL) and National Securities Depository Limited (NSDL) is INE689o01013. Since trading in equity shares of the Company shall be permitted only in dematerialized form, the shareholders those who are holding shares in physical form, are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

The shareholders may also kindly note that as directed by SEBI, the Company/RTA is in the process of sending reminders to the shareholders, who are holding the shares in physical form and who have not claimed their share certificates from the Company so far, to retrieve their share certificates.

g). Listing of Equity Shares on Stock Exchanges

The equity shares of the Company got listed with BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001 with effect from 9 February 2015

Stock Code: Mercantile

h). Market / Share Price Data

The Company's Shares were listed in BSE with effect from 9 February 2015 and trading in BSE started from March 2015

| | HIGH | LOW |
|----------|----------|----------|
| PRICE(₹) | 24.64 | 12.50 |
| SENSEX | 27694.41 | 29162.47 |

i) Distribution of shareholding as on 31 March 2015:

| Range of shares | Holders | | Shares | |
|------------------|--------------|---------------|------------------|---------------|
| | No. | % | No. | % |
| 10 – 5000 | 52153 | 94.25 | 7455933 | 6.66 |
| 5001-10000 | 2330 | 4.21 | 1786261 | 1.60 |
| 10001-20000 | 561 | 1.01 | 798953 | 0.71 |
| 20001-30000 | 100 | 0.18 | 253255 | 0.23 |
| 30001-40000 | 39 | 0.07 | 147899 | 0.13 |
| 40001-50000 | 34 | 0.06 | 160312 | 0.14 |
| 50001-100000 | 36 | 0.06 | 262457 | 0.23 |
| 100001 and above | 87 | 0.16 | 101053125 | 90.30 |
| Total | 55340 | 100.00 | 111918195 | 100.00 |

j) Shareholding Pattern as on 31 March 2015

| Category | No. of holders | No. of shares held | % of holding |
|--------------------------------|----------------|--------------------|---------------|
| Promoters Holding | | | |
| Promoters & Associates | 26 | 73847492 | 65.98 |
| Non-Promoters Holding | | | |
| (a) Institutional Investors | | | |
| Financial Institutions / Banks | 1 | 100 | 0.00 |
| (b) Others | | | |
| Bodies Corporate | 230 | 23661685 | 21.15 |
| NRIs & Foreign Nationals | 17 | 10932 | 0.00 |
| HUF | 4 | 987 | 0.00 |
| Public | 55062 | 14396999 | 12.87 |
| Total | 55340 | 111918195 | 100.00 |

k) Dematerialisation of Equity Shares

As on 31 March 2015, **67.95%** of the paid up capital of the Company has been dematerialized.

l) Registered Office

The Registered office of the Company is located at 88, Mount Road, Guindy, Chennai- 600 032.

m) Communication through electronic mode

As per the earlier circular issued by the Ministry of Corporate Affairs, all the companies have been allowed / permitted to send its annual report comprising of Notice, Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss account etc. by email to its members after giving an advance opportunity to register their Email address with the Company or with the concerned depository. In order to implement the above practice, the shareholders are hereby requested to register your email ID with the Company/RTA by submitting EARF (Email Address Registration Form), a copy of which is available with the RTA/Company.

n) Nomination of physical shares

Members holding shares in physical form are encouraged to nominate a person to whom the shares in the Company shall vest in the event of death. Nomination forms will be sent to the Members on request.

o) CEO / CFO Certification

As required by Clause 49 (V) of the Listing Agreement, certificate from CEO/CFO was submitted to the Board.

p) Certificate on Corporate Governance

The Company has obtained a certificate from a Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement and the same has been annexed at the end of this report.

Compliance Certificate on Corporate Governance Report

Practising Company Secretary's Certificate
(Under Clause 49 of the Listing Agreement)

To

The shareholders of Mercantile Ventures Limited

We have examined the compliance of the conditions of Corporate Governance by Mercantile Ventures Limited for the period ended 31 March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 Clause 49 of the Listing Agreement.

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.

Mr.R.Kannan

Practising Company Secretary
C.P No: F3363

Place : Chennai
Date : 30 July 2015

Declaration from CEO on Code of Conduct

To

The shareholders of Mercantile Ventures Limited,

As provided under Clause 49 (D) of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31 March 2015.

Mercantile Ventures Limited

E N Rangaswami
Whole-time Director

Place : Chennai
Date : 30 July 2015

Independent Auditor's Report

To
The Members of
Mercantile Ventures Limited

Report on Financial Statements

We have audited the accompanying Standalone Financial Statements of Mercantile Ventures Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

Management is responsible for 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 Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 Standalone financial statements based on our audit. 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.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- 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 aforesaid standalone financial statements comply 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) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015, from being appointed as a director in terms of 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 : 18 May 2015

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 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.
2. a) Since the company is a service company 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) The Company has not given or taken loans from the parties covered in the register Maintained under section 189 of the Companies act of 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 Company, 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 Company 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 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.
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 (1 of 1956) and rules made there under.
8. The Company does not have any accumulated losses at the end of the financial year (Previous year accumulated loss – ₹ 70.43 Lakhs) and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. According to the records of the company, the Company has borrowed from a Financial Institution during the year. There has, however, been no default in repayment of dues to the Financial Institution.
10. The company 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.
12. According to information and explanations furnished to us no fraud on or by the company 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 : 18 May 2015

BALANCE SHEET AS AT 31 MARCH 2015

(₹ in Lakhs)

| S. No. | Particulars | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|--------|---|----------|---------------------|---------------------|
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' Funds | | | |
| | (a) Share Capital | 3 | 11269.67 | 11194.67 |
| | (b) Reserves & Surplus | 4 | 14969.15 | 12847.80 |
| | | | 26238.82 | 24042.47 |
| 2 | Non-Current Liabilities | | | |
| | (a) Long-Term Borrowings | 5 | 1324.80 | 224.80 |
| | (b) Deferred Tax Liabilities | 6 | 33.81 | 45.70 |
| | (c) Other Long-Term Liabilities | 7 | 290.68 | - |
| | | | 1649.29 | 270.50 |
| 3 | Current Liabilities | | | |
| | (a) Other Current Liabilities | 8 | 10.78 | 2623.54 |
| | (b) Short-Term Provisions | 9 | 1186.21 | 656.52 |
| | | | 1196.99 | 3280.06 |
| | Total - Equity & Liabilities | | 29085.10 | 27593.03 |
| B | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets - Tangible Assets | 10 | 4269.27 | 1852.41 |
| | (b) Non Current Investments | 11 | 4266.93 | 3567.51 |
| | (c) Long Term Loans and Advances | 12 | 3013.17 | 4383.91 |
| | (d) Other Non-Current Assets | 13 | 11544.57 | 13544.80 |
| | | | 23093.94 | 23348.63 |
| 2 | Current Assets | | | |
| | (a) Cash and cash equivalents | 14 | 492.51 | 229.81 |
| | (b) Other Loans and Advances | 15 | 4780.85 | 3565.97 |
| | (c) Other Current Assets | 16 | 717.80 | 448.62 |
| | | | 5991.16 | 4244.40 |
| | Total - Assets | | 29085.10 | 27593.03 |

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

AL Chandramouli

Director

Place : Chennai

Date : 18 May 2015

V.Padmanabha Sarma

Chief Financial Officer

S.Aarthi

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

| S.No. | Particulars | Note No. | Year ended 31 March 2015 | Year ended 31 March 2014 |
|--|---|----------|-----------------------------|-----------------------------|
| I | Revenue: | | | |
| | Income from Operations | 17 | 360.75 | 90.12 |
| | Other Income | 18 | 560.27 | 921.59 |
| | Total Revenue (A) | | 921.02 | 1011.71 |
| II | Expenses: | | | |
| | Employee Benefit Expense | 19 | 49.61 | 39.24 |
| | Finance Costs | 20 | 11.72 | - |
| | Depreciation and Amortization Expense | 10 | 32.55 | 8.84 |
| | Other Expenses | 21 | 233.20 | 82.75 |
| | Total Expenses (B) | | 327.08 | 130.83 |
| III | Profit before exceptional and extraordinary items and tax (A - B) | | 593.94 | 880.88 |
| IV | Exceptional items (Net) | 22 | 2045.21 | (508.03) |
| V | Profit before tax | | 2639.15 | 372.85 |
| VI | Tax Expense: | | | |
| | Current Income Tax | | 695.22 | 228.40 |
| | Provision for Tax reversed | | (165.53) | - |
| | Deferred tax liability / (Asset) | | (11.89) | (114.67) |
| VII | Profit/(Loss) for the year from continuing operations | | 2121.35 | 259.12 |
| VIII | Profit/(Loss) for the year | | 2121.35 | 259.12 |
| IX | Earning per equity share(in ₹) | | | |
| | Basic | | 1.90 | 0.23 |
| | Diluted | | 1.85 | 0.23 |
| 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

For and on behalf of the Board

Chartered Accountants

CA K.Vairamuthu

E N Rangaswami

AL Chandramouli

Partner

Whole-time Director

Director

Place : Chennai

V.Padmanabha Sarma

S.Aarthi

Date : 18 May 2015

Chief Financial Officer

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

| | Particulars | Year ended 31 March 2015 | | Year ended 31 March 2014 | |
|--|--|-----------------------------|-----------|-----------------------------|-----------|
| A | Cash Flow from Operating Activities | | | | |
| | Profit for the year before Exceptional items and Tax | | 593.94 | | 880.88 |
| | Add: Exceptional items | | 2045.21 | | (508.03) |
| | Adjustments for: | | | | |
| | Depreciation | 32.55 | | 8.84 | |
| | Dividend Income | (180.95) | | (28.82) | |
| | Interest Income | (373.75) | | (337.42) | |
| | Investments written off | - | | 17.34 | |
| | Profit on sale of fixed assets | (2045.21) | | (5627.93) | |
| | Bad Debts and Advances Written off | - | | 6118.62 | |
| | Profit on sale of investments | - | (2567.36) | (9.87) | 140.76 |
| | Operating Profit before Working Capital changes | | 71.79 | | 513.61 |
| | Adjustments for: | | | | |
| | Long Term Liabilities | 290.68 | | | |
| | Current liabilities & Provisions | (2612.76) | | 2431.89 | |
| | Loans & Advances | 1370.74 | | (2702.93) | |
| | Non-Current Assets | 2000.23 | | 101.06 | |
| | Other Current Assets | (269.18) | 779.71 | (365.00) | (534.98) |
| | Net Cash from Operating activities | | 851.50 | | (21.37) |
| B | Cash Flow from Investing activities | | | | |
| | Proceeds from sale of Fixed Assets | 2066.99 | | 6916.06 | |
| | Addition to Fixed Assets | (2471.19) | | (1433.05) | |
| | Investments | (699.42) | | (3353.70) | |
| | Income from Investments | 554.70 | | 376.11 | |
| | Loans and Advances | (1214.88) | | (3565.97) | |
| | Net Cash from Investing activities | | (1763.80) | | (1060.55) |
| C | Cash Flow from Financing activities | | | | |
| | Proceeds of issue of preference shares | | 75.00 | | |
| | Long Term Borrowings | | 1100.00 | | |
| | Net Cash used in Financing Activities | | 1175.00 | | |
| | Net Cash Flows during the year (A) + (B) + (C) | | 262.70 | | (1081.92) |
| | Cash & Cash Equivalents (Opening Balance) as at 31-3-2014 | | 229.81 | | 1311.73 |
| | Cash & Cash Equivalents (Closing Balance) as at 31-3-2015 | | 492.51 | | 229.81 |
| 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

CA K.Vairamuthu

Partner

Place : Chennai

Date : 18 May 2015

For and on behalf of the Board

EN Rangaswami

Whole-time Director

V.Padmanabha Sarma

Chief Financial Officer

AL Chandramouli

Director

S.Aarthi

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 on certain premises is provided on composite cost where it is not possible to segregate the land cost.
- c) Depreciation for additions to/deductions from Fixed Assets is calculated pro rata from/to the month of additions/deletions.
- d) Fixed Assets individually costing ₹ 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 just 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 2015

3. Share Capital

(₹ in Lakhs)

| Particulars | | As at 31 March 2015 | As at 31 March 2014 |
|---|-----------------|------------------------|------------------------|
| Authorised Capital | | | |
| 115000000 Equity Shares of ₹ 10/- each | | 11500.00 | 11500.00 |
| 15000000 Preference Shares of ₹ 10/- each | | 1500.00 | 1500.00 |
| Total | | 13000.00 | 13000.00 |
| Issued, Subscribed & Paid-up Capital | | | |
| 111918195 Equity Shares of ₹ 10/- each fully paid up (Of the total issued Capital, 81668,000 Equity Shares of ₹ 10/- each were issued at a premium of ₹ 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 |
| 750000 Five year Zero % optionally Convertible Preference Shares of ₹ 10/- each fully paid up | 75.00 | 11266.82 | |
| Add: Forfeited shares | | 2.85 | 2.85 |
| Total | | 11269.67 | 11194.67 |

The Preference Shares issued during the year are convertible at the option of the shareholder or redeemable at par in 2019 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 2015 | | As at 31 March 2014 | |
|---|------------------------|----------|------------------------|----------|
| | 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 2015 | | As at 31 March 2014 | |
|---|------------------------|--------------|------------------------|--------------|
| | 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

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|---|------------------------|------------------------|
| Capital Reserve | | |
| Opening balance | 292.43 | 292.43 |
| Add: Addition during the year | - | - |
| | 292.43 | 292.43 |
| Less: Deduction during the year | - | - |
| Closing Balance (A) | 292.43 | 292.43 |
| General Reserve | | |
| Opening balance | 375.60 | 375.60 |
| Add: Addition during the year | - | - |
| | 375.60 | 375.60 |
| Less: Deduction during the year | - | - |
| Closing Balance (B) | 375.60 | 375.60 |
| Securities Premium Account | | |
| 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 | - | - |
| Closing Balance (C) | 12250.20 | 12250.20 |
| Profit & Loss Account | | |
| Surplus from Profit & Loss Account | (70.43) | (329.55) |
| Add: Profit/(Loss) for the year | 2121.35 | 259.12 |
| | 2050.92 | (70.43) |
| Less: Deduction during the year | - | - |
| Closing Balance (D) | 2050.92 | (70.43) |
| Total (A to D) | 14969.15 | 12847.80 |

5. Long Term Borrowings

| | | |
|-----------------------|----------------|--------|
| Secured | | |
| Term Loan-from Others | 1100.00 | - |
| | 1100.00 | - |
| Unsecured | | |
| Convertible Bonds | 224.80 | 224.80 |
| Total | 1324.80 | 224.80 |

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 were 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. The Bonds are redeemable at the end of the third year from the date of issue or in lieu of such redemption, at the option of the Creditors, convertible into equity shares of ₹ 10/- each par.

6. Deferred Tax Liability

| | | |
|---|--------------|-------|
| Related to Fixed Assets-timing difference | 33.81 | 45.70 |
| Total | 33.81 | 45.70 |

7. Other Long-term Liabilities:

| | | |
|--------------|---------------|---|
| Rent Deposit | 290.68 | - |
| Total | 290.68 | - |

8. Other Current Liabilities

| | | |
|---------------------------------|--------------|---------|
| Other Payables | | |
| a) Duties & Taxes | 0.83 | 5.11 |
| b) Outstanding Expenses payable | 6.14 | 17.43 |
| c) Other payables | 3.81 | 2601.00 |
| Total | 10.78 | 2623.54 |

9. Short Term Provisions

| | | |
|------------------------|----------------|--------|
| Provision for Taxation | 1186.21 | 656.62 |
| Total | 1186.21 | 656.62 |

10. FIXED ASSETS

(₹ in Lakhs)

| RATE OF PARTICULARS | GROSS BLOCK | | | | DEPREICATION | | | | NET BLOCK | |
|--------------------------|------------------|----------------|----------------|----------------|------------------|-------------|--------------|--------------|------------------|------------------|
| | As at 31-03-2014 | ADDITIONS | DELETIONS | TOTAL | As at 31-03-2014 | DELETIONS | FOR THE YEAR | TOTAL | As at 31-03-2015 | As at 31-03-2014 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 278.45 | 3622.66 | 278.45 | 3622.66 | - | - | - | - | 3,622.66 | 278.45 |
| Buildings | 220.70 | 393.95 | 27.88 | 586.77 | 48.30 | 6.10 | 22.17 | 64.37 | 522.40 | 172.40 |
| Computers | 1.23 | - | - | 1.23 | 0.21 | - | 0.58 | 0.79 | 0.44 | 1.02 |
| Airconditioners,etc | 7.64 | 54.91 | - | 62.55 | 0.12 | - | 1.91 | 2.03 | 60.52 | 7.52 |
| Furniture and Fixtures | 41.23 | 27.31 | - | 68.54 | 0.22 | - | 7.21 | 7.43 | 61.11 | 41.01 |
| Office Equipments | 0.99 | 1.86 | - | 2.85 | 0.03 | - | 0.68 | 0.71 | 2.14 | 0.96 |
| Total | 550.24 | 4100.69 | 306.33 | 4344.60 | 48.88 | 6.10 | 32.55 | 75.33 | 4,269.27 | 501.36 |
| Capital work-in-Progress | 1351.05 | -- | 1351.05 | 0.00 | - | - | - | - | 0.00 | 1351.05 |
| Total | 1901.29 | 4100.69 | 1657.38 | 4344.60 | 48.88 | 6.10 | 32.55 | 75.33 | 4,269.27 | 1852.41 |
| Previous year | 1883.95 | 1433.05 | 1415.71 | 1901.29 | 167.62 | - | 8.84 | 48.88 | 1852.41 | 1716.33 |

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

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Quoted | | | | | | |
| Investments in Equity instruments-fully paid up | | | | | | |
| Adarsh Chemicals Ltd | Others | 10 | 7000 | 2.09 | 7,000 | 2.09 |
| Autopal Industries Ltd | Others | 10 | 300 | 0.12 | 300 | 0.12 |
| Avon Containers and Printers Ltd | Others | 10 | 16650 | 4.86 | 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 | 50300 | 5.07 |
| Essar Shipping Ltd | Others | 10 | 1 | - | 1 | - |
| Hindusthan Construction Ltd | Others | 10 | 50 | 0.02 | 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 |
| Karuthure Floritech Ltd | Others | 10 | 7400 | 0.97 | 7400 | 0.97 |
| Karuthuri Floritech Ltd-Partly paid | Others | 10 | 360000 | 9.00 | 360000 | 9.00 |
| Kumbat Financial Services Ltd | Others | 10 | 10100 | 1.01 | 10100 | 1.01 |
| Malvika Steels Ltd | Others | 10 | 48600 | 19.44 | 48600 | 19.44 |
| Periakaramalai Estates Ltd | Others | 10 | - | - | 75 | 0.01 |
| Reliance petroleum Ltd | Others | 10 | 400 | 0.05 | 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 | 200 | 0.06 |
| Sicagen India Ltd | Others | 10 | 465423 | 0.05 | 450 | 0.05 |
| Sical Logistics Ltd | Others | 10 | 484469 | 314.66 | 450 | 0.05 |
| Southern Petrochemical Industries Corporation Ltd | Others | 10 | 289250 | 73.75 | 100 | 0.01 |
| Stanes Amalgamated Ltd | Others | 10 | 225 | 0.03 | 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 |
| Sub Total - (A) | | | | 470.17 | | 81.83 |

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|---|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Unquoted | | | | | | |
| 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 | 124 | 0.06 |
| Ananthi Constructions Ltd | Others | 10 | 3900 | 0.21 | 3900 | 0.21 |
| Aquamarine Food Products Ltd | Others | 10 | 1300 | 0.38 | 1300 | 0.38 |
| Armaan Electricals Ltd | Others | 10 | 10800 | 0.98 | 10800 | 0.98 |
| Armenian Investments Ltd | Others | 10 | 19600 | 1.96 | 50600 | 5.06 |
| Balaji Hotels and Enterprises Ltd | Others | 10 | 1000 | 0.84 | 1000 | 0.84 |
| Biochem Synergy Ltd | Others | 10 | 2800 | 1.04 | 2800 | 1.04 |
| Bureau of Information Technology Ltd | Others | 10 | 3700 | 2.27 | 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 | 50 | 0.03 |
| Central Cables Ltd | Others | 10 | 2900 | 2.44 | 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 Ltd | Others | 10 | 120000 | 12.00 | 120000 | 12.00 |
| Elliot Investments Ltd | Others | 10 | 20000 | 2.00 | 70000 | 7.00 |
| Euro Marine Products Ltd | Others | 10 | 12100 | 0.79 | 12100 | 0.79 |
| Evergo Capital Markets Ltd | Others | 10 | 14100 | 1.11 | 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 | 290700 | 29.11 |
| HMG Industries Ltd | Others | 10 | 6900 | 4.06 | 6900 | 4.06 |
| Hyataisun Magnetics Ltd | Others | 10 | 4500 | 1.41 | 4500 | 1.41 |
| IGGI Resorts Ltd | Others | 10 | 5300 | 1.82 | 5300 | 1.82 |
| Indian Dyestuff Ltd | Others | 10 | 66 | 0.07 | 66 | 0.07 |
| Indo French Biotech Ltd | Others | 10 | 200 | 0.02 | 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 | 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 | 8000 | 0.81 |
| Kongarar Textiles Ltd | Others | 10 | 2600 | 1.17 | 2600 | 1.17 |
| Maxworth Country India Ltd | Others | 10 | 29500 | 1.84 | 29500 | 1.84 |
| Maxworth International Ltd | Others | 10 | - | - | 23200 | 2.09 |
| Modi Threads Ltd | Others | 10 | 200 | 0.03 | 200 | 0.03 |

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| MS Investments Ltd | Others | 10 | - | - | 100 | 0.03 |
| National Trust Housing Finance Ltd | Others | 10 | 5999890 | 689.99 | 4559890 | 524.38 |
| Navia Markets Limited | Associate | 0.1 | 1289410 | 145.06 | - | - |
| Niranjana Paper Mills Ltd | Others | 10 | 1100 | 0.11 | 1,100 | 0.11 |
| Oasis Ventures Private Ltd | Subsidiary | 10 | 760000 | 76.00 | 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 | 15000 | 1.52 |
| Pantheon Investments Ltd | Others | 10 | 8800 | 0.88 | 18800 | 1.88 |
| PCS Data Products Ltd | Others | 10 | - | - | 73 | 0.02 |
| Pioneer Cashew Industries Ltd | Others | 10 | 4300 | 0.44 | 4300 | 0.44 |
| Premier Housing Ltd | Others | 10 | 8800 | 4.41 | 8800 | 4.41 |
| Pushya Industrial Gases Ltd | Others | 10 | 250 | 0.03 | 250 | 0.03 |
| Quality Consultancy Company Ltd | Others | 10 | - | - | 4000 | 0.08 |
| Raghavendra Spinners Ltd | Others | 10 | 8300 | 1.63 | 8300 | 1.63 |
| Rainbow Holidays Resorts International Ltd | Others | 10 | 32600 | 3.28 | 32600 | 3.28 |
| Rajalakshmi Mills Ltd | Others | 10 | 1100 | 0.62 | 1100 | 0.62 |
| Rajsree Polyfil Ltd | Others | 10 | 100 | 0.01 | 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 | 1200 | 2.76 |
| Ripon Investments Private Ltd | Others | 10 | 38000 | 3.80 | 118000 | 11.80 |
| SAE India Ltd | Others | 10 | 2700 | 2.82 | 2700 | 2.82 |
| Shaktakiri Solvents Ltd | Others | 10 | 5100 | 1.42 | 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 | 6600 | 0.66 |
| SOL Pharmaceuticals Ltd | Others | 10 | 87 | 0.02 | 87 | 0.02 |
| STI Biplus Tubing (I) Ltd | Others | 10 | 10800 | 8.08 | 10800 | 8.08 |
| Success Investments Ltd | Others | 10 | 37800 | 3.78 | 117800 | 11.77 |
| Tamarai Mills Ltd | Others | 10 | 4250 | 3.96 | 4250 | 3.96 |
| Tri Star Soya Ltd | Others | 10 | 5450 | 4.23 | 5450 | 4.23 |
| Veera Laboratories Ltd | Others | 10 | - | - | 10000 | 4.00 |
| Western Pacques India Ltd | Others | 10 | - | - | 100 | 0.15 |
| Windsor Investments Ltd | Others | 10 | 7800 | 0.78 | 17800 | 1.78 |

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| 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 |
| Sub Total - (B) | | | | 1074.55 | | 796.34 |
| Total (a) : (A) + (B) | | | | 1544.72 | | 878.17 |
| Investments in Preference Shares | | | | | | |
| EDAC Engineering Ltd | | 10 | 20000000 | 2000.00 | 20000000 | 2000.00 |
| Twinshield Consultants Private Ltd | | 10 | | | 1750000 | 175.00 |
| Total (b) | | | | 2000.00 | | 2175.00 |
| Share Capital Advance | | | | | | |
| India Radiators Ltd | | 10 | 8415000 | 841.50 | | 640.00 |
| Total (c) | | | | 841.50 | | 640.00 |
| Aggregate amount of Investments (a) + (b) + (c) | | | | | | |
| | | | | 4386.22 | | 3693.17 |
| Less: Provision for diminution in value of investments | | | | 119.29 | | 125.66 |
| Net Value of Investments | | | | 4266.93 | | 3567.51 |

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

11.2 Investments in equity shares of National Trust Housing Finance Ltd are yet to be transferred in the name of the company

| | ₹ in lakhs | ₹ in lakhs |
|--|---------------|------------|
| Aggregate amount of Non-Current quoted investments | 470.17 | 81.83 |
| Market value of Non-current quoted investments | 904.59 | 9.83 |

12 Long-Term Loans and Advances

(₹ in Lakhs)

| | | |
|------------------------------------|----------------|---------|
| Others - Unsecured considered good | | |
| Capital Advances | 3013.17 | 4383.91 |
| Total | 3013.17 | 4383.91 |

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 to related parties - Associate Companies | - | 4332.34 |
| Other Advances | 11544.57 | 9212.46 |
| Total | 11544.57 | 13544.80 |

13.1 The Non-Current assets relate to the balances of old NBFC business. The Management is in the process of reviewing the prospects of further realisations from the above balances and appropriate decision will be taken in the ensuing year.

14. Cash & Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|---------------------------------------|------------------------|------------------------|
| Balances with Bank on Current Account | 492.45 | 229.72 |
| Cash on Hand | 0.06 | 0.09 |
| Total | 492.51 | 229.81 |

15. Other Loans and Advances-Unsecured

| | | |
|---|----------------|---------|
| Loans and Advances - Inter Corporate Deposits | 3562.59 | 3563.29 |
| Other Advances | 1218.26 | 2.68 |
| Total | 4780.85 | 3565.97 |

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

| | |
|---------------------------|---------|
| Edac Engineering Ltd | 2862.59 |
| Greenstar Fertilizers Ltd | 700.00 |

The above Inter Corporate Deposits were utilised for the business purposes of the recipient companies

The above disclosure was not applicable for the previous year

16. Other Current Assets

| | | |
|--------------------|---------------|--------|
| Income Tax Advance | 618.84 | 445.88 |
| Sundry Debtors | 98.96 | 2.74 |
| Total | 717.80 | 448.62 |

17. Income from Operations

| | | |
|------------------------------|---------------|-------|
| Rent of immovable properties | 360.75 | 39.54 |
| Brokerage income | - | 50.58 |
| Total | 360.75 | 90.12 |

18. Other Income

| | | |
|--|---------------|--------|
| Dividend received | 180.95 | 28.82 |
| Interest received | 373.75 | 337.42 |
| Short term Gain on Liquid Funds | 1.70 | - |
| Compensation received | - | 125.00 |
| Profit on sale of investments | - | 9.87 |
| Surplus on write back of credit balances | - | 419.46 |
| Miscellaneous income | 3.87 | 1.02 |
| Total | 560.27 | 921.59 |

19. Employment Benefit Expenses

| | | |
|---------------|--------------|-------|
| Salaries | 48.70 | 38.65 |
| Staff Welfare | 0.91 | 0.59 |
| Total | 49.61 | 39.24 |

20. Finance Cost

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|--------------|------------------------|------------------------|
| Interest | 0.72 | - |
| Fee | 11.00 | - |
| Total | 11.72 | - |

21. Other Expenses

| | | |
|---|---------------|--------------|
| Rates & Taxes | 30.19 | 31.43 |
| Repairs & Maintenance | 83.98 | 6.79 |
| Postage, Telephone & Courier charges | 30.34 | 3.29 |
| Travelling Expenses | 3.03 | 6.03 |
| Professional & Consultancy charges | 13.16 | 14.31 |
| Auditors Remuneration - Statutory Audit | 2.25 | 2.25 |
| - Taxation | 3.72 | - |
| - Other services | 0.10 | 0.15 |
| - Out of pocket expenses | 0.06 | - |
| Miscellaneous Expenses | 3.09 | 1.42 |
| Advertisement Charges | 6.48 | 1.48 |
| Director Sitting Fees | 2.31 | 2.14 |
| Secretarial Expenses | - | 0.23 |
| Electricity and Fuel charges | 18.42 | - |
| Filing Fees | 0.97 | 1.02 |
| Security charges | - | 3.67 |
| Printing & Stationery | 8.25 | 5.08 |
| Commission payment | - | 1.95 |
| Interest on Income Tax | 3.35 | 1.51 |
| Insurance Expenses | 0.38 | - |
| Loss on sale of investments | 23.12 | - |
| Total | 233.20 | 82.75 |

22. Exceptional Items

| | | |
|---|----------------|-----------------|
| Profit on sale of Fixed Assets | 2045.21 | 5627.93 |
| Investment written off | 6.37 | (17.34) |
| Less Provision for diminution in value of investments | (6.37) | - |
| Bad Debts and Advances written off | - | (6118.62) |
| Total | 2045.21 | (508.03) |

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

23. Expenditure in foreign currency during the current period

NIL

24. Earnings in Foreign Exchange received during the current period

NIL

25. 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

Associate:

Navia Markets Limited

Key Managerial Personnel:

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

Mr.V.Padmanabha Sarma, Chief Financial Officer

Ms.S.Aarhi, Company Secretary

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

(₹ in Lakhs)

| Particulars of transaction | Year ended 31 March 2015 | Year ended 31 March 2014 |
|--|-----------------------------|-----------------------------|
| Transaction with related parties during the year 2014-15 | | |
| 1. Security charges paid to M/s. i3 Security Private Limited | 17.75 | 3.67 |
| 2. Whole-time Director's remuneration - Mr. E. N. Rangaswami | 25.00 | 19.35 |
| Closing Balances | | |
| Investment in Subsidiary: | | |
| Oasis Ventures Private Limited | 76.00 | 76.00 |
| Investment in Associate: | | |
| Navia Markets Limited | 145.06 | - |
| Loan to Associates: | | |
| Armenian Investments Limited | - | 994.36 |
| Elliot Investments Limited | - | 895.93 |
| Pantheon Investments Limited | - | 300.08 |
| Ripon Investments Limited | - | 61.85 |
| Success Investments Limited | - | 1208.37 |
| Windsor Investments Limited | - | 871.75 |
| The above said Investments companies ceased to be associates during the year | | |
| Key Managerial Personnel: | | |
| Mr. E.N. Rangaswami, Whole-time Director | - | 3.94 |

26. Commitments on capital account and not provided for

1313.25

3558.38

27. Dividend receivable on Preference Shares

260.00

88.13

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

Consolidated Financial Statements
2014–15

Independent Auditor's Report

To
The Members of
Mercantile Ventures Limited

Report on Consolidated Financial Statements

We have audited the accompanying Consolidated 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 associates, comprising of the Consolidated Balance Sheet as at March 31, 2015, 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 associates 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 sub-paragraph (a) of 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.

- a) In the case of the Consolidated Balance Sheet, the state of affairs of the Group and its associates as at 31 March 2015
- b) In the case of the consolidated Statement of Profit and Loss of the profit for the year ended on that date and
- c) In the case of the consolidated cash flow statement, of the cash flows 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 ₹ 380.57 Lakhs as at 31 March, 2015, total revenue of ₹ 945.74 Lakhs and net cash flows amounting to ₹ 9.11 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 ₹ 62.16 Lakhs for the year ended 31 March, 2015, as considered in the consolidated financial statements, in respect of one associate, 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 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 associates, 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 company 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 Company 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) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, 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 company are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 did 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 company incorporated in India.

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

CA Vaira Mutthu K
M.No. 218791
Partner

Place : Chennai
Date : 18 May 2015

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) The Group has not given or taken loans from the parties covered in the register Maintained under section 189 of the Companies act of 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 subsection (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, and 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.
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 (1 of 1956) and rules made there under.
8. The Holding Company does not have any accumulated losses at the end of the financial year (Previous year accumulated loss – ₹ 70.43 Lakhs) 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 Holding Company has borrowed from a Financial Institution during the year. There has, however, been no default in repayment of dues to the Financial Institution. The Subsidiaries 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 : 18 May 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

(₹ in Lakhs)

| S. No. | Particulars | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|--------|---|----------|---------------------|---------------------|
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' Funds | | | |
| | (a) Share Capital | 3 | 11269.67 | 11194.67 |
| | (b) Reserves & Surplus | 4 | 15077.12 | 12859.96 |
| | | | 26346.79 | 24054.63 |
| 2 | Non-Current Liabilities | | | |
| | (a) Long-Term Borrowings | 5 | 1324.80 | 224.80 |
| | (b) Deferred Tax Liabilities | 6 | 33.71 | 45.81 |
| | (b) Other Long Term Liabilities | 7 | 331.44 | 30.45 |
| | | | 1689.95 | 301.06 |
| 3 | Current Liabilities | | | |
| | (a) Other Current Liabilities | 8 | 66.85 | 2707.40 |
| | (b) Short-Term Provisions | 9 | 1285.49 | 664.76 |
| | | | 1352.34 | 3372.16 |
| | Total - Equity & Liabilities | | 29389.08 | 27727.85 |
| B | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets - Tangible Assets | 10 | 4272.73 | 1854.52 |
| | (b) Goodwill-Intangible Assets | | 3.67 | 4.90 |
| | (c) Non Current Investments | 11 | 4263.08 | 3491.51 |
| | (d) Long Term Loans and Advances | 12 | 3013.17 | 4383.91 |
| | (e) Other Non-Current Assets | 13 | 11545.47 | 13544.80 |
| | | | 23098.12 | 23279.64 |
| 2 | Current Assets | | | |
| | (a) Cash and cash equivalents | 14 | 590.14 | 318.33 |
| | (b) Other Loans and Advances | 15 | 4822.34 | 3589.48 |
| | (c) Other Current Assets | 16 | 878.48 | 540.40 |
| | | | 6290.96 | 4448.21 |
| | Total - Assets | | 29389.08 | 27727.85 |

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

For and on behalf of the Board

Chartered Accountants

CA K.Vairamuthu

E N Rangaswami

AL Chandramouli

Partner

Whole-time Director

Director

Place : Chennai

V.Padmanabha Sarma

S.Aarthi

Date : 18 May 2015

Chief Financial Officer

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

| S.No. | Particulars | Note No. | Year ended 31 March 2015 | Year ended 31 March 2014 |
|--|---|----------|-----------------------------|-----------------------------|
| | Revenue: | | | |
| I | Income from Operations | 17 | 1302.99 | 697.57 |
| | Other Income | 18 | 563.77 | 922.67 |
| | Total Revenue (A) | | 1866.76 | 1620.24 |
| | Expenses: | | | |
| II | Cost of Services | | 75.64 | 0.93 |
| | Employee Benefit Expense | 19 | 766.71 | 592.40 |
| | Finance Costs | 20 | 11.91 | - |
| | Depreciation and Amortization Expense | 10 | 33.68 | 9.53 |
| | Other Expenses | 21 | 322.97 | 115.54 |
| | Total Expenses (B) | | 1210.91 | 718.40 |
| III | Profit before exceptional and extraordinary items and tax (A - B) | | 655.85 | 901.84 |
| IV | Exceptional items (Net) | 22 | 2045.21 | (508.03) |
| V | Profit before tax | | 2701.06 | 393.81 |
| | Tax Expense: | | | |
| VI | Current Income Tax | | 712.67 | 233.66 |
| | Provision for Taxation reversed | | (165.53) | |
| | Deferred tax liability / (Asset) | | (12.10) | (114.66) |
| VII | Profit/(Loss) for the year from continuing operations | | 2166.02 | 274.81 |
| VIII | Profit/(Loss) for the year | | 2166.02 | 274.81 |
| IX | (a) Basic earnings per equity share | | 1.94 | 0.25 |
| | (b) Diluted earnings per equity share | | 1.88 | 0.24 |
| 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

AL Chandramouli

Director

Place : Chennai

Date : 18 May 2015

V.Padmanabha Sarma

Chief Financial Officer

S.Aarthi

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

| | Particulars | Year ended 31 March 2015 | Year ended 31 March 2014 |
|---|--|-----------------------------|-----------------------------|
| A | Cash Flow from Operating Activities | | |
| | Profit for the year before Exceptional items and Tax | 655.85 | 901.84 |
| | Add: Exceptional items | | |
| | Exceptional items | 2045.21 | (508.03) |
| | Adjustments for: | | |
| | Depreciation | 33.68 | 9.53 |
| | Dividend Income | (180.95) | (28.82) |
| | Interest Income | (377.23) | (338.50) |
| | Investments written off | - | 17.34 |
| | Profit on sale of fixed assets | (2045.21) | (5627.93) |
| | Bad Debts and Advances Written off | - | 6118.62 |
| | Profit on sale of investments | - | (9.87) |
| | Operating Profit before Working Capital changes | 131.35 | 534.18 |
| | Adjustments for: | | |
| | Goodwill | 1.23 | |
| | Increase in Long-term liabilities | 290.68 | 25.00 |
| | Current liabilities & Provisions | (2566.96) | 2476.26 |
| | Loans & Advances | 1370.74 | (2702.93) |
| | Non-Current Assets | 1999.33 | 96.16 |
| | Other Current Assets | (338.08) | (406.01) |
| | Net Cash from Operating activities | 888.29 | 22.66 |
| B | Cash Flow from Investing activities | | |
| | Proceeds from sale of Fixed Assets | 2066.99 | 6916.06 |
| | Addition to Fixed Assets | (2474.40) | (1433.54) |
| | Investments | (709.40) | (3277.70) |
| | Income from Investments | 558.18 | 377.19 |
| | Loans and Advances | (1232.85) | (3579.03) |
| | Net Cash from Investing activities | (1791.48) | (997.02) |
| C | Cash Flow from Financing activities | | |
| | Proceeds of issue of Equity shares | | (52.50) |
| | Proceeds of issue of Preference shares | 75.00 | |
| | Proceeds of Share Premium | | 2.27 |
| | Long Term Borrowings | 1100.00 | |
| | Net Cash used in Financing Activities | 1175.00 | (50.23) |
| | Net Cash Flows during the year (A) + (B) + (C) | 271.81 | (1024.59) |
| | Cash & Cash Equivalents (Opening Balance) as at 31-3-2014 | 318.33 | 1342.92 |
| | Investments in Liquid Funds | | |
| | Cash & Cash Equivalents (Closing Balance) as at 31-3-2015 | 590.14 | 318.33 |
| Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this cash flow statement | | | |

This is the Consolidated 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

AL Chandramouli

Director

Place : Chennai

Date : 18 May 2015

V.Padmanabha Sarma

Chief Financial Officer

S.Aarthi

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 on certain premises is provided on composite cost where it is not possible to segregate the land cost.
- c) Depreciation for additions to/deductions from Fixed Assets is calculated pro rata from/to the month of additions/deletions.
- d) Fixed Assets individually costing ₹ 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 just 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 2015

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 under the companies accounting standard Rules 2006 as amended, the relevant provisions of the companies act 1956. The financial statement have been prepared under the historical cost convention on an accrual basis.

2.2. Basis of consolidation

- 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 2015 and are prepared based on the accounting policies consistent with those used by the company.
- The financial statements of the group have been prepared in accordance with the AS 21 - Consolidated financial statements and other generally accepted accounting principles in india.

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

- 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.
 - 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.
 - 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 2015 | As at 31 March 2014 |
|--|----------|------------------------|------------------------|
| Authorised Capital | | | |
| 115000000 Equity Shares of ₹ 10/- each | | 11500.00 | 11500.00 |
| 15000000 Preference Shares of ₹ 10/- each | | 1500.00 | 1500.00 |
| Total | | 13000.00 | 13000.00 |
| Issued, Subscribed & Paid-up Capital | | | |
| 111918195 Equity Shares of ₹ 10/- each fully paid up | 11191.82 | | 11191.82 |
| (Of the total issued Capital, 81668000 Equity Shares of ₹ 10/- each were issued at a premium of ₹ 15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court) | | | |
| 750000 Five year Zero % optionally Convertible Preference Shares of ₹ 10/- each fully paid up | 75.00 | 11266.82 | |
| Add: Forfeited shares | | 2.85 | 2.85 |
| Total | | 11269.67 | 11194.67 |

The Preference Shares issued during the year are convertible at the option of the shareholder or redeemable at par in 2019 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

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | | As at 31 March 2014 | |
|---|------------------------|----------|------------------------|----------|
| | 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 2015 | | As at 31 March 2014 | |
|---|------------------------|--------------|------------------------|--------------|
| | 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 2015 | As at 31 March 2014 |
|---|------------------------|------------------------|
| Capital Reserve | | |
| Opening balance | 292.43 | 292.43 |
| Add: Addition during the year | - | - |
| | 292.43 | 292.43 |
| Less: Deduction during the year | - | - |
| Closing Balance (A) | 292.43 | 292.43 |
| General Reserve | | |
| Opening balance | 375.60 | 375.60 |
| Add: Addition during the year | - | - |
| | 375.60 | 375.60 |
| Less: Deduction during the year | - | - |
| Closing Balance (B) | 375.60 | 375.60 |
| Securities Premium Account | | |
| Opening balance | 12252.47 | 12250.20 |
| Add: Premium credited on securities issued in pursuance of a Scheme of Arrangement (Refer Note 3) | - | 2.27 |
| | 12252.47 | 12252.47 |
| Less: Premium utilised during the year | - | - |
| Closing Balance (C) | 12252.47 | 12252.47 |
| Profit & Loss Account | | |
| Surplus from Profit & Loss Account | (60.54) | (329.90) |
| Add: Profit/(Loss) for the year | 2166.02 | 274.81 |
| Transfer of Reserves of Associate | 62.16 | - |
| | 2167.64 | (55.09) |
| Less: Deduction during the year | 11.02 | 5.45 |
| Closing Balance (D) | 2156.62 | (60.54) |
| Total (A to D) | 15077.12 | 12859.96 |

5. Long Term Borrowings

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|-----------------------|------------------------|------------------------|
| Secured | | |
| Term Loan-from Others | 1100.00 | - |
| | 1100.00 | - |
| Unsecured | | |
| Convertible Bonds | 224.80 | 224.80 |
| Total | 1324.80 | 224.80 |

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 were 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. The Bonds are redeemable at the end of the third year from the date of issue or in lieu of such redemption, at the option of the Creditors, convertible into equity shares of ₹ 10/- each par.

6. Deferred Tax Liability

| | | |
|---|--------------|-------|
| Related to Fixed Assets-timing difference | 33.71 | 45.81 |
| Total | 33.71 | 45.81 |

7. Other Long-term Liabilities:

| | | |
|-------------------|---------------|-------|
| Rent Deposit | 290.69 | - |
| Minority interest | 40.75 | 30.45 |
| Total | 331.44 | 30.45 |

8. Other Current Liabilities

| | | |
|---------------------------------|--------------|---------|
| Other Payables | | |
| a) Duties & Taxes | 0.83 | 5.21 |
| b) Outstanding Expenses payable | 7.57 | 17.43 |
| c) Other payables | 58.45 | 2684.76 |
| Total | 66.85 | 2707.40 |

9. Short Term Provisions

| | | |
|------------------------|----------------|--------|
| Provision for Taxation | 1285.49 | 664.76 |
| Total | 1285.49 | 664.76 |

10. FIXED ASSETS

(₹ in Lakhs)

| RATE OF PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|------------------|-----------|-----------|---------|------------------|-----------|--------------|-------|------------------|------------------|
| | As at 31-03-2014 | ADDITIONS | DELETIONS | TOTAL | As at 31-03-2014 | DELETIONS | FOR THE YEAR | TOTAL | As at 31-03-2015 | As at 31-03-2014 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 278.45 | 3622.66 | 278.45 | 3622.66 | - | - | - | - | 3622.66 | 278.45 |
| Buildings | 220.70 | 393.96 | 27.88 | 586.78 | 48.30 | 6.10 | 22.17 | 64.37 | 522.41 | 172.40 |
| Computers | 3.10 | 2.33 | - | 5.43 | 1.65 | - | 1.45 | 3.10 | 2.33 | 1.45 |
| Airconditioners,etc | 8.80 | 54.91 | - | 63.71 | 0.44 | - | 1.91 | 2.35 | 61.36 | 8.36 |
| Furniture and Fixtures | 41.90 | 27.83 | - | 69.73 | 0.83 | - | 7.41 | 8.24 | 61.49 | 41.07 |
| Office Equipments | 1.11 | 2.18 | - | 3.29 | 0.07 | - | 0.74 | 0.81 | 2.48 | 1.04 |
| Total | 554.06 | 4103.87 | 306.33 | 4351.60 | 51.29 | 6.10 | 33.68 | 78.87 | 4272.73 | 502.77 |
| Capital work-in-Progress | 1351.05 | - | 1351.05 | - | - | - | - | - | - | 1351.05 |
| Total | 1905.11 | 4103.87 | 1657.38 | 4351.60 | 51.29 | 6.10 | 33.68 | 78.87 | 4272.73 | 1853.82 |
| Previous year | 1887.31 | 1433.51 | 1415.71 | 1905.11 | 169.34 | 127.59 | 9.53 | 51.28 | 1853.82 | 1718.66 |

Note:

Depreciation for prior years amounting to ₹ 0.70 Lakhs has been adjusted in the depreciation reserve as at 31-03-2014

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

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Quoted | | | | | | |
| 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 | 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 | 0.00 | 2 | 0.00 |
| Eastern Threads Ltd | Others | 10 | 50300 | 5.07 | 50300 | 5.07 |
| Essar Shipping Ltd | Others | 10 | 1 | 0.00 | 1 | 0.00 |
| Hindusthan Construction Ltd | Others | 10 | 50 | 0.02 | 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 |
| Karuthure Floritech Ltd | Others | 10 | 7400 | 0.97 | 7400 | 0.97 |
| Karuthuri Floritech Ltd-Partly paid | Others | 10 | 360000 | 9.00 | 360000 | 9.00 |
| Kumbat Financial Services Ltd | Others | 10 | 10100 | 1.01 | 10100 | 1.01 |
| Malvika Steels Ltd | Others | 10 | 48600 | 19.44 | 48600 | 19.44 |
| Periakaramalai Estates Ltd | Others | 10 | - | - | 75 | 0.01 |
| Reliance petroleum Ltd | Others | 10 | 400 | 0.05 | 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 | 200 | 0.06 |
| Sicagen India Ltd | Others | 10 | 465423 | 0.05 | 450 | 0.05 |
| Sical Logistics Ltd | Others | 10 | 484469 | 314.66 | 450 | 0.05 |
| Southern Petrochemical Industries Corporation Ltd | Others | 10 | 289250 | 73.75 | 100 | 0.01 |
| Stanes Amalgamated Ltd | Others | 10 | 225 | 0.03 | 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 |
| Sub Total - (A) | | | | 470.17 | | 81.83 |

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|---|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Unquoted | | | | | | |
| 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 | 124 | 0.06 |
| Ananthi Constructions Ltd | Others | 10 | 3900 | 0.21 | 3900 | 0.21 |
| Aquamarine Food Products Ltd | Others | 10 | 1300 | 0.38 | 1300 | 0.38 |
| Armaan Electricals Ltd | Others | 10 | 10800 | 0.98 | 10800 | 0.98 |
| Armenian Investments Ltd | Others | 10 | 19600 | 1.96 | 50600 | 5.06 |
| Balaji Hotels and Enterprises Ltd | Others | 10 | 1000 | 0.84 | 1000 | 0.84 |
| Biochem Synergy Ltd | Others | 10 | 2800 | 1.04 | 2800 | 1.04 |
| Bureau of Information Technology Ltd | Others | 10 | 3700 | 2.27 | 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 | 50 | 0.03 |
| Central Cables Ltd | Others | 10 | 2900 | 2.44 | 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 Ltd | Others | 10 | 120000 | 12.00 | 120000 | 12.00 |
| Elliot Investments Ltd | Others | 10 | 20000 | 2.00 | 70000 | 7.00 |
| Euro Marine Products Ltd | Others | 10 | 12100 | 0.79 | 12100 | 0.79 |
| Evergo Capital Markets Ltd | Others | 10 | 14100 | 1.11 | 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 | 290700 | 29.11 |
| HMG Industries Ltd | Others | 10 | 6900 | 4.06 | 6900 | 4.06 |
| Hyataisun Magnetics Ltd | Others | 10 | 4500 | 1.41 | 4500 | 1.41 |
| IGGI Resorts Ltd | Others | 10 | 5300 | 1.82 | 5300 | 1.82 |
| Indian Dyestuff Ltd | Others | 10 | 66 | 0.07 | 66 | 0.07 |
| Indo French Biotech Ltd | Others | 10 | 200 | 0.02 | 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 | 3000 | 1.05 |
| Kailash Structural 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 | 8000 | 0.81 |
| Kongarar Textiles Ltd | Others | 10 | 2600 | 1.17 | 2600 | 1.17 |
| Maxworth Country India Ltd | Others | 10 | 29500 | 1.84 | 29500 | 1.84 |
| Maxworth International Limited | Others | 10 | - | - | 23200 | 2.09 |

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Modi Threads Ltd | Others | 10 | 200 | 0.03 | 200 | 0.03 |
| MS Investments Ltd | Others | 10 | - | - | 100 | 0.03 |
| National Trust Housing Finance Ltd | Others | 10 | 5999890 | 689.99 | 4559890 | 524.38 |
| Navia Markets Limited | Associate | 10 | 1289410 | 207.21 | - | - |
| Niranjana Paper Mills Ltd | Others | 10 | 1100 | 0.11 | 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 | 15000 | 1.52 |
| Pantheon Investments Ltd | Others | 10 | 8800 | 0.88 | 18800 | 1.88 |
| PCS Data Products Ltd | Others | 10 | - | - | 73 | 0.02 |
| Pioneer Cashew Industries Ltd | Others | 10 | 4300 | 0.44 | 4,300 | 0.44 |
| Premier Housing Ltd | Others | 10 | 8800 | 4.41 | 8800 | 4.41 |
| Pushya Industrial Gases Ltd | Others | 10 | 250 | 0.03 | 250 | 0.03 |
| Quality Consultancy Company Ltd | Others | 10 | - | - | 4000 | 0.08 |
| Raghavendra Spinners Ltd | Others | 10 | 8300 | 1.63 | 8,300 | 1.63 |
| Rainbow Holidays Resorts International Ltd | Others | 10 | 32600 | 3.28 | 32600 | 3.28 |
| Rajalakshmi Mills Ltd | Others | 10 | 1100 | 0.62 | 1100 | 0.62 |
| Rajsree Polyfil Ltd | Others | 10 | 100 | 0.01 | 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 | 1200 | 2.76 |
| Ripon Investments Private Ltd | Others | 10 | 38000 | 3.80 | 118000 | 11.80 |
| SAE India Ltd | Others | 10 | 2700 | 2.82 | 2700 | 2.82 |
| Shaktakiri Solvents Ltd | Others | 10 | 5100 | 1.42 | 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 | 6600 | 0.66 |
| SOL Pharmaceuticals Ltd | Others | 10 | 87 | 0.02 | 87 | 0.02 |
| STI Biplus Tubing (I) Ltd | Others | 10 | 10800 | 8.08 | 10800 | 8.08 |
| Success Investments Ltd | Others | 10 | 37800 | 3.78 | 117800 | 11.77 |
| Tamarai Mills Ltd | Others | 10 | 4250 | 3.96 | 4250 | 3.96 |
| Tri Star Soya Ltd | Others | 10 | 5450 | 4.23 | 5450 | 4.23 |
| Veera Laboratories Ltd | Others | 10 | - | - | 10000 | 4.00 |
| Western Pacques India Ltd | Others | 10 | - | - | 100 | 0.15 |
| Windsor Investments Ltd | Others | 10 | 7800 | 0.78 | 17800 | 1.78 |
| Woolworth India Ltd | Others | 10 | 50 | 0.03 | 50 | 0.03 |
| XS Financial Services Ltd | Others | 10 | 42800 | 3.56 | 42800 | 3.56 |

(₹ in Lakhs)

| Name of Company | Subsidiary / Associate / JV / Controlled Entity / Others | Face value per share ₹ | No. of Shares/ Units | As at 31 March 2015 | No. of Shares/ Units | As at 31 March 2014 |
|--|--|------------------------|----------------------|---------------------|----------------------|---------------------|
| Zen Global Finance Ltd | Others | 10 | 400 | 0.07 | 400 | 0.07 |
| Sub Total - (B) | | | | 1070.70 | | 720.34 |
| Total (a) : (A) + (B) | | | | 1540.87 | | 802.17 |
| b. Investments in Preference Shares | | | | | | |
| EDAC Engineering Ltd | | 10 | 20000000 | 2000.00 | 20000000 | 2000.00 |
| Twinshield Consultants Private Ltd | | 10 | | | 1750000 | 175.00 |
| Total (b) | | | | 2000.00 | | 2175.00 |
| c. Share Capital Advance | | | | | | |
| India Radiators Ltd | | 10 | 8415000 | 841.50 | | 640.00 |
| Total (c) | | | | 841.50 | | 640.00 |
| Aggregate amount of Investments (a) + (b) + (c) | | | | | | |
| | | | | 4382.37 | | 3617.17 |
| Less: Provision for diminution in value of investments | | | | 119.29 | | 125.66 |
| Net Value of Investments | | | | 4263.08 | | 3491.51 |

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

11.2 Investments in equity shares of National Trust Housing Finance Ltd are yet to be transferred in the name of the company

11.3 Goodwill on consolidation on shares of Navia Markets Limited is valued at ₹ 16.12 Lakhs in accordance with AS 23. The investment is carried in the books at cost plus the investor's share of profits of the investment in the associate.

| | ₹ in lakhs | ₹ in lakhs |
|--|------------|------------|
| Aggregate amount of Non-Current quoted investments | 470.17 | 81.83 |
| Market value of Non-current quoted investments | 904.59 | 9.83 |

12. Long-Term Loans and Advances

| Others - Unsecured considered good | | |
|------------------------------------|----------------|----------------|
| Capital Advances | 3013.17 | 4383.91 |
| Total | 3013.17 | 4383.91 |

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 to related parties - Associate Companies | - | 4332.34 |
| Other Advances | 11545.47 | 9212.46 |
| Total | 11545.47 | 13544.80 |

13.1 The Non-Current assets relate to the balances of old NBFC business. The Management is in the process of reviewing the prospects of further realisations from the above balances and appropriate decision will be taken in the ensuing year.

14. Cash & Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|---------------------------------------|------------------------|------------------------|
| Balances with Bank on Current Account | 587.73 | 317.67 |
| Cash on Hand | 2.41 | 0.66 |
| Total | 590.14 | 318.33 |

15. Other Loans and Advances

| | | |
|---|----------------|----------------|
| Loans and Advances - Inter Corporate Deposits | 3562.59 | 3563.29 |
| Other Advances | 1259.75 | 26.19 |
| Total | 4822.34 | 3589.48 |

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

Edac Engineering Ltd **2862.59**

Greenstar Fertilizers Ltd **700.00**

The above Inter Corporate Deposits were utilised for the business purposes of the recipient companies

The above disclosure was not applicable for the previous year

16. Other Current Assets

| | | |
|--------------------|---------------|---------------|
| Income Tax Advance | 621.96 | 446.33 |
| Sundry Debtors | 256.52 | 94.07 |
| Total | 878.48 | 540.40 |

17. Income from Operations

| | | |
|------------------------------|----------------|---------------|
| Rent of immovable properties | 360.75 | 39.54 |
| Man power supply services | 884.19 | 11.64 |
| Sale of services | 7.75 | 595.81 |
| Housing keeping charges | 50.30 | - |
| Brokerage income | - | 50.58 |
| Total | 1302.99 | 697.57 |

18. Other Income

| | | |
|--|---------------|---------------|
| Dividend received | 180.95 | 28.82 |
| Interest received | 377.23 | 338.50 |
| Short term Gain on Liquid Funds | 1.70 | - |
| Compensation received | - | 125.00 |
| Profit on sale of investments | - | 9.87 |
| Surplus on write back of credit balances | - | 419.46 |
| Miscellaneous income | 3.89 | 1.02 |
| Total | 563.77 | 922.67 |

19. Employment Benefit Expenses

(₹ in Lakhs)

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|--------------------------|------------------------|------------------------|
| Salaries | 692.18 | 533.48 |
| Contribution to PF & ESI | 65.11 | 51.21 |
| Staff Welfare | 9.42 | 7.71 |
| Total | 766.71 | 592.40 |

20. Finance Cost

| | | |
|--------------|--------------|----------|
| Interest | 0.91 | - |
| Fee | 11.00 | - |
| Total | 11.91 | - |

21. Other Expenses

| | | |
|---|---------------|---------------|
| Rates & Taxes | 30.90 | 33.45 |
| Repairs & Maintenance | 117.69 | 7.72 |
| Director's Remuneration | 23.46 | 10.86 |
| Postage, Telephone & Courier charges | 31.89 | 4.26 |
| Travelling Expenses | 10.27 | 11.78 |
| Professional & Consultancy charges | 17.40 | 15.88 |
| Auditors Remuneration - Statutory Audit | 3.93 | 3.65 |
| - Taxation | 3.72 | - |
| - Other service | 0.59 | 0.15 |
| - Out of pocket | 0.06 | - |
| Miscellaneous Expenses | 5.91 | 2.92 |
| Advertisement Charges | 6.53 | 1.48 |
| Director Sitting Fees | 2.31 | 2.14 |
| Secretarial Expenses | - | 0.23 |
| Rent | 10.54 | 7.27 |
| Electricity and Fuel charges | 19.00 | - |
| Filing Fees | 1.04 | 1.05 |
| Security charges | - | - |
| Printing & Stationery | 9.50 | 5.94 |
| Commission payment | - | 1.95 |
| Interest on Income Tax | 3.35 | 1.51 |
| Bank charges | - | 0.13 |
| Business Promotion Expenses | - | 1.51 |
| Preliminary Expenses | 0.08 | 0.16 |
| Insurance Expenses | 0.45 | 0.23 |
| Operating Expenses | - | 0.04 |
| Goodwill written off | 1.23 | 1.23 |
| Loss on sale of investments | 23.12 | - |
| Total | 322.97 | 115.54 |

22. Exceptional Items

| | | |
|---|----------------|-----------------|
| Profit on sale of Fixed Assets | 2045.21 | 5627.93 |
| Investment written off | 6.37 | (17.34) |
| Less Provision for diminution in value of investments | (6.37) | - |
| Bad Debts and Advances written off | - | (6118.62) |
| Total | 2045.21 | (508.03) |

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

23. Expenditure in foreign currency during the current period NIL

24. Earnings in Foreign Exchange received during the current period NIL

25. 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

Associate:

Navia Markets Limited

Key Managerial Personnel:

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

Mr.V.Padmanabha Sarma, Chief Financial Officer

Ms.S.Aarthi, Company Secretary

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

| Particulars of transaction | Year ended 31 March 2015 | Year ended 31 March 2014 |
|---|-----------------------------|-----------------------------|
| Transaction with related parties during the year 2014-15 | | |
| 1. Security charges paid to M/s. i3 Security Private Limited | 17.75 | 3.67 |
| 2. Whole-time Director's remuneration - Mr. E. N. Rangaswami | 25.00 | 19.35 |
| Closing Balances | | |
| Investment in Subsidiary: | | |
| Oasis Ventures Private Limited | 76.00 | 76.00 |
| i3 Security Private Limited | - | - |
| Rayce Electronic Intelligence India Private Limited | - | - |
| Investment in Associate: | | |
| Navia Markets Limited | 207.21 | - |
| Loans to Associates: | | |
| Armenian Investments Limited | - | 994.36 |
| Elliot Investments Limited | - | 895.93 |
| Pantheon Investments Limited | - | 300.08 |
| Ripon Investments Limited | - | 61.85 |
| Success Investments Limited | - | 1208.37 |
| Windsor Investments Limited | - | 871.75 |
| The abovesaid Investments companies ceased to be associates during the year | | |
| Key Managerial Personnel: | | |
| Mr. E.N. Rangaswami, Whole-time Director | - | 3.94 |
| 26. Commitments on capital account and not provided for | 1313.25 | 3558.38 |
| 27. Dividend receivable on Preference Shares | 260.00 | 88.13 |
| 28. 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**

Part "A:" Subsidiaries

(₹ in Lakhs)

| Name of the Subsidiary | Oasis Ventures Private Limited | i3 Security Private Limited |
|---|-----------------------------------|--------------------------------|
| Reporting period for the subsidiary concerned,(if different from the holding company's reporting period) | NA | NA |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA |
| Share capital | 76.00 | 85.20 |
| Reserves & surplus | 10.32 | 53.70 |
| Total assets | 96.59 | 283.98 |
| Total Liabilities(Excluding Share Capital & Reserves) | 10.27 | 145.08 |
| Investments | 76.32 | - |
| Turnover | 118.54 | 827.21 |
| Profit before taxation | 14.51 | 48.61 |
| Provision for taxation | 4.58 | 12.87 |
| Profit after taxation | 10.03 | 35.85 |
| Proposed Dividend | - | - |
| % of shareholding | 100.00 | 70.66 |

Part "B": Associates Statement

| Name of the Associate | Navia Markets Limited |
|---|---------------------------|
| Latest audited Balance Sheet Date | 31 March 2015 |
| Shares of Associate held by the company on the year end | |
| No. | 1289410 |
| Amount of Investment in Associates | 145.06 |
| Extent of Holding % | 47.30 |
| Description of how there is significant influence | by virtue of Shareholding |
| Reason why the associate is not consolidated | NA |
| Networth attributable to Shareholding as per latest audited Balance Sheet | 575.43 |
| Profit / Loss for the year | 131.42 |
| i. Considered in Consolidation | 62.16 |
| ii. Not Considered in Consolidation | 69.26 |

For and on behalf of the Board

E N Rangaswami

Whole-time Director

AL Chandramouli

Director

Place : Chennai

Date : 18 May 2015

V.Padmanabha Sarma

Chief Financial Officer

S.Aarthi

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 **14th Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** on **Friday, the 25 September 2015** at **2.30 PM**.

NAME OF THE PROXY IN BLOCK LETTERS

SIGNATURE OF SHAREHOLDER/PROXY*

*Strikeout whichever is not applicable

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



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 **14th Annual General Meeting** of the company, to be held on **Friday, the 25 September 2015** at **2.30 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 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this.....day of.....2015

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

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

Note:

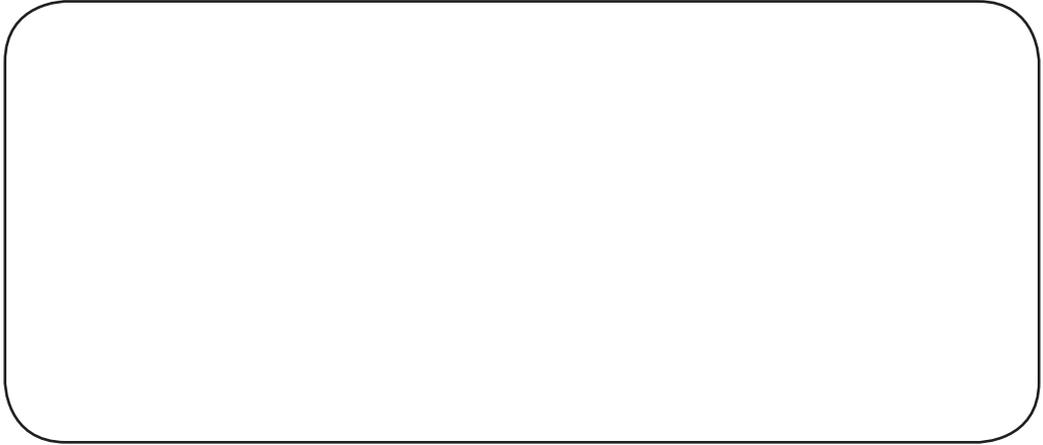
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf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



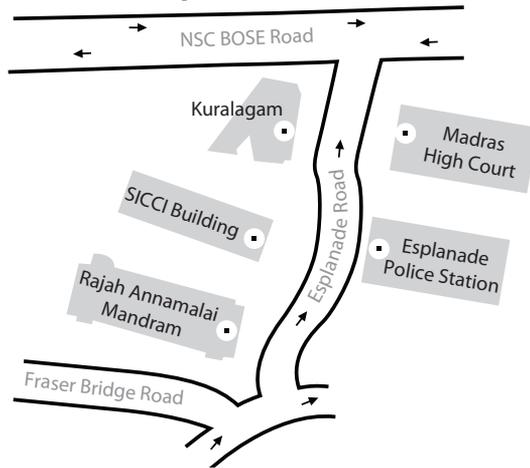
Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

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