



# ANNUAL REPORT

## **2019 – 20**

Mercantile Ventures Limited

## Board of Directors

AL. Chandramouli	Director (DIN: 02299091)
B. Narendran	Director (DIN: 01159394)
Sashikala Srikanth	Director (DIN: 01678374)
G D Sharma*	Director (DIN: 08060285)
K Gopalakrishnan*	Director (DIN: 00621061)
E.N. Rangaswami	Whole-time Director (DIN: 06463753)

\* w.e.f. 12 June, 2020

## Audit Committee

AL. Chandramouli	Chairman
B. Narendran	Member
Sashikala Srikanth	Member

## Chief Financial Officer

V. Padmanabha Sarma

## Company Secretary & Compliance Officer

S. Yoganandhan

## Registrars and Share Transfer Agent

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

## Registered Office

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

## Auditors

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

## CONTENTS

Notice to Shareholders .....	01
Boards' Report and Annexures .....	09
<b>Standalone Financial Statements (37-58)</b>	
Independent Auditors' Report .....	37
Balance Sheet .....	43
Statement of Profit and Loss .....	44
Statement of changes in Equity .....	45
Cash Flow Statement .....	46
Notes annexed to and forming part of Financial Statements .....	47
<b>Consolidated Financial Statements (59-85)</b>	
Independent Auditors' Report .....	59
Balance Sheet .....	65
Statement of Profit and Loss .....	66
Statement of changes in Equity .....	67
Cash Flow Statement .....	69
Notes annexed to and forming part of Financial Statements .....	70
<b>Subsidiaries</b>	
Financial Highlights of Subsidiaries Companies .....	85

## MERCANTILE VENTURES LIMITED

Notice is hereby given that the Nineteenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Wednesday, 23 September, 2020 at 02.00 PM** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March, 2020 by passing the following as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2020 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.

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

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

3. To fix the remuneration of Auditors for the year 2020-21 by passing the following as an **Ordinary Resolution**.

**RESOLVED THAT** pursuant to Section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants, Chennai, the Auditors of the Company for the year 2020-21 is fixed as Rs. 3,50,000 (Rupees Three Lakhs and Fifty Thousand only) for audit and related services plus reimbursement of out of pocket expenses and applicable taxes.

### SPECIAL BUSINESS

4. To approve the appointment of Mr. Gopalakrishnan K. (DIN: 00621061) as a Director by passing the following as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Gopalakrishnan K. (DIN: 00621061) is appointed as a Director of the Company, liable to retire by rotation.

5. To approve the appointment of Mr. Govindarajan Dattatreya Sharma [DIN No. 08060285] as a Director by passing the following as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Govindarajan Dattatreya Sharma [DIN No. 08060285] is appointed as a Director of the Company.

**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, SEBI (Listing Obligations and Disclosure Requirement), Regulation, 2015 and the Articles of Association of the Company, the appointment of Mr. Govindarajan Dattatreya Sharma, [DIN08060285] as an Independent Director of the Company for a period of five years from 12 June, 2020 is approved.

6. To approve the increase in remuneration to Mr. E N Rangaswami (DIN: 06463753), Whole Time Director, by passing the following as a **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and subject to such other approvals as may be required, consent of the Members is accorded for the increased remuneration to Mr. E N Rangaswami (DIN: 06463753), Whole Time Director as shown below:

- a. Total annual remuneration shall be Rs. 53 lakhs (Rupees Fifty Three lakhs only) which includes all other allowances.
- b. Contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law / service rules of the Company.
- c. In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. E N Rangaswami.
- d. The contribution to provident fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.
- e. The aforesaid revised remuneration shall be effective from 1st April 2020.
- f. All the other terms and conditions of appointment and remuneration shall remain the same.

By Order of the Board  
For **MERCANTILE VENTURES LIMITED**

**E N RANGASWAMI**

(DIN: 06463753)

Whole-time Director

Place: Chennai

Date : 13 August 2020

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to the Special Business of the meeting, is annexed hereto which may also be regarded as the disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations).
2. Particulars of the Directors seeking appointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their reappointment.
3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.  
Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Pursuant to Regulation 44 of the Regulations, read with Section 108 of the Companies Act, 2013 and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) 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. The Company has appointed Mr. R Kannan, Practising Company Secretary as the scrutinizer for e-voting.
6. Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the company email through its registered email address to [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in) with a copy marked to [gkrkgram@yahoo.in](mailto:gkrkgram@yahoo.in).
7. The Register of Members and the Share transfer Books will remain closed from 15 September, 2020 to 23 September 2020 both days inclusive.
8. The shareholding of the members will be reckoned as on the date of 14 September, 2020 for the purpose of e-voting.
9. Pursuant to proviso to Regulation 40(1) of the Regulations, effective 1st April 2019, the Company is not permitted to process requests for transfer of securities, other than transmission or transposition of names in physical form. So, persons holding shares in physical form are requested to take actions for dematerialisation of their holdings to ensure hassle free transactions in the shares.
10. The Members can join the Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrars and Transfer Agents ("RTA") Cameo Corporate Services Limited ("CAMEO") in case the shares are held by them in physical form.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
13. Members may avail nomination facility in respect of their holdings. Those holding shares in physical form may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. Members seeking any views/ask questions during the meeting may send the same to the Company on or before 20 September, 2020 through email on [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in). The same will be replied by the Company suitably.
16. In compliance with MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.mercantileventures.co.in](http://www.mercantileventures.co.in), website of the BSE Stock Exchange at [www.bseindia.com](http://www.bseindia.com). Shareholders are requested to furnish your email ids along with the mobile number with the company/RTA in order to facilitate sending the Annual report, notices for the General Meetings and other important communications, like dividend declaration, etc. Also, wherever shares are held in demat mode, you are requested to register the email id/mobile with concerned Depository.  
  
To cater the above needs, the Company's RTA has developed a web module <https://investors.cameoindia.com/> wherein you can log in and register your email id and mobile number against the folio number in which you hold the shares. This module also enables the you to submit the Form 15G / 15H by way of uploading of scanned copy of the same.
17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 AM to 5.00 PM) on all working days except on holidays, up to the date of the AGM.

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

### **Item No. 3**

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

At the Board Meeting held on 19th June 2020 the board of directors has fixed the remuneration of Rs. 3,50,000 (Rupees Three Lakhs and Fifty Thousand only) (Previous year Rs. 3,50,000) to M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants to audit the accounts for the Financial year 2020-2021 as recommended by the Audit Committee.

None of the directors or Key Managerial Personnel of the Company or their relatives are interested or concerned financially or otherwise in the above resolution.

### **Item No. 4**

Mr. Gopalakrishnan K. (DIN: 00621061) was appointed as an Additional Director of the Company on 12th June, 2020 and he holds office till the Annual General Meeting. Proposal has been received for his appointment as a Director of the Company under Section 160 of the Act.

Since the proposal has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointee is given in the Annexure. Considering the qualification, experience, stature and past association of the appointee with the Company, the Board opines that his appointment as Director would be beneficial to the Company. Accordingly, the Board recommends the proposal for the consideration of the members as an Ordinary Resolution.

Except Mr. Gopalakrishnan K., none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the above proposal.

### **Item No. 5**

Mr. Govindarajan Dattatreya Sharma, [DIN: 08060285] was appointed as an Additional Director of the Company on 12th June 2020. In terms of the provisions of the Act, and the Articles of Association of the Company, Mr. Sharma has been appointed by the Board as an Independent Director under Section 149 read with other provisions, rules and Schedule-IV to the Act for a period of five years from 12 June, 2020. As per Section 150, the appointment is to be approved by the shareholders and hence the same is placed for consideration at the AGM. Pursuant to Section 149(13) of the Act, Mr. Sharma will not be liable to retirement by rotation.

Proposal has been received for his appointment as a Director of the Company under Section 160 of the Act, and there is no requirement of any deposit for considering the proposal in terms of the Proviso to Section 160(1) of the Act. A brief profile of the appointee is given in the Annexure.

The proposed appointee has given necessary declaration that he complies with the criteria for Independent Directors specified under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). Considering the qualification, experience, stature, standing and based on the declaration and other disclosures received, in the opinion of the Board Mr. G D Sharma is qualified to be appointed as an Independent Director of the Company

and his association and guidance will be of great value to the Company. Accordingly, the Board recommends the proposal for the consideration of the Members as an Ordinary Resolution.

Except, Mr. G D Sharma none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the proposal.

#### Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 19th June 2020 approved increased remuneration to Mr. E N Rangaswami (DIN: 06463753), Whole-time Director as detailed in the resolution. The revised remuneration is considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

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

#### General Information:

(1).	Nature of industry	Leasing of immovable properties.												
(2).	Date or expected date of commencement of commercial production	The company was incorporated on: 23/12/1985 and commenced its operations.												
(3).	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable												
(4).	Financial performance based on given indicators	<p style="text-align: center;"><b>(Rs. in Lakhs)</b></p> <table border="1"> <thead> <tr> <th>F.Year</th><th>Revenue from Operation</th><th>Profit after Tax</th></tr> </thead> <tbody> <tr> <td>2016-17</td><td>468.74</td><td>(2862.80)</td></tr> <tr> <td>2017-18</td><td>514.89</td><td>77.33</td></tr> <tr> <td>2018-19</td><td>541.18</td><td>282.66</td></tr> </tbody> </table>	F.Year	Revenue from Operation	Profit after Tax	2016-17	468.74	(2862.80)	2017-18	514.89	77.33	2018-19	541.18	282.66
F.Year	Revenue from Operation	Profit after Tax												
2016-17	468.74	(2862.80)												
2017-18	514.89	77.33												
2018-19	541.18	282.66												
(5).	Export performance and net foreign Exchange collaborations.	None.												
(6).	Foreign investments or collaborators, if any.	Nil												

#### II. Information about the appointee:

	Name of the Director	Mr. E N Rangaswami
(1).	Background details.	Mr. E N Rangaswami aged 64 years is a Chartered Accountant with 41 years of experience.
(2).	Past remuneration.	Rs. 48 Lakhs per annum FY 19-20.
(3).	Recognition or awards.	None
(4).	Job profile and his suitability.	The Whole Time Director is responsible for the complete operations of the Company and he has vast experience in the corporate sector.
(5).	Remuneration proposed.	Rs.53 Lakhs per annum together with the performance incentive and annual increment as decided by the Nomination and Remuneration Committee.
(6).	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The Company operates a niche business model. Secondary data on managerial remuneration for equivalent positions is not readily available. However considering current state of competition across the industry, the remuneration offered to the whole time director is fully in line with the responsibilities shouldered.
(7).	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any	Nil

<b>III. Other information:</b>		
(1).	Reasons of loss or inadequate profits	<p>The company has made adequate profits in the current financial year.</p> <p>The company is planning to expand its operation into facility management and trading business in the coming years which will increase the company turnovers and profitability.</p>
(2).	Steps taken or proposed to be taken for improvement	The Company has started manpower services during the year.
(3).	Expected increase in productivity and profits in measurable terms.	The company expects to improve upon the current year operating profits in the ensuing years.
<b>IV. Disclosures – Provided under head Corporate Governance in Board of Directors' report</b>		
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board;		<p><b>Directorships in the following companies:</b></p> <p>India Radiators Limited</p> <p><b>Committee memberships:</b></p> <p>India Radiators Limited</p> <p>Audit Committee - Member,</p> <p>Nomination &amp; Remuneration Committee</p> <p>Stakeholders Relationship Committee- Chairperson</p>
Shareholding of non-executive directors.		Nil

The Board recommends the proposal for the consideration of the members as a Ordinary Resolution.

Except Mr. E N Rangaswami, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of the Listing Regulations.

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

Place: Chennai  
 Date : 13 August, 2020

**Information about the directors proposed to be re-appointed at the 19th AGM Items 4 & 5 of the Notice Brief Profiles of the proposed appointees.**

**Mr. K. Gopalakrishnan**

Mr. K. Gopalakrishnan [DIN: 00621061] aged 54 years is Currently the Assistant Vice President-Corporate Affairs at Southern Petrochemical Industries Corp. Ltd. In the past he occupied the position of Joint Manager-Public Relations at Sical Logistics Ltd. He is not holding any directorship in any other listed entities.

**Mr. Govindarajan Dattatreya Sharma**

Mr. Govindarajan Dattatreya Sharma, [DIN: 08060285], 63, a Post Graduate in Personnel Management & Industrial Relations from Tata Institute of Social Sciences, is a Senior HR professional with over 39 years' experience across industry verticals. He has held senior positions and led the HR function in various corporates such as BGR Energy Systems, Larsen & Toubro, Vedanta (Sterlite) Group, SRA Systems, E.I.D. Parry and SPIC.

At present he is Principal Consultant, Beeline HR Advisory, his own HR & Management Consulting Firm, advising major organizations, Institutions and individuals on managing growth and helping them realize their potential. His clientele includes industries in various sectors such as logistics, automobile, engineering, cosmetics & fragrances, sugar and chemicals, cement, engineering & construction, project management, oil & gas, water & utilities, thermal power, coal imports, fertilizers & chemicals.

Currently, he advises on various issues & subjects such as CEO & Leadership Advisory, Vision-Mission & Alignment, Values Clarification & Articulation, Cultural Transformation, Organization Restructuring, Compensation & Benefits Study and Rationalization, Work Study, Manpower Allocation & Utilization, De-layering, Formulation of HR Policies & Processes, Talent Assessment & Management, Leadership Development & Potential Assessment, Management Development & Training, Trade Union Management & Negotiations, Mentoring & Counselling, Post-merger Change Management, Design & Implementation of CSR Policies & Projects, etc.

Mr.Sharma is a well respected HR veteran, with rich experience in the complete spectrum of the human resources functions across varied business segments. He has had exposure to multi-national mergers and acquisitions, cross-cultural change management, large scale integration facilitation skills and the like. He has designed and successfully implemented management and leadership development initiatives across the enterprise, and is well-versed in strategically aligning HR with Business.

Mr. Sharma is committee member of M/s. Manali Petrochemicals Limited and M/s. Tamilnadu Petroproducts limited including membership in Audit Committee and Stake holders and relationship committee in those companies.

None of the above appointees hold any shares in the Company nor has any relationship with other directors and other Key Managerial Personnel of the Company.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 20 September, 2020 at 9.00 a.m. and ends on 22 September, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14 September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from HYPERLINK "file:///C:/Users/Administrator/AppData/Local/Temp/Login - Myeasi"Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



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

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Mercantile Ventures Limited on which you can choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA of the Company investor@cameoindia.com.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA of the Company investor@cameoindia.com.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request latest by 20 September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in).
6. The shareholders who do not wish to speak during the AGM but have queries may send their queries latest by 20 September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in) and [gkrkgram@yahoo.in](mailto:gkrkgram@yahoo.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at HYPERLINK “<http://www.evotingindia.com>” [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to HYPERLINK “<mailto:helpdesk.evoting@cdslindia.com>” [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## BOARD'S REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2020.

### 1. REVIEW OF OPERATIONS

The financial results for the year ended 31 March 2020 have been prepared in accordance with Indian Accounting Standards. During the year the company has reported a profit before tax and other comprehensive income of Rs. 686.80 lakhs (previous year Rs. 405.52 lakhs) and total comprehensive income of Rs. (142.73) lakhs (previous year Rs. 1365.11 lakhs).

### 2. FINANCIAL RESULTS

(Rs.Lakhs)

Description	2019-20	2018-19
Profit/(Loss) Before Interest & Depreciation	802.73	560.24
Interest	20.24	51.74
Depreciation	95.69	102.98
Profit/(Loss) Before Tax & Exceptional items	686.80	405.52
Exceptional items	-	-
Profit/(Loss) Before Tax	686.80	405.52
Provision for taxation Current tax	187.06	149.47
Deferred tax	(354.00)	(26.61)
Share of profit from LLP	731.71	-
Profit/(Loss) After Tax	1585.45	282.66
Other Comprehensive Income	(1728.18)	1082.45
Total Comprehensive Income for the year	(142.73)	1365.11
Amount transferred to reserves, if any	Nil	Nil

### 3. DIVIDEND

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

### 4. SHARES

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

### 5. FIXED DEPOSIT

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

### 6. MATERIAL CHANGES AND COMMITMENTS

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

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

The Company has commenced the facility management and manpower supply services business during the financial year.

### 8. SUBSIDIARIES & ASSOCIATES

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

- The Company has one material unlisted Indian subsidiary and compliance requirements as per SEBI (LODR) Regulations, 2015 has been ensured.
- During the year the company became entitled to 92.21% of the voting rights of India Radiators Limited due to non-receipt of preference dividend for 2 years pursuant to sub section (2) of section 47 of the Companies Act 2013. Accordingly India Radiators Limited became a subsidiary of Mercantile Ventures Limited.
- The Audit Committee reviewed the financial statements, in particular, the investments made by the unlisted subsidiary company.

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

## PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

As at the year end, the Company had one Wholly Owned Subsidiary, two Subsidiaries and one Associate entity. The detailed financials of all these Subsidiaries / Associates have been consolidated and the financial and other information have been furnished in the Consolidated Financial Statement (CFS) attached to this Report. (Rs.lakhs)

Particulars	i3 Security Services Pvt Ltd	India Radiators Limited \$	Chitaranjan Developers LLP	National Trust Housing Finance Ltd
	Subsidiaries			Associate
% of shareholding held by MVL	100.00%	92.21 % ( voting right )	98.00% (Share of profits)	49.00%
Total Income	2258.68	196.44	770.24	4423.57
Profit before tax	102.72	50.12	746.65	(141.43)
Current Tax	13.58	-	-	157.55
Deferred tax liability	1.36	(144.96)	-	(779.13)
Profit / (Loss) after tax	87.78	195.08	746.65	480.15
Other Comprehensive Income	(219.59)	(665.10)	-	11.08
Total Comprehensive Income	(131.81)	(470.02)	-	491.23

\$ The Company became entitled to 92.21% of voting rights in India Radiators Limited due to non-receipt of dividend for the period of 2 years for the investment made in 9% Cumulative Redeemable Preference Shares.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2020;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 10. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

## 11. DIRECTORS & KEY MANAGERIAL PERSONNEL:

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

The Board of directors appointed Mr. K Gopalakrishnan and Mr. G D Sharma as additional directors on 12 June, 2020.

A statement regarding integrity, expertise and experience proposed independent director Mr. G D Sharma:

Mr. G D Sharma, is a Post Graduate in Personnel Management & Industrial Relations from Tata Institute of Social Sciences, is a Senior HR professional with over 39 years' experience across industry verticals. He has enrolled himself in the online databank maintained by the institute.

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

## 12. BOARD AND COMMITTEE MEETINGS

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

## 13. CORPORATE GOVERNANCE

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

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

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

<https://www.mercantileventures.co.in/wp-content/uploads/2019/07/CRITERIA-FOR-APPOINTMENT-OF-INDEPENDENT-DIRECTORS.pdf>,

<https://www.mercantileventures.co.in/wp-content/uploads/2019/07/Remuneration-Policy.pdf>

The Remuneration policy also forms part of the Corporate Governance Report

## 15. FAMILIARIZATION PROGRAM

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

## 16. BOARD EVALUATION

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

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

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

## 17. Internal Control Systems & their adequacy

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

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

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

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

There were no frauds reported by auditors in their report.

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

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with related parties during the financial year 2019-20 which were in conflict with the interests of the Company.

The Board has approved the policy on related party transactions.

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

There are no transactions with entity belonging to promoter/promoter group which hold(s) 10% or more shareholding in the Company.

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

## **20. AUDITORS STATUTORY**

### **AUDITORS**

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

### **SECRETARIAL AUDITOR**

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

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

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

## **21. RISK MANAGEMENT.**

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

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

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

## **23. SEXUAL HARASSMENT**

The Company has zero tolerance for sexual harassment at workplace. A policy is in place and an Internal Complaints Committee has been constituted which is monitoring the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of POSH and the Rules made there under. There were no complaints reported under the POSH during the year under review.

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

The Audit Committee consists of three independent directors: Mr. AL Chandramouli, Mr. B Narendran and Ms. Sashikala Srikanth

As required under Section 177 of the Companies Act 2013, the Company has established Whistle Blower policy and the same has been uploaded in the following web link. <https://www.mercantileventures.co.in/wp-content/uploads/2019/07/Whistle-blower-policy.pdf>

## **25. CORPORATE SOCIAL RESPONSIBILITY**

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

## 26. ANNUAL RETURN

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

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

## 27. PARTICULARS OF EMPLOYEES

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

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

### Conservation of Energy and Technical Absorption:

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

### Foreign Exchange Earnings and Outgo:

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

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

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

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

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

## 31. DECLARATION OF INDEPENDENT DIRECTORS

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

## 32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Covid-19 Scenario

The Coronavirus pandemic has adversely affected the economy of the world in general. The management believes it has considered all the factors that could impact the financial position of the company. The functional and intensity of the pandemic is uncertain. The management will continuously monitor the macro economic scenario as it plays out and take the appropriate action.

#### a) Industry Scenario

The leasing business and manpower supply business continues to be stable in the current fiscal year. However, in view of the Covid-19 pandemic the real estate market would be impacted.

#### b) Opportunities and Threats

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

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

The company is operating in leasing of properties and Manpower supply services.

During the year the Company had entered into facility management and man power supply services business. The prospects for this line of business is considered good and the company is expected to generate decent revenue from the aforesaid activities.

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

The main business of the Company is investment in properties for leasing and Manpower supply services. The revenue stream from the operations is expected to remain stable in the current fiscal year.



**e) Risk and concerns**

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

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

The company has an adequate internal control system.

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

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

During the year, on a standalone basis the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:.

Financial ratio	Standalone		Change %	Reason for change
	FY 19-20	FY 18-19		
Debtors turnover ratio	7.14	4.18	70.62	Manpower service activity started in May-19.
Interest coverage ratio	34.93	8.84	295.27	Increase in profit due to manpower service activity and due to repayment of loan.
Net profit margin	41.34	29.32	41.00	Starting of manpower activities during the year and reduction in other expenses.

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

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

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

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year – 2019-20	Mr. E N Rangaswami, Whole-time Director	7.49
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2019-20.	Mr. E N Rangaswami, Whole-time Director	-
	Mr. V Padmanabha Sarma, Chief Financial Officer	19.78
	Mr. S Yoganandhan, Company Secretary.	17.61
The percentage decrease in the median remuneration of employees in the financial Year – 2019-20.		5.71
The number of permanent employees on the rolls of Company as on 31.03.2020		3
Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof	Average percentage decrease already made in the salaries of employees other than the key managerial personnel in the FY 2019-20.	18.80
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2019-20	5.51



**INFORMATION PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: DETAILS OF EMPLOYEES IN TERMS OF REMUNERATION RECEIVED DURING THE YEAR**
**Details of top 10 employees in terms of remuneration received during the year.**

Name	Designation	Remuneration (Rs. in Lakhs)	Qualification	Experience	Date of Joining	Age	Last Employment
E N . Rangaswami	Whole-Time Director	48.00	B.Sc., ACA	41 Years	05/12/2012	64	Manali petrochemicals Ltd, General Manager (Finance)
V Padmanabha Sarma	Chief Financial Officer	16.65	B.Com., ACA	44 Years	01/12/2012	70	MCC Finance Ltd, Senior Vice president
S. Yoganandhan	Company Secretary	6.41	B. Com., ACS	11 Years	02/11/2018	33	Proactive Solutech India Private Limited Company Secretary
V M Arunachalam	Assistant Manager (Accounts)	7.96	B.Com.,	32 Years	12/06/2013	53	SPIC SMO, Accounts Manager
L S Venkataraman	Assistant Manager (Accounts)	5.49	BA.,	43 Years	09/11/2012	67	Manali Petrochemicals Ltd, executive
Gopichand Koduri	Asst. Manager	1.47	B.Com CA (Inter)	7 Months	09/12/2019	24	IBM India Private Ltd.

**Note –**

- As per the disclosure available with the Company, none of the above employees is related to any director and does not hold any shares in the Company except Mr. V. Padmanabha Sarma.
- The remuneration shown above includes contributions to provident and other funds.

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

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

**ACKNOWLEDGEMENT**

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

Place: Chennai  
Date: 13 August 2020

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

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

**FORM NO. AOC -2**

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

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

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

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

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

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

Place: Chennai  
Date: 13 August, 2020

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

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

## ANNEXURE

### FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2020

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

#### (I) REGISTRATION & OTHER DETAILS:

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

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

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

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Leasing / Maintenance of immovable properties	99721119	32.44%
2	Manpower Services	99979900	45.34%
3	Investment activities	99711359	22.22%

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

S. No	Name of the Company	CIN	Subsidiary/ Associate	% of Shares Held
1	Chitaranjan Developers LLP	AAE-2671	Subsidiary (LLP)	98% of capital
2	I3 Security Private Limited	U74120TN2011PTC082965	Subsidiary	100%
3	India Radiators Limited	L27209TN1949PLC000963	Subsidiary	92.21% of voting rights.
4	National Trust Housing Finance Limited	U65922TN1995PLC031681	Associate	49%

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

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

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
<b>1.</b>	<b>INDIAN</b>									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	-	48312	48312	0.04	27100	21212	48312	0.04	-
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
c.	BODIES CORPORATE	57953861	177250	58131111	51.94	57953861	177250	58131111	51.94	-
d.	FINANCIAL INSTITUTIONS/ BANKS	-	-	-	-	-	-	-	-	-
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>57953861</b>	<b>225562</b>	<b>58179423</b>	<b>51.98</b>	<b>57980961</b>	<b>198462</b>	<b>58179423</b>	<b>51.98</b>	<b>-</b>
<b>2.</b>	<b>FOREIGN</b>									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	230	-	230	-	230	-	230	-	-
b.	BODIES CORPORATE	14244955	-	14244955	12.73	14244955	-	14244955	12.73	-
c.	INSTITUTIONS	-	-	-	-	-	-	-	-	-
d.	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-	-
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>14245185</b>	<b>-</b>	<b>14245185</b>	<b>12.73</b>	<b>14245185</b>	<b>-</b>	<b>14245185</b>	<b>12.73</b>	<b>-</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>72199046</b>	<b>225562</b>	<b>72424608</b>	<b>64.71</b>	<b>72226146</b>	<b>198462</b>	<b>72424608</b>	<b>64.71</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a.	Mutual Funds/Uti	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	-	100	100	-	-	100	100	-	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Any Other									
	<b>Sub - Total (B)(1)</b>	-	<b>100</b>	<b>100</b>	-	-	<b>100</b>	<b>100</b>	-	-
2.	Non-Institutions									
a.	Bodies Corporate	28167395	587143	28754538	25.70	28166180	586143	28752323	25.70	-
b.	Individuals -									
	I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	1145261	9111812	10257073	9.17	1249896	8925478	10175374	9.10	(0.07)
	II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	274021	177250	451271	0.40	348334	177250	525584	0.47	0.07
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any Other									
	Clearing Members	300	-	300	-	500	-	500	-	-
	Hindu Undivided Families	14348	100	14448	0.01	21758	100	21858	0.01	-
	Non Resident Indians	4175	10932	15107	0.01	6166	10932	17098	0.01	-
	Trusts	750	-	750	-	750	-	750	-	-
	<b>Others</b>	<b>19573</b>	<b>11032</b>	<b>30605</b>	<b>0.03</b>	<b>29174</b>	<b>11032</b>	<b>40206</b>	<b>0.04</b>	-
	<b>Sub - Total (B)(2)</b>	<b>29606250</b>	<b>9887237</b>	<b>39493487</b>	<b>35.32</b>	<b>29793584</b>	<b>9699903</b>	<b>39493487</b>	<b>35.29</b>	-
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>29606250</b>	<b>9887337</b>	<b>39493587</b>	<b>35.29</b>	<b>29793584</b>	<b>9700003</b>	<b>39493587</b>	<b>35.29</b>	-
	<b>Total (A)+(B)</b>	<b>101805296</b>	<b>10112899</b>	<b>111918195</b>	<b>100.00</b>	<b>102019730</b>	<b>9898465</b>	<b>111918195</b>	<b>100.00</b>	-
C.	Shares Held By Custodians And Against Which Depository Receipts Have Been Issued									
	Promoter And Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	<b>Total Custodian (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>101805296</b>	<b>10112899</b>	<b>111918195</b>	<b>100.00</b>	<b>102019730</b>	<b>9898465</b>	<b>111918195</b>	<b>100.00</b>	-

**(ii) SHARE HOLDING OF PROMOTERS**

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

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Share	% of total shares of the Company	No of Share	% of total shares of the Company
1	<b>Jawahar Vadivelu</b>				
	At the beginning of the year 01-April-2019	27100	0.02	27100	0.02
	Demated 10-May-2019	27100	0.02	27100	0.02
	At the end of the Year 31-Mar-2020	27100	0.02	27100	0.02

**(iv) Shareholding pattern of top ten Shareholders**

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED</b>				
	At the beginning of the year 01-April-2019	15028000	13.43	15028000	13.43
	At the end of the Year 31-Mar-2020	15028000	13.43	15028000	13.43

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>2</b>	<b>TWINSHIELD CONSULTANTS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	5039365	4.50	5039365	4.50
	At the end of the Year 31-Mar-2020	5039365	4.50	5039365	4.50
<b>3</b>	<b>SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED</b>				
	At the beginning of the year 01-April-2019	3714800	3.32	3714800	3.32
	At the end of the Year 31-Mar-2020	3714800	3.32	3714800	3.32
<b>4</b>	<b>SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION</b>				
	At the beginning of the year 01-April-2019	2276000	2.03	2276000	2.03
	At the end of the Year 31-Mar-2020	2276000	2.03	2276000	2.03
<b>5</b>	<b>SPIC OFFICERS AND STAFF WELFARE FOUNDATION</b>				
	At the beginning of the year 01-April-2019	2064000	1.84	2064000	1.84
	At the end of the Year 31-Mar-2020	2064000	1.84	2064000	1.84
<b>6</b>	<b>EKA ENTERPRISES LTD</b>				
	At the beginning of the year 01-April-2019	200000	0.18	200000	0.18
	At the end of the Year 31-Mar-2020	200000	0.18	200000	0.18
<b>7</b>	<b>HARRINGTON INVESTMENTS LTD</b>				
	At the beginning of the year 01-April-2019	155000	0.14	155000	0.14
	At the end of the Year 31-Mar-2020	155000	0.14	155000	0.14
<b>8</b>	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year 01-April-2019	146217	0.13	146217	0.13
	Purchase 05-Apr-2019	190	0.00	146407	0.13
	Purchase 09-Apr-2019	249	0.00	146656	0.13
	Purchase 12-Apr-2019	213	0.00	146869	0.13
	Purchase 26-Apr-2019	400	0.00	147269	0.13
	Purchase 03-May-2019	518	0.00	147787	0.13
	Purchase 24-May-2019	500	0.00	148287	0.13
	Purchase 14-Jun-2019	50	0.00	148337	0.13
	Purchase 23-Aug-2019	100	0.00	148437	0.13
	Purchase 22-Nov-2019	200	0.00	148637	0.13
	Purchase 06-Dec-2019	365	0.00	149002	0.13
	Purchase 13-Dec-2019	222	0.00	149224	0.13
	Purchase 20-Dec-2019	31	0.00	149255	0.13
	Purchase 31-Dec-2019	5000	0.00	154255	0.13
	Purchase 03-Jan-2020	45	0.00	154300	0.13
	Purchase 10-Jan-2020	5575	0.00	159875	0.14
	Purchase 17-Jan-2020	240	0.00	160115	0.14

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Purchase 24-Jan-2020	150	0.00	160265	0.14
	Purchase 31-Jan-2020	1064	0.00	161329	0.14
	Purchase 07-Feb-2020	300	0.00	161629	0.14
	Purchase 20-Mar-2020	4500	0.00	166129	0.14
	Purchase 27-Mar-2020	100	0.00	166229	0.14
	At the end of the Year 31-Mar-2020	166229	0.14	166229	0.14
<b>9</b>	<b>NACHIYAR</b>				
	At the beginning of the year 01-April-2019	72550	0.06	72550	0.06
	At the end of the Year 31-Mar-2020	72550	0.06	72550	0.06
<b>10</b>	<b>EVEREST INVESTMENTS LTD</b>				
	At the beginning of the year 01-April-2019	55000	0.05	55000	0.05
	At the end of the Year 31-Mar-2020	55000	0.05	55000	0.05

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mr. AL Chandramouli</b>				
	At the beginning of the year 01-Apr-2019	-	-	-	-
	At the end of the Year 31-Mar-2020	-	-	-	-
<b>2</b>	<b>Ms.Sashikala Srikanth</b>				
	At the beginning of the year 01-Apr-2019	-	-	-	-
	At the end of the Year 31-Mar-2020	-	-	-	-
<b>3</b>	<b>Mr. B Narendran</b>				
	At the beginning of the year 01-Apr-2019	-	-	-	-
	At the end of the Year 31-Mar-2020	-	-	-	-
<b>4</b>	<b>Mr. E N Rangaswami</b>				
	At the beginning of the year 01-Apr-2019	-	-	-	-
	At the end of the Year 31-Mar-2020	-	-	-	-
<b>5</b>	<b>Mr. V Padmanabha Sarma</b>				
	At the beginning of the year 01-Apr-2019	10	-	10	-
	At the end of the Year 31-Mar-2020	10	-	10	-
<b>6</b>	<b>Mr. S. Yoganandhan</b>				
	At the beginning of the year 01-Apr-2019	-	-	-	-
	At the end of the Year 31-Mar-2020	-	-	-	-



**(VI) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness as at 01.04.2019</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness as at 31.03.2020</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Whole-time Director**

(Rs.Lakhs)

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

**B. REMUNERATION TO OTHER DIRECTORS:**

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

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

(Rs. In lakhs)

Sl.No		Mr. V. Padmanabha Sarma	Mr. S Yoganandhan	Total
	Designation	Chief Financial Officer	Company Secretary	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	16.65	6.41	23.06
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-

	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others, specify	-	-	-
	Total (C)	16.65	6.41	23.06

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

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

By order of the Board  
**For Mercantile Ventures Limited**

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

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

Place: Chennai  
Date: 13 August 2020

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

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

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

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

2. Composition of the CSR Committee

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

### Name Category Description

Sashikala Srikanth - Independent Director

B Narendran - Independent Director

EN Rangaswami – Whole Time Director

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

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

(Rs. In Lakhs)

Sl. No	Financial Year	Net profit / (loss)
1.	2018-19	354.03
2.	2017-18	402.19
3.	2016-17	(2781.20)
	Total net profit / (Loss)	(2024.98)
	Average net profit / (Loss)	(674.99)

Accumulated profits/(loss) for the last three years are negative i.e. Rs. (2024.98) Lakhs and hence the Company is not required to spend towards CSR.

The average net profit of the Company for the last three financial years to calculate the minimum CSR expenditure is Rs. (674.99) lakhs.

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

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

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

By order of the Board  
For Mercantile Ventures Limited

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

Sashikala Srikanth  
(DIN 01678374)  
Director & Chairman CSR  
Committee

Place: Chennai  
Date: 13 August, 2020

## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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**  
88, Mount Road Guindy  
Chennai 600032

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives orally and in writing 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, 2020 (Audit Period)** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

During the year on account of COVID i.e. Corona Virus, the company has reported that they have lockdown their office as per the instructions of Central Government / State Government, The Covid-19 would impact in the subsequent period is highly dependent upon circumstances as they evolve.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;  
Mercantile Ventures Limited has Related Party Transactions with reference to the services which the company claims are well within the arms length.
- (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;  
The company has invested in the Preference Shares of India Radiators Limited. By virtue of provisions of sub section (2) of section 47 of Companies Act, 2013, Mercantile Ventures Limited has got voting rights in India Radiators Limited. Accordingly India Radiators Limited has become subsidiary of Mercantile Ventures Limited and necessary disclosures have been made with Stock exchange in this regard.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not Applicable during the Audit period**
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - **Not applicable during the Audit Period**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable during the Audit Period.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998 - **Not applicable during the Audit Period.**

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

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Notified with effect from 01st October, 2017).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

I further report that the SEBI has granted temporary relaxations with respect to certain compliances to be submitted by the Companies due to the impact of COVID-19 Virus Pandemic in India for the last quarter of the audit period.

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

Place : Chennai  
Date : 08.06.2020

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718 / C P No: 3363  
UDIN No: F006718B000324640

## 'Annexure A'

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai  
Date : 08.06.2020

**R Kannan**  
Practicing Company Secretary  
FCS No: 6718 / C P No: 3363  
UDIN No: F006718B000324640

## CORPORATE GOVERNANCE REPORT

### 1. Philosophy on Code of Governance:

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

### 2. BOARD OF DIRECTORS

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

As on 31 March, 2020, the Board of Directors of the Company comprised of four directors. The Board comprises of one executive director and three non-executive independent directors. The non-executive directors bring independent judgment in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions. All information as required under LODR are being made available to the Board.

Date of the Board meeting	Strength of the Board	No. of Directors present
23-05-2019	4	4
02-08-2019	4	4
08-11-2019	4	4
09-12-2019	4	4
13-02-2020	4	4
26-03-2020	4	4

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

Particulars of the Board's composition, attendance at board meetings and the previous annual general meeting, number of other directorships held and board-committee memberships of the Company's Directors, as at 31st March, 2020 are given below:

Sl. No.	Director	Attendance particulars		No. of directorship held in other listed entities including this listed entity	No. of other board – committee positions held including this listed entity	
		Board meeting	Last AGM		As Member	As Chairman
1.	Mr. B Narendran Non-Executive Independent	6	Yes	5	9	3
2.	Mr. AL Chandramouli Non-Executive Independent	6	Yes	1	2	2
3.	Ms. Sashikala Srikanth Non-Executive Independent	6	Yes	5	7	3
4.	Mr. E N Rangaswami Whole-time Director, Executive Non-Independent	6	Yes	2	3	1

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

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

**Notes:**

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

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

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

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

**Strategy and Planning** - Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

**Governance** - Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business.

The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the company business operation from where they come.

### **Independent Director**

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

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

### **Familiarization Programme for Independent Directors.**

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

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

## **COMMITTEES OF THE BOARD**

### **3. Audit Committee**

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

The role of the Audit Committee shall include the following:

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

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

During the year under review the committee met five times during the year ended 31.03.2020 viz., on 23-05-2019, 02-08-2019, 08-11-2019, 13-02-2020 and 26-03-2020. The composition and attendance of the committee meetings are as follows:

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

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



#### 4. Nomination and Remuneration Committee

##### i. Composition, terms of reference and meeting

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

The terms of reference include the following, viz., to identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board appointment and removal of the directors, evaluate the performance of the directors, formulate criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration to the directors, key managerial personnel and other employees, devise policy on Board diversity and such other matter as may be prescribed under the Act, the Rules made thereunder and the Listing Regulations.

The Committee met one time during the year ended 31.03.2020 viz., on 23-05-2019. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. B Narendran, Chairperson	1
Mr. AL Chandramouli	1
Ms. Sashikala Srikanth	1

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

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

#### 5. Remuneration to Directors

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

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

##### a. For Executive Directors

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

##### b. For Non-Executive Directors

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

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

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

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

During the financial year 2019-20 the remuneration paid to Mr. E N Rangaswami, Whole Time Director Company is provided in the table as given below.

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

**Note:**

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

**Non-executive Directors**

The non-executive directors are being remunerated by way of sitting fees. The sitting fees paid to non-executive directors for the year ended 31st March, 2020 are as follows:

Sl.No.	Name of the Director	Sitting fees (in Rs.)
1.	Mr. AL Chandramouli	1,50,000
2.	Mr. B Narendran	1,50,000
3.	Ms. Sashikala Srikanth	1,50,000
	<b>Total</b>	<b>4,50,000</b>

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

**6. Stakeholders Relationship Committee:**

The terms of reference to the stakeholders' relationship committee are related to transfer, transmission, demat, remat, split/consolidation of shares and issue of duplicate share certificates, etc and also to oversee the redressal of investors' complaints. The committee met 3 times on 23-05-2019, 08-11-2019 and 13-02-2020 during the year ended 31.03.2020. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	3
Mr.E N Rangaswami	3
Ms. Sashikala Srikanth	3

**Details of the Compliance Officer:**

S Yoganandhan - Company Secretary & Compliance Officer

**Details of Shareholders Complaints:**

Number of complaints received during the year: 10

Number of complaints solved during the year : 10

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

**7. General Meetings**

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

Year	Location	Date and Time
16th AGM –2016 – 2017	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	28 July, 2017 2.00PM
17th AGM 2017-2018	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	10 August, 2018 10.00 AM
18th AGM 2018-2019	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	02 August, 2019 2.00 PM

## b) Special resolutions

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

Date of AGM	Subject
28 July, 2017	No special resolutions passed.
10 August, 2018	Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013
02 August, 2019	a. Continuation of directorship of Mr. B. Narendran as an Independent Director on his attaining the age of 75. b. Re-appoint Mr. A L Chandramouli as an Independent Director for a second term of 5 years including continuation of directorship beyond 75 years. c. Re-appoint Ms. Sashikala Srikanth as an Independent Director for a second term of 5 years: d. Re-appointment of Mr. E N Rangaswami as Whole Time Director for a further period of 3 years.

## c) Passing of resolution by Postal Ballot

During the year Company has not circulated Postal Ballots.

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

## 8. Means of Communication:

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

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

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

## 9. General Shareholder Information:

1.	<b>Annual General Meeting :</b>	
	Date	23 September, 2020
	Time	02.00 PM
	Venue	The Company will be conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
2.	Financial calendar	The financial year of the company commences on 1st April and ends on 31st March.
3.	Dividend payment date	The Company has not recommended / declared any dividend during the year.
4.	Listing of equity shares on stock exchanges.	Bombay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001. Listing fees upto 2020-21 have been paid to the aforesaid exchange.
5.	Stock Code	538942 - Bombay Stock Exchange Limited.
	ISIN	INE689O01013
6 & 7	Market price date vis a vis indices	Annexed to this report
8	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Off. Anna Salai, Chennai – 600 002
9	Share transfer system	The authority to approve share transfers has been delegated by the Board of Directors to the Stakeholders Relationship Committee. The Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer Agent within fifteen days of receipt of documents, provided the documents are found to be in order.
10	Distribution of shareholding	Annexed to this report

11	Dematerialisation of shares and liquidity	91.13 % equivalent to 10,20,19,730 equity shares of the total equity capital is held in dematerialised form. The company's equity shares are regularly traded in the Bombay Stock Exchange Limited in the compulsory demat form.
12.	Convertible instrument	Company has not issued any convertible instrument.
13.	Address for correspondence	<p>Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address viz.</p> <p><b>Cameo Corporate Services Limited</b>  Subramanian Building,  1, Club House Road Off.  Anna Salai, Chennai – 600 002  Telephone No.28460390  Fax No. 28460129  Email: cameo@cameoindia.com</p> <p>For other general matters or in case of any difficulties/grievances investors may contact</p> <p><b>S. Yoganandhan</b>  Company Secretary  Mercantile Ventures Limited, 88, Mount Road, Guindy, Chennai – 600 032.  Telephone No. 044 – 40432209 Email: cs@mercantileventures.co.in</p>
14.	Credit ratings obtained, if any	Company has not obtained any credit ratings.

#### DISTRIBUTION OF HOLDINGS

Category		No of holders	% of total holders	Total No. of shares	% of Total Shares
1	500	48857	94.04	6923287	6.19
501	1,000	2248	4.33	1719233	1.54
1,001	2,000	577	1.11	817357	0.73
2,001	3,000	116	0.22	294330	0.26
3,001	4,000	45	0.09	169029	0.15
4,001	5,000	31	0.06	145405	0.13
5,001	10,000	38	0.07	279423	0.25
>=	10,001	40	0.08	101570131	90.75
<b>TOTAL</b>		<b>51952</b>	<b>100.00</b>	<b>111918195</b>	<b>100.00</b>

#### Shareholding pattern as of 31 March, 2020

Particulars	Equity shares held	% to paid-up capital
<b>Promoters</b>	7,24,24,608	64.71
<b>Public</b>		
Bodies Corporate	2,87,52,323	25.69
Financial Institutions/ Banks	100	0.00
Others	1,07,41,164	9.60
<b>Grand total</b>	<b>11,19,18,195</b>	<b>100.00</b>

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

#### Bombay Stock Exchange Limited, Mumbai

Month & Year	BSE			
	Share Price (Rs.)		Sensex	
	High Price	Low Price	High Price	Low Price
Apr-19	5.69	3.80	39487.45	38460.25
May-19	4.80	3.60	40124.96	36956.10
Jun-19	4.38	3.00	40312.07	38870.96
Jul-19	3.41	2.74	40032.41	37128.26

Month & Year	BSE			
	Share Price (Rs.)		Sensex	
	High Price	Low Price	High Price	Low Price
Aug-19	5.74	3.27	37807.55	36102.35
Sep-19	7.78	6.02	39441.12	35987.80
Oct-19	6.94	6.00	40392.22	37415.83
Nov-19	5.88	5.30	41163.79	40014.23
Dec-19	5.60	3.80	41809.96	40135.37
Jan-20	6.25	5.00	42273.87	40476.55
Feb-20	5.45	4.30	41709.30	38219.97
Mar-20	4.30	3.40	39083.17	25638.90
Apr-20	3.52	3.42	32056.47	27500.79

#### 10. Other disclosure.

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

(Rs. Lakhs)

Companies	Financial Year 2019-20		
	Mercantile Ventures Limited	I3 Security Private Limited	Chitaranjan Developers LLP
Payment to statutory auditors	DPV & Associates	Venkatesh & Co.,	Venkatesh & Co.,
Audit Fees	3.50	2.50	0.25
Tax Audit Fees	-	-	-
Other Services	-	1.25	-
Reimbursement of expenses	-	-	-
Total	3.50	3.75	0.25

- Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - Number of complaints filed during the financial year - Nil

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

#### **DECLARATION BY WHOLE TIME DIRECTOR**

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

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

By order of the Board  
**For Mercantile Ventures Limited**

**E N Rangaswami**

(DIN: 06463753)

Whole-time Director

Place: Chennai

Date: 13 August, 2020

## **PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

I have examined the compliance of conditions of Corporate Governance by Mercantile Ventures Limited, for the year ended 31st March, 2020 as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

I 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.

I also states that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**R Kannan**

Practicing Company Secretary

FCS No: 6718

C P No: 3363

UDIN No.F006718B000419064

Place : Chennai

Date : 06 July 2020

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MERCANTILE VENTURES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Mercantile Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 27 to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of Pending tax assessments and demands for the year ended March 31, 2020 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total



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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe



these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements vide Note 27.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place : Chennai  
Date : 19 June, 2020

UDIN No. 20218791AAAABF2293

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

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **MERCANTILE VENTURES LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Chennai  
Date : 19 June, 2020.

UDIN No. 20218791AAAABF2293

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

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

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The Company is in the business of providing services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) In the light of above, we do not comment on terms and conditions of grant of such loans.
  - (b) In the light of above, we do not comment on repayment of the principal amount and interest.
  - (c) In the light of above, we do not comment on the reasonable steps have been taken by the company for recovery of the principal and interest.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (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 Goods and service Tax except as mentioned below

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

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

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

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

Place : Chennai  
Date : 19 June, 2020

UDIN No. 20218791AAAABF2293

# STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(Rs.in Lakhs)

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	6,341.11	8,092.12
	(b) Capital work-in progress	1	4,401.62	4,401.62
	(c ) Financial Assets-Investments	2	7,314.97	6,908.54
	(d) Deferred tax assets (net)	3	1,344.15	990.15
			<b>19,401.85</b>	<b>20,392.43</b>
(2)	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Investments	4	-	951.38
	(ii) Trade receivables	5	329.41	120.65
	(iii) Cash and cash equivalents	6	928.25	319.74
	(iv) Other Current Financial Assets	7	4,970.50	4,578.68
	(b) Current Tax Assets	8	613.15	550.84
	(c) Other Current Assets	9	731.71	-
			<b>7,573.02</b>	<b>6,521.29</b>
	<b>Total Assets</b>		<b>26,974.87</b>	<b>26,913.72</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share Capital	10	11,191.82	11,191.82
	(b) Other Equity	11	14,746.88	14,877.62
			<b>25,938.70</b>	<b>26,069.44</b>
(2)	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Other financial liabilities	12	281.44	252.20
			<b>281.44</b>	<b>252.20</b>
(3)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables	13	36.06	9.93
	(ii) Other financial liabilities	14	85.66	9.35
	(b) Provisions	15	633.01	572.80
			<b>754.73</b>	<b>592.08</b>
	<b>Total Equity and Liabilities</b>		<b>26,974.87</b>	<b>26,913.72</b>

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

As per our report of even date attached.

**For DPV & Associates**  
**Chartered Accountants**  
**F.R. No. 011688S**
**CA K Vairamutthu**  
**Membership. No. 218791**  
**Partner**
**Place : Chennai**  
**Date : 19 June, 2020**
**For and on behalf of the Board**
**E N Rangaswami**  
 Whole-time Director  
 DIN: 06463753

**V. Padmanabha Sarma**  
 Chief Financial Officer

**AL Chandramouli**  
 Director  
 DIN: 02299091

**S. Yoganandhan**  
 Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Rs.in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from Operations	16	1,606.10	541.18
II	Other Income	17	458.96	422.99
	<b>Total Revenue</b>		<b>2,065.06</b>	<b>964.17</b>
III	<b>Expenses</b>			
	a) Cost of Services	18	948.02	-
	b) Employee benefits expense	19	91.78	84.32
	c) Finance costs	20	20.24	51.74
	d) Depreciation and amortisation expense	1	95.69	102.98
	e) Other expenses	21	222.53	319.61
	<b>Total expenses</b>		<b>1,378.26</b>	<b>558.65</b>
IV	<b>Profit/(loss) before exceptional items and tax</b>		<b>686.80</b>	<b>405.52</b>
V	Exceptional items		-	-
VI	<b>Profit/(loss) before tax</b>		<b>686.80</b>	<b>405.52</b>
VII	<b>Tax expense:</b>			
	Current tax		184.39	149.47
	Tax relating to previous years		2.67	-
	Deferred tax		(354.00)	(26.61)
VIII	<b>Profit/(Loss) for the period</b>		<b>853.74</b>	<b>282.66</b>
IX	Share of Profit/(loss) from LLP		731.71	-
X	Profit/(loss) for the period		1,585.45	282.66
XI	Other Comprehensive Income		(1,728.18)	1,082.45
XII	<b>Total Comprehensive Income for the period (Comprising Profit/(loss) and other comprehensive income</b>		<b>(142.73)</b>	<b>1,365.11</b>
XIII	Earnings per equity share			
	(1) Basic		0.76	0.25
	(2) Diluted		0.76	0.25

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

As per our report of even date attached.

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

**CA K Vairamutthu**  
**Membership. No. 218791**  
**Partner**

**Place : Chennai**  
**Date : 19 June, 2020**

**For and on behalf of the Board**

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

**V. Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director  
DIN: 02299091

**S. Yoganandhan**  
Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

## (A) Equity share capital

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

	No. of shares	Rs. In lakhs
As at 31 March 2019	111918195	11191.82
As at 31 March 2020	111918195	11191.82

## (B) Other equity

(Rs. In lakhs)

Particulars	Reserves and surplus				Items of other comprehensive income			Total
	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained earnings	Effect of measuring investments at fair value	Other items of other comprehensive income	
Balance as at 1 April 2018	12.71	295.28	12,250.20	375.60	(124.49)	384.18	254.08	13,447.56
Profit for the year	-	-	-	-	282.66	-	-	282.66
Other comprehensive income	-	-	-	-	-	773.88	308.57	1,082.45
Total comprehensive Income for the year	-	-	-	-	282.66	773.88	308.57	1,365.11
Share of profit from LLP	-	-	-	-	(1.04)	-	-	(1.04)
Any other change	(12.71)	65.99	-	-	12.71	-	-	65.99
Balance as at 31 March 2019	-	361.27	12,250.20	375.60	169.84	1,158.06	562.65	14,877.62
Profit for the year	-	-	-	-	853.74	-	-	853.74
Share of profit from LLP	-	-	-	-	731.71	-	-	731.71
Other comprehensive income	-	-	-	-	-	44.83	(1,773.01)	(1,728.18)
Total comprehensive Income for the year	-	-	-	-	1,585.45	44.83	(1,773.01)	(142.73)
Any other change	-	-	-	-	11.99	-	-	11.99
Balance as at 31 March 2020	-	361.27	12,250.20	375.60	1,767.28	1,202.89	(1,210.36)	14,746.88

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

As per our report of even date attached.

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

**CA K Vairamuthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 19 June, 2020

**For and on behalf of the Board**

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

**AL Chandramouli**  
Director  
DIN: 02299091

**V. Padmanabha Sarma**  
Chief Financial Officer

**S. Yoganandhan**  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in Lakhs)

	Particulars		Year ended 31 March 2020		Year ended 31 March 2019
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Profit for the year after Exceptional items and before Tax and including OCI, share of loss from LLP		(309.67)		1,487.97
	<b>Adjustments for:</b>				
	Depreciation	95.69		102.98	
	Dividend Income	(84.84)		(51.49)	
	Interest Income	(309.63)		(305.48)	
	Other equity adjustments	11.99		-	
	Profit on sale of investments	(4.26)		(0.59)	
	Reduction in Fixed assets on fair valuation	2,068.53		-	
	Loss on sale of fixed assets	-		45.18	
			1,777.48		(209.40)
	<b>Operating Profit before Working Capital changes</b>		1,467.81		1,278.57
	<b>Adjustments for:</b>				
	Other Financial Liabilities	29.24		17.20	
	Current liabilities & Provisions	(21.74)		(278.42)	
	Trade Receivables	(208.76)		17.45	
	Current tax assets	108.59		227.29	
	Other current assets	(731.71)		-	(16.48)
			643.43		1,262.09
	<b>Tax paid</b>		(173.57)		(138.26)
	<b>Net Cash from Operating activities (A)</b>		469.86		1,123.83
<b>B</b>	<b>Cash Flow from Investing activities</b>				
	Proceeds from sale of shares	30.81		5.40	
	Proceeds from sale of Fixed Assets	-		161.00	
	Addition to Fixed Assets	(413.20)		(1.82)	
	Non Current Investments	(432.98)		(1,113.49)	
	Current Investments	951.38		(383.94)	
	Income from Investments	394.47		356.97	
	Loans and Advances	(391.83)		466.92	(508.96)
	<b>Cash Flow from investing activities (B)</b>		138.65		(508.96)
<b>C</b>	<b>Cash Flow from Financing activities</b>				
	Long term Borrowings		-		(365.02)
	<b>Net Cash used in Financing Activities (C)</b>		-		(365.02)
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>		608.51		249.85
	<b>Cash &amp; Cash Equivalents (Opening Balance) as at 31-3-2019</b>		319.74		69.89
	<b>Cash &amp; Cash Equivalents (Closing Balance) as at 31-03-2020</b>		928.25		319.74
The accompanying notes are an integral part of the standalone financial statements					

As per our report of even date attached.

**For DPV & Associates**

**Chartered Accountants**

**F.R. No. 011688S**

**CA K Vairamutthu**

**Membership. No. 218791**

**Partner**

**Place : Chennai**

**Date : 19 June, 2020**

**For and on behalf of the Board**

**E N Rangaswami**

Whole-time Director

DIN: 06463753

**AL Chandramouli**

Director

DIN: 02299091

**V. Padmanabha Sarma**

Chief Financial Officer

**S. Yoganandhan**

Company Secretary



# SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 1 Overview

### 1.1. Company Overview

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

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

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

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

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

### 1.3. Use of estimates

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

### 1.4. Cash Flow Statement

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

### 1.5. Critical accounting estimates

#### A) Revenue recognition

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

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

#### B) Expenditure

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

#### C) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to note no.27.

### 1.6. Property, Plant and Equipment

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

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

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

### 1.7. Impairment

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

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

### 1.8. Financial Instruments

#### 1. Initial recognition

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

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

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

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

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

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

#### 5. Financial liabilities:

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

### 1.9. Employee benefit

**Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees through group gratuity policy taken from M/s. Life insurance corporation of India, on retirement or termination of employment based on the last drawn salary and years of employment with the company.

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

### 1.10. Foreign Currency Transactions

There are no such transactions in the current financial year.

### 1.11. Segment Reporting

The business of the company comprises lease of immovable properties, manpower supply services and investment activities

### 1.12. Income tax

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

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

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

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

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

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

### 1.13. Rounding of amounts

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

# 1. Property Plant and Equipment

(Rs. in lakhs)

Particulars	Gross Block				Depreciation			Net Block	
	As At 01-04-2019	Additions	Deletions	Total 31-03-2020	As At 01-04-2019	Deletions for the Year	Total 31-03-2020	As At 31-03-2020	As At 31-03-2019
Tangible Assets									
Freehold Land	6,000.00	410.69	1,818.20	4,592.49	-	-	-	4,592.49	6,000.00
Buildings	2,204.72	-	250.32	1,954.40	273.58	74.25	347.83	1,606.57	1,931.14
Computers	2.91	1.64	-	4.55	2.90	0.07	2.97	1.58	0.01
Airconditioners, etc	124.63	-	-	124.63	30.50	7.89	38.39	86.24	94.13
Furniture and Fixtures	137.49	-	-	137.49	71.05	13.06	84.11	53.38	66.44
Office Equipments	3.22	0.87	-	4.09	2.82	0.42	3.24	0.85	0.40
<b>Total</b>	<b>8,472.97</b>	<b>413.20</b>	<b>2,068.52</b>	<b>6,817.65</b>	<b>380.85</b>	<b>95.69</b>	<b>476.54</b>	<b>6,341.11</b>	<b>8,092.12</b>
Capital work-in Progress	4,401.62	-	-	4,401.62	-	-	-	4,401.62	4,401.62
<b>Total</b>	<b>12,874.59</b>	<b>413.20</b>	<b>2,068.52</b>	<b>11,219.27</b>	<b>380.85</b>	<b>95.69</b>	<b>476.54</b>	<b>10,742.73</b>	<b>12,493.74</b>
<b>Previous year</b>	<b>13,135.79</b>	<b>1.82</b>	<b>263.02</b>	<b>12,874.59</b>	<b>334.71</b>	<b>102.98</b>	<b>380.85</b>	<b>12,493.74</b>	<b>12,801.08</b>

## Note:

- Deletions on account of change in fair valuation
- One of the properties of the company has been offered as security to Housing Development Finance Corporation Limited for a loan availed by a Third party which has provided a counter security.

## 2. Financial Assets-Investments:

(Rs. in lakhs)

S.No.	Particulars	Subsidiary/ Associates/ Joint Venture/ Others	Face Value (Rs.)	No. of Shares	As at 31 March 2020	No. of Shares	As at 31 March 2019
	Investments in Equity instruments-fully paid up at fair value through Other Comprehensive Income						
	Quoted						
1	Chitra Durga Spintex Ltd	Others	10	3,650	0.05	3,650	0.40
2	Sical Logistics Ltd	Others	10	12,600	0.96	12,600	18.07
3	Sicagen India Ltd	Others	10	729,510	87.91	729,510	181.65
4	Southern Petrochemical Industries Corporation Ltd	Others	10	853,810	105.87	853,810	222.42
5	Haryana Leather Chemicals Ltd	Others	10	21,800	4.32	21,800	5.29
6	Icici Bank	Others	2	-	-	82	0.33
7	Reliance Industries Limited EQ	Others	10	-	-	1,820	25.33
8	Alphageo India Ltd	Others	10	7,600	10.22	7,600	37.66
9	Tamil Nadu Petroproducts Ltd	Others	10	201,000	55.17	201,000	72.16
10	Manali Petrochemicals	Others	5	2,497,810	369.68	2,550	0.67
11	Sterlite Technologies Ltd	Others	2	225	0.15	225	0.50
12	Tata Coffee Ltd	Others	1	16,000	9.57	16,000	14.80
13	Thirumalai Chemicals Ltd	Others	1	-	-	1,000	0.93
14	Carrier Airconditioning & Refrigeration Ltd	Others	10	132	-	132	-
15	Integrated Digital Info Services Ltd	Others	10	200	-	200	-
16	Kumbhat Financial Services Ltd	Others	10	10,100	-	10,100	-
17	Rainbow Foundations Ltd	Others	10	20,000	-	20,000	-
18	Ritesh International Ltd	Others	10	12,900	-	12,900	-
19	S&S Power Switchgear Ltd Industries Ltd	Others	10	77	-	77	-
20	SIV Industries Ltd	Others	10	850	-	850	-
21	Crescent Finstock Ltd	Others	10	14	-	14	-
22	Sharp Industries Ltd	Others	10	40	-	40	-
23	Temba Shipyards Ltd	Others	10	2,050	-	2,050	-
24	TN Jayabharat Mills Ltd	Others	10	2,000	-	2,000	-
25	Tribology India Ltd	Others	10	2,150	-	2,150	-
	Sub Total - (A)				643.90		580.21
	Unquoted						
1	National Trust Housing Finance Ltd	Associates	10	73,49,890	3,214.10	73,49,890	3,079.53
2	i3 Security private Ltd	Subsidiary	10	39,07,800	567.80	39,07,800	592.03
3	AM Foundation	Others	10	1,200	-	1,200	-
	Sub Total - (B)				3,781.90		3,671.56
	Total (C) : (A) + (B)				4,425.80		4,251.77
	Investments in Preference Shares						
1	EDAC Engineering Ltd	Others	10	2,00,00,000	1,735.09	2,00,00,000	1,574.85
2	India Radiators Ltd	Subsidiary	10	1,06,46,000	860.08	1,06,46,000	787.92
	Sub Total - (D)				2,595.17		2,362.77
	Investment in capital of LLP- at cost						
1	Chitharanjan Developers LLP *	Subsidiary			294.00		294.00
	Sub Total - (E)				294.00		294.00
	Net Value of Investments (C)+(D)+(E)				7,314.97		6,908.54

### \*Details of Investment in LLP:

(Rs. in lakhs)

Names of partners	Capital	Share of Profit
Mercantile Ventures Limited	294.00	98%
R.Narayanasamy	3.00	1%
V.Rajagopal	3.00	1%
<b>Total</b>	<b>300.00</b>	<b>100%</b>

### 3. Deferred Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
opening balance	990.15	963.54
Deferred tax asset	354.00	26.61
<b>Total</b>	<b>1,344.15</b>	990.15

### 4. Current investments:

Investments in Mutual Funds	-	951.38
<b>Total</b>	<b>-</b>	951.38

### 5. Trade Receivables:

<b>Unsecured-considered good:</b>		
Outstanding for a period exceeding 6 months	21.97	19.13
Others	307.44	101.52
<b>Total</b>	<b>329.41</b>	120.65

### 6. Cash & Cash Equivalents

Cash on Hand	0.12	-
Balance with Banks in Current Accounts	928.13	319.74
<b>Total</b>	<b>928.25</b>	319.74

### 7. Other current financial assets:

Loans and Advances-Inter Corporate Deposits	3,600.65	2,887.17
Other unsecured Loans	35.00	122.92
Other Advances	1,327.79	1,561.53
Security Deposit	7.06	7.06
<b>Total</b>	<b>4,970.50</b>	4,578.68

#### Details of inter corporate deposits/loans disclosed pursuant to section 186(4) of the companies Act 2013

Edac Engineering Limited	2,925.65	2,867.17
Chitaranjan Developers LLP	35.00	122.92
India Radiators Limited	675.00	20.00

The above inter corporate deposits/loans are given for the business purposes of the recipient entities

### 8. Current Tax assets

Advance income tax	613.15	550.84
<b>Total</b>	<b>613.15</b>	550.84

### 9. Other Current assets

Share of Profit from LLP	731.71	-
<b>Total</b>	<b>731.71</b>	-

## 10. Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorised Capital</b>		
11,50,00,000 Equity Shares of Rs.10/- each	11,500.00	11,500.00
1,50,00,000 Preference Shares of Rs.10/- each	1,500.00	1,500.00
<b>Total</b>	<b>13,000.00</b>	13,000.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
11,19,18,195 Equity Shares of Rs.10/- each fully paid up	11,191.82	11,191.82
(Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)		
<b>Total</b>	<b>11,191.82</b>	11,191.82

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	111,918,195	11,191.82	111,918,195	11,191.82
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the close of the year</b>	<b>111,918,195</b>	<b>11,191.82</b>	<b>111,918,195</b>	<b>11,191.82</b>

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Amount	No. of shares	Amount
Trinity Auto Points Limited	2,09,56,000	18.72%	2,09,56,000	18.72%
South India Travels Private Limited	1,85,82,056	16.60%	1,85,82,056	16.60%
Golden Star Assets Consultants Private Limited	1,43,96,000	12.86%	1,43,96,000	12.86%
Southern Petrochemical Industries Corporation Limited	1,50,28,000	13.43%	1,50,28,000	13.43%
Ranford Investments Limited	78,07,955	6.98%	78,07,955	6.98%
Dornolly Investments Limited	64,37,000	5.75%	64,37,000	5.75%

## 11. Other equity

Particulars	Reserves and surplus					Total
	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained earnings	
Balance as at 1 April 2018	12.71	295.28	12,250.20	375.60	513.77	13,447.56
Profit for the year	-	-	-	-	282.66	282.66
Other comprehensive income	-	-	-	-	1,082.45	1,082.45
Total comprehensive Income for the year	-	-	-	-	1,365.11	1,365.11
Share of profit from LLP	-	-	-	-	(1.04)	(1.04)
Any other change	(12.71)	65.99	-	-	12.71	65.99
Balance as at 31 March 2019	-	361.27	12,250.20	375.60	1,890.55	14,877.62

(Rs. in lakhs)

<b>Balance as at 1 April 2019</b>	-	<b>361.27</b>	<b>12,250.20</b>	<b>375.60</b>	<b>1,890.55</b>	<b>14,877.62</b>
Profit for the year	-	-	-	-	853.74	853.74
Share of profit from LLP	-	-	-	-	731.71	731.71
Other comprehensive income	-	-	-	-	(1,728.18)	(1,728.18)
Total comprehensive Income for the year	-	-	-	-	(142.73)	(142.73)
Any other change	-	-	-	-	11.99	11.99
<b>Balance as at 31 March 2020</b>	-	<b>361.27</b>	<b>12,250.20</b>	<b>375.60</b>	<b>1,759.81</b>	<b>14,746.88</b>

\* Retained earnings include other than comprehensive income

#### Nature and Purpose of Reserves:

##### Capital Reserve:

Capital Reserve created on amalgamation of companies

##### Securities Premium:

Securities premium has been created consequent to issue of shares at a premium

#### 12. Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2020	As at 31 March 2019
Rent Deposit	281.44	252.20
<b>Total</b>	<b>281.44</b>	<b>252.20</b>

#### 13. Trade Payables

Trade payables		
Due to Micro, Small and Medium Enterprises	1.59	2.93
Due to others	34.47	7.00
<b>Total</b>	<b>36.06</b>	<b>9.93</b>

#### 14. Other Current Financial Liabilities

Duties & Taxes	22.51	5.37
Other Payables	63.15	3.98
<b>Total</b>	<b>85.66</b>	<b>9.35</b>

#### 15. Current Provisions

Provision for Gratuity	-	1.28
Provision for Taxation	633.01	571.52
<b>Total</b>	<b>633.01</b>	<b>572.80</b>

#### 16. Income from Operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rent of immovable properties	569.65	541.18
Maintenance Charges	100.17	-
Manpower Supply services	936.28	-
<b>Total</b>	<b>1,606.10</b>	<b>541.18</b>



## 17. Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend received	84.84	51.49
Guarantee commission	60.00	60.00
Interest Received	309.63	305.48
Provision for Gratuity written back	-	0.61
Profit on sale of investments	4.26	0.59
Miscellaneous income	0.23	4.82
<b>Total</b>	<b>458.96</b>	<b>422.99</b>

## 18. Cost of Services

Cost of manpower supply services	875.83	-
Cost of maintenance services	72.19	-
<b>Total</b>	<b>948.02</b>	<b>-</b>

## 19. Employment Benefit Expenses

Salaries	86.88	82.01
Gratuity	-	0.36
Contribution to PF	0.46	-
Staff Welfare	4.44	1.95
<b>Total</b>	<b>91.78</b>	<b>84.32</b>

## 20. Finance Cost

Interest on Secured loan	-	31.18
Notional interest on Rent Deposit	20.24	20.56
<b>Total</b>	<b>20.24</b>	<b>51.74</b>

## 21. Other Expenses

Rates & Taxes	60.38	70.57
Repairs & Maintenance	75.96	95.23
Postage, Telephone & Courier charges	9.92	22.97
Travelling Expenses	0.22	0.80
Professional & Consultancy charges	21.14	22.00
Auditors Remuneration	4.50	4.50
Miscellaneous Expenses	7.96	3.73
Advertisement Charges	1.58	0.86
Director Sitting Fees	4.50	3.75
Brokerage and commission	-	5.00
Electricity and Fuel charges	23.62	29.11
Filing Fees	0.14	0.13
Printing & Stationery	10.30	8.48
Loss on sale of fixed assets	-	45.18
Interest on Income Tax	-	2.25
Insurance Expenses	2.31	1.75
Advances written off	-	3.30
<b>Total</b>	<b>222.53</b>	<b>319.61</b>

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
22. Exceptional Items	NIL	NIL
23. Expenditure in foreign currency during the current period	NIL	NIL
24. Earnings in Foreign Exchange received during the current period	NIL	NIL

#### 25. Segment Reporting:

The company's reportable segments under IND AS 108 are as follows:

- i) Rent and Maintenance of Immovable properties
- ii) Manpower services
- iii) Investment activities

The following is an analysis of the company's revenue and results from operations by reportable segments

Particulars	Segment Revenue	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Rent and Maintenance of Immovable properties	669.82	541.18
Manpower services	936.28	-
Investment activities	458.96	422.99
Unallocated Income	-	-
<b>Total</b>	<b>2,065.06</b>	<b>964.17</b>

Particulars	Segment Profit	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Rent and Maintenance of Immovable properties	375.57	331.43
Manpower services	60.45	-
Investment activities	458.96	422.99
Unallocated Income	-	-
<b>Total</b>	<b>894.98</b>	<b>754.42</b>
Finance cost	20.24	51.74
Other net unallocable (income)/expenses	187.94	297.16
Tax Expense	(166.94)	122.86
<b>Profit for the year</b>	<b>853.74</b>	<b>282.66</b>

**Segment Assets and Liabilities:**
**(Rs. In Lakhs)**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Segment Assets:</b>		
Rent and Maintenance of Immovable properties	<b>10,906.93</b>	12,614.39
Manpower services	<b>165.21</b>	-
Investment activities	<b>12,285.47</b>	12,438.60
Unallocated assets	<b>3,617.26</b>	1,860.73
<b>Total Assets</b>	<b>26,974.87</b>	26,913.72
<b>Segment Liabilities:</b>		
Rent and Maintenance of Immovable properties	<b>351.76</b>	271.48
Manpower services	<b>51.40</b>	-
Unallocated liabilities	<b>633.01</b>	572.80
<b>Total Liabilities</b>	<b>1,036.17</b>	844.28

**Note:**

For the purpose of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments as applicable
2. All liabilities are allocated to reportable segments as applicable

**26. As per IND AS 24- "Related party disclosures", the disclosures of transactions with the related parties are given below:**
**Related Parties:**
**Subsidiary:**

i3 Security Private Limited

India Radiators Limited\*

**Subsidiary (LLP):**

Chitaranjan Developers LLP

**Associates:**

National Trust Housing Finance Limited

**Key Managerial Personnel:**

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

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

Particulars of transaction	Year ended 31 March 2020	Year ended 31 March 2019
<b>Transaction with related parties :</b>		
<b>i3 Security Private Limited</b>		
Security charges	<b>35.41</b>	0.08
Maintenance charges	-	6.00
Rent collected	<b>0.12</b>	1.24
<b>India Radiators Limited</b>		
Inter corporate deposit & advances given	<b>655.13</b>	-
Interest received on Inter corporate deposit	<b>17.68</b>	-

(Rs. in lakhs)

Particulars of transaction	Year ended 31 March 2020	Year ended 31 March 2019
<b>Chitaranjan Developers LLP:</b>		
Investment in capital (Transfer from loan)	-	294.00
Loans & Advances	22.54	46.07
Recovery from loans & advances	110.46	18.76
Realisation of interest on loan	11.95	33.89
<b>National Trust Housing Finance Limited:</b>		
Dividend Received	33.07	21.00
<b>Mr. E. N. Rangaswami</b>		
Remuneration	48.00	48.00
<b>Closing Balances:</b>		
<b>i3 Security Private Limited</b>		
Investment in Equity shares	567.80	592.03
<b>India Radiators Limited</b>		
Investment in preference shares	860.08	-
Inter corporate deposit	675.12	-
<b>Chitaranjan Developers LLP:</b>		
Investment in capital	294.00	294.00
Unsecured loans	35.00	122.92
<b>National Trust Housing Finance Limited:</b>		
Investment in Equity shares	3214.10	3079.53

\* India Radiators Limited became a subsidiary With effect from 06-September-2019 consequent to the company becoming entitled to 92.21% voting rights in M/s. India Radiators Limited pursuant to sub section (2) of section 47 of the companies act 2013. Hence previous year transactions are not applicable.

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

Particulars	As at March 2020	As at March 2019
<b>i) Contingent liabilities :</b>		
a) Claims against the company not acknowledged as debt;	Nil	Nil
b) Guarantees-charge created on company's asset for third party loan	25000.00	12500.00
c) Other money for which the company is contingently liable.	Nil	Nil
Disputed tax demand in respect of Assessment Year 2015-16	35.39	35.39
Disputed tax demand in respect of Assessment Year 2016-17 .Appeal filed by the company is pending before CIT(A)	28.58	28.58
<b>ii) Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	406.92	406.92
b) Uncalled liability on shares and other investments partly paid;	Nil	Nil
c) Other commitments (specify nature)	Nil	Nil

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

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MERCANTILE VENTURES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of Mercantile Ventures Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries referred together as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2020, the Consolidated profit and Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax positions</b> The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 30 to the Consolidated Financial Statements	<b>Principal Audit Procedures</b> Obtained details of Pending tax assessments and demands for the year ended March 31, 2020 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

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

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other matters

- a) We did not audit the financial information of 2 subsidiaries whose financial statements reflect Total Assets of Rs.2257.49 lacs as at 31st March 2020, Total Revenue of Rs.2455.11 lacs, Net cash flows amounting to Rs.160.60 lacs for the year ended 31st March 2020 and one subsidiary whose groups share of profit of Rs.731.71 lacs for the year ended on that date, as considered in the Consolidated financial Statements
- b) We did not audit the financial information of Associate namely M/s.National Trust Housing Finance Limited and groups share of profit of Rs.240.70 lacs for the year ended 31st March 2020, has been considered in the Consolidated financial Statements.
- c) These financial statements have been audited by other auditors whose reports have been furnished to us by the management and in our opinion the consolidated financial statements, in so far as it amounts and disclosures included in respect of these subsidiaries and associate, and our report in the terms of the sub-section (3) and (11) of the section 143 of the act in so far as it relates to the aforesaid subsidiaries and associate, is based solely upon the report of the other auditors and management representations.
- d) Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in the respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements/information certified by the management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of Parent as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Parent and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements vide Note 30.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**CA Vaira Mutthu K**  
(Membership.No. 218791)  
Partner  
UDIN No. 20218791AAAABG2872

Place : Chennai  
Date : 19 June 2020



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

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause

#### (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mercantile Ventures Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DPV & Associates**

Chartered Accountants  
(Firm's Registration No. 011688S)

**CA Vaira Mutthu K**

(Membership.No. 218791)

Partner

UDIN No. 20218791AAAABG2872

Place : Chennai

Date : 19 June 2020

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(Rs.in Lakhs)

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	1	7555.99	8096.90
	(b) Capital work-in progress	1	4401.62	4401.62
	(c ) Goodwill on consolidation		87.89	331.71
	(d) Minority Interest		719.00	-
	<b>Financial Assets:</b>			
	(a) Investments	2	6996.11	7184.83
	(b) Deferred tax assets (Net)	3	1135.55	1005.83
	(c) Other Loans and advances	4	-	1.04
			<b>20896.16</b>	<b>21021.93</b>
(2)	<b>Current assets</b>			
	<b>Inventories</b>	5	0.34	1.25
	<b>(a) Financial Assets</b>			
	i) Investments	6	-	952.38
	ii) Trade receivables	7	866.35	692.02
	iii) Cash and cash equivalents	8	1,282.02	511.99
	iv) Other current financial assets	9	4,314.75	4,593.44
	<b>(b) Current Tax Assets</b>	10	731.07	634.10
	<b>(c) Other Current Assets</b>	11	731.71	-
			<b>7,926.24</b>	<b>7,385.18</b>
	<b>Total Assets</b>		<b>28,822.40</b>	<b>28,407.11</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	12	11191.82	11191.82
	(b) Other Equity	13	15943.93	15965.79
			<b>27135.75</b>	<b>27157.61</b>
	<b>LIABILITIES</b>			
(1)	<b>Non-current Liabilities</b>			
	<b>Financial Liabilities</b>			
	(i) Borrowings		-	-
	(ii) Other financial liabilities	14	281.44	252.20
			<b>281.44</b>	<b>252.20</b>
(2)	<b>Current Liabilities</b>			
	<b>(a) Financial Liabilities</b>			
	(i) Trade payables	15	49.66	21.24
	(ii) Other financial liabilities	16	252.54	94.90
	(b) Other Current liabilities	17	99.50	-
	(c) Provisions	18	1003.51	881.16
			<b>1405.21</b>	<b>997.30</b>
	<b>Total Equity and Liabilities</b>		<b>28,822.40</b>	<b>28,407.11</b>

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

As per our report of even date attached.

**For DPV & Associates**

Chartered Accountants

F.R. No. 011688S

**CA K Vairamuthu**

Membership. No. 218791

Partner

For and on behalf of the Board

**E N Rangaswami**

Whole-time Director

DIN: 06463753

**AL Chandramouli**

Director

DIN: 02299091

Place : Chennai

Date : 19 June 2020

**V. Padmanabha Sarma**

Chief Financial Officer

**S. Yoganandhan**

Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**  
(Rs.in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	<b>Revenue:</b>			
	Revenue from operations	19	3823.94	3439.59
	Other income	20	644.99	427.82
	<b>Total Revenue</b>		<b>4468.93</b>	<b>3867.41</b>
II	<b>Expenses</b>			
	Cost of Services/materials consumed	21	963.15	1034.09
	Employee benefits expense	22	2028.09	1664.83
	Finance costs	23	94.00	51.90
	Depreciation and amortisation expense	1	101.20	106.69
	Other expenses	24	442.85	486.64
	<b>Total expenses</b>		<b>3629.29</b>	<b>3344.15</b>
III	<b>Profit/(loss) before exceptional items and tax</b>		<b>839.64</b>	<b>523.26</b>
IV	<b>Exceptional Items</b>		-	-
V	<b>Profit/(loss) before tax</b>		<b>839.64</b>	<b>523.26</b>
VI	<b>Tax expense</b>			
	Current tax		197.98	183.13
	Tax relating to Previous years		2.67	-
	Deferred tax		(497.60)	(30.71)
VII	<b>Profit/(loss) for the period</b>		<b>1,136.59</b>	<b>370.84</b>
VIII	<b>Share of Profit from LLP</b>		<b>731.71</b>	<b>-</b>
IX	<b>Share of Profit from associate</b>		<b>240.70</b>	<b>295.60</b>
X	<b>Profit/(loss) for the period</b>		<b>2,109.00</b>	<b>666.44</b>
XI	<b>Minority interest</b>		<b>470.03</b>	<b>-</b>
XII	<b>Net Profit/(Loss) for the period</b>		<b>2,579.03</b>	<b>-</b>
XIII	<b>Other Comprehensive Income</b>		<b>(2,612.87)</b>	<b>1082.45</b>
XIV	<b>Total Comprehensive Income for the period (IX+X) (Comprising Profit /(loss) and other comprehensive income)</b>		<b>(33.84)</b>	<b>1,748.89</b>
	Attributable to:			
	Owners of the company		(33.84)	1,748.89
	Non-controlling interests		-	-
XI	<b>Earnings per equity share</b>			
	(1) Basic		1.02	0.33
	(2) Diluted		1.02	0.33

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

As per our report of even date attached.

**For DPV & Associates**

Chartered Accountants

F.R. No. 011688S

**CA K Vairamuthu**

Membership. No. 218791

Partner

Place : Chennai

Date : 19 June 2020

For and on behalf of the Board

**E N Rangaswami**

Whole-time Director

DIN: 06463753

**V. Padmanabha Sarma**

Chief Financial Officer

**AL Chandramouli**

Director

DIN: 02299091

**S. Yoganandhan**

Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

### (A) Equity share capital

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

	No. of shares	Rs. In lakhs
As at 31 March 2018	111918195	11191.82
As at 31 March 2019	111918195	11191.82
As at 31 March 2020	111918195	11191.82

### (B) Other equity

(Rs. In lakhs)

Particulars	Reserves and surplus					Items of other comprehensive income		Total
	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained earnings	Effect of measuring investments at fair value	Other items of other comprehensive income	
Balance as at 1 April 2018	12.71	295.28	12,252.47	375.60	610.97	384.18	254.08	14185.29
Profit for the year					370.84			370.84
share of profit from LLP					(1.04)			(1.04)
Profit of associate					295.60			295.60
Other comprehensive income						773.88	308.57	1,082.45
Total comprehensive Income for the year					665.40	773.88	308.57	1,747.85
Consolidated adjustment in opening balance					32.65			32.65
Any other change	(12.71)				12.71			-
Balance as at 31 March 2019	-	295.28	12,252.47	375.60	1,321.73	1,158.06	562.65	15,965.79
Balance as at 1 April 2019	-	295.28	12,252.47	375.60	1,321.73	1,158.06	562.65	15,965.79
Profit for the year					1,136.59			1,136.59
Share of profit from LLP					731.71			731.71
Profit of associate					240.70			240.70
Minority Interest					470.03			470.03

<b>Other comprehensive income</b>						<b>44.83</b>	<b>(2,657.70)</b>	<b>(2,612.87)</b>
Total comprehensive Income for the year					<b>2,579.03</b>	<b>44.83</b>	<b>(2,657.70)</b>	<b>(33.84)</b>
Any other change	-				11.98			11.98
<b>Balance as at 31 March 2020</b>	-	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>3,912.74</b>	<b>1,202.89</b>	<b>(2,095.05)</b>	<b>15,943.93</b>

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

As per our report of even date attached.

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

**CA K Vairamuthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 19 June 2020

For and on behalf of the Board

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

**V. Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director  
DIN: 02299091

**S. Yoganandhan**  
Company Secretary

# **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

(Rs. in Lakhs)

	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Profit for the year after Exceptional items and before Tax and including Other Comprehensive Income, share of loss from LLP		(571.50)		1,605.71
	<b>Adjustments for:</b>				
	Depreciation	101.20		106.69	
	Dividend Income	(97.65)		(54.44)	
	Interest Income	(292.14)		(305.73)	
	Minority Interest	(719.00)		-	
	Deferred tax Liability	367.88		-	
	Other Equity adjustments	11.99		32.66	
	Profit on sale of investments	(4.26)		(0.59)	
	Guarantee Commission	(60.00)		(60.00)	
	Loss on sale of fixed assets	-		45.19	
	Net block of assets added	(1,878.77)		-	
	Reduction in fair value of assets	2,733.62	162.87	-	(236.22)
	<b>Operating Profit before Working Capital changes</b>		(408.63)		1,369.49
	<b>Adjustments for:</b>				
	Other Current liabilities	106.50		-	
	Current provisions	(75.63)		-	
	Long Term Liabilities	29.24		17.20	
	Current liabilities	179.04		(298.41)	
	Other current assets	(731.71)		-	
	Goodwill	243.82		(273.56)	
	Trade Receivables	(174.33)		120.33	
	Other Current tax Assets	87.52	(335.55)	283.12	(151.32)
	<b>Tax paid</b>		(744.18)		1,218.17
			(187.16)		(195.36)
	<b>Net Cash from Operating activities (A)</b>		(931.34)		1,022.81
<b>B</b>	<b>Cash Flow from Investing activities</b>				
	Proceeds from sale of shares	30.81		5.40	
	Proceeds from sale of Fixed Assets	-		161.00	
	Addition to Fixed Assets	(415.12)		(2.09)	
	Non Current Investments	402.87		(1,115.38)	
	Current Investments	952.38		(384.94)	
	Income from Investments	449.79		420.16	
	Loans and Advances	280.64	1,701.37	474.19	(441.66)
	<b>Cash Flow from investing activities (B)</b>		1,701.37		(441.66)
<b>C</b>	<b>Cash Flow from Financing activities</b>				
	Long term Borrowings		-		(365.02)
	<b>Net Cash used in Financing Activities (C)</b>		-		(365.02)
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>		-		216.13
	<b>Cash &amp; Cash Equivalents (Opening Balance) as at 31-3-2019</b>		511.99		295.86
	<b>Cash &amp; Cash Equivalents (Closing Balance) as at 31-03-2020</b>		1,282.02		511.99

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

As per our report of even date attached.

**For DPV & Associates**

 Chartered Accountants  
 F.R. No. 011688S

**CA K Vairamuthu**

 Membership. No. 218791  
 Partner

Place : Chennai

Date : 19 June 2020

For and on behalf of the Board

**E N Rangaswami**

 Whole-time Director  
 DIN: 06463753

**V. Padmanabha Sarma**

Chief Financial Officer

**AL Chandramouli**

 Director  
 DIN: 02299091

**S. Yoganandhan**

Company Secretary

## CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

### 1. Group Overview and Significant Accounting Policies

#### 1.1. Group Overview

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

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

Name of the entity	Country of incorporation and other particulars	Holding (%)
i3 Security Pvt Ltd	a subsidiary of the company incorporated under the laws of India.	100.00
India Radiators Ltd	a subsidiary of the company incorporated under the laws of India.	92.21*
Chitaranjan Developers LLP	a subsidiary(LLP)of the company incorporated under the laws of India.	98.00

\* The company is entitled to 92.21% Voting rights pursuant to the provisions of sub section (2 ) of section 47 of the Companies Act 2013

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

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

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

#### 1.3. Basis of Consolidation

The consolidated financial statements include the financial statements of MVL and all its subsidiaries. The consolidated financial statements are prepared on the following basis:

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

#### 1.4. Use of estimates

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



### 1.5. Cash Flow Statement

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

### 1.6. Critical accounting estimates

#### A) Revenue recognition

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

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

#### B) Expenditure

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

### 1.7. Property, Plant and Equipment

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

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

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

### 1.8. Impairment

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

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

### 1.9. Financial Instruments

#### 1. Initial recognition

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

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

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

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

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

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

**5. Financial liabilities:**

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

**1.10. Employee benefit**

**Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees through group gratuity policy taken from M/s. Life insurance corporation of India, on retirement or termination of employment based on the last drawn salary and years of employment with the company.

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

**1.11. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- (b) Any income or expense an account of difference between date of transaction and settlement is recognised in the statement of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**1.12. Segment Reporting**

The main business of the company comprises lease of immovable properties, manpower supply services, investment activities and security services.

**1.13. Income tax**

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

- (a) **Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.
- (b) **Deferred income tax:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises

from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

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

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

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

#### **1.14. Rounding of amounts**

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

## 1. Property Plant and Equipment

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01-04-2019	Additions on consolidation	Deletions	Total 31-03-2020	As at 01-04-2019	Additions on consolidation	Deletions	For the year 31-03-2020	As at 31-03-2020
Tangible Assets									
Freehold Land	6,000.00	1,853.10	410.69	2483.30	5,780.49	-	-	-	5,780.49
Leasehold Land	-	0.90	-	-	0.90	-	-	-	0.90
Plant & Machinery	-	284.66	-	-	284.66	270.43	-	270.43	14.23
Buildings	2,204.72	96.58	-	250.32	2,050.98	87.33	-	77.31	1,612.75
Computers	10.84	15.53	3.34	-	29.71	15.50	-	0.82	3.17
Airconditioners, etc	124.63	3.02	-	-	127.65	3.02	-	7.89	86.24
Furniture and Fixtures	141.52	10.26	0.10	-	151.88	10.26	-	13.41	54.40
Office Equipments	13.29	5.17	1.02	-	19.48	5.17	-	1.77	2.56
vehicles	-	2.42	-	-	2.42	2.42	-	-	-
Electrical Installation	-	25.15	-	-	25.15	23.90	-	-	1.25
<b>Total</b>	<b>8,495.00</b>	<b>2,296.79</b>	<b>415.15</b>	<b>2733.62</b>	<b>8,473.32</b>	<b>418.03</b>	<b>-</b>	<b>101.20</b>	<b>7,555.99</b>
Capital work-in Progress	4,401.62	-	-	-	4,401.62	-	-	-	4,401.62
<b>Total</b>	<b>12,896.62</b>	<b>2,296.79</b>	<b>415.15</b>	<b>2733.62</b>	<b>12,874.94</b>	<b>418.03</b>	<b>-</b>	<b>101.20</b>	<b>11,957.61</b>
<b>Previous year</b>	<b>13,157.55</b>	<b>-</b>	<b>2.09</b>	<b>263.02</b>	<b>12,896.62</b>	<b>-</b>	<b>56.84</b>	<b>106.69</b>	<b>12,498.52</b>
<b>Total</b>									<b>12,809.30</b>

### Note:

- Deletions on account of change in fair valuation as per IND AS
- One of the properties of the company has been offered as security to Housing Development Finance Corporation Limited for a loan availed by a Third party which has provided a counter security.

**2. Financial Assets-Investments:**
**(Rs. in lakhs)**

Particulars	Subsidiary/ Associates/ Joint Venture/ Others	Face Value (Rs.)	No. of Shares	As at 31 March 2020	No. of Shares	As at 31 March 2019
Investments in Equity instruments-fully paid up at fair value through Other Comprehensive Income						
<b>Quoted</b>						
Chitra Durga Spintex Ltd	Others	10	3,650	0.05	3,650	0.40
Sical Logistics Ltd	Others	10	12,600	0.96	12,600	18.07
Sicagen India Ltd	Others	10	7,29,510	87.91	7,29,510	181.65
Southern Petrochemical Industries Corporation Ltd	Others	10	8,53,810	105.87	8,53,810	222.42
Haryana Leather Chemicals Ltd	Others	10	21,800	4.32	21,800	5.29
Icici Bank	Others	2	82	-	82	0.33
Reliance Industries Limited EQ	Others	10	1,820	-	1,820	25.33
Alphageo India Ltd	Others	10	7,600	10.22	7,600	37.66
Tamil Nadu Petroproducts Ltd	Others	10	2,01,000	55.17	2,01,000	72.16
Manali Petrochemicals	Others	5	24,97,810	369.68	2,550	0.67
Sterlite Technologies Ltd	Others	2	225	0.15	225	0.50
Tata Coffee Ltd	Others	1	16,000	9.57	16,000	14.80
Thirumalai Chemicals Ltd	Others	1	1,000	-	1,000	0.93
Carrier Airconditioning & Refrigeration Ltd	Others	10	132	-	132	-
Integrated Digital Info Services Ltd	Others	10	200	-	200	-
Kumbhat Financial Services Ltd	Others	10	10,100	-	10,100	-
Rainbow Foundations Ltd	Others	10	20,000	-	20,000	-
Ritesh International Ltd	Others	10	12,900	-	12,900	-
S&S Power Switchgear Ltd Industries Ltd	Others	10	77	-	77	-
SIV Industries Ltd	Others	10	850	-	850	-
Crescent Finstock Ltd	Others	10	14	-	14	-
Sharp Industries Ltd	Others	10	40	-	40	-
Temba Shipyards Ltd	Others	10	2,050	-	2,050	-
TN Jayabharat Mills Ltd	Others	10	2,000	-	2,000	-
Tribology India Ltd	Others	10	2,150	-	2,150	-
<b>Sub Total - (A)</b>				<b>643.90</b>		<b>580.21</b>
<b>Unquoted</b>						
National Trust Housing Finance Ltd	Associate	10	73,49,890	4,323.12	73,49,890	3,947.85
AM Foundation	Others	10	1,200	-	1,200	-
<b>Sub Total - (B)</b>				<b>4,323.12</b>		<b>3,947.85</b>
<b>Total (C) : (A) + (B)</b>				<b>4,967.02</b>		<b>4,528.06</b>
<b>Investments in Preference Shares</b>						
EDAC Engineering Ltd	Others	10	2,00,00,000	1,735.09	2,00,00,000	1,574.85
India Radiators Ltd	Subsidiary	10	1,06,46,000	-	1,06,46,000	787.92
<b>Sub Total - (D)</b>				<b>1,735.09</b>		<b>2,362.77</b>
<b>Investment in capital of LLP- at cost</b>						
Chitharanjan Developers LLP *	Subsidiary			294.00		294.00
<b>Sub Total - (E)</b>				<b>294.00</b>		<b>294.00</b>
<b>Net Value of Investments (C)+(D)+(E)</b>				<b>6,996.11</b>		<b>7,184.83</b>

\*Details of Investment in LLP as at 31 March 2020:

(Rs. in lakhs)

Names of partners	Capital	Share of Profit
Mercantile Ventures Limited	294.00	98%
R.Narayanasamy	3.00	1%
V.Rajagopal	3.00	1%
<b>Total</b>	<b>300.00</b>	<b>100%</b>

### 3 Deferred Tax Asset (Net)

Particulars	As at 31 March 2020	As at 31 March 2019
opening balance	1,005.83	975.12
Additions	129.72	30.71
<b>Total</b>	<b>1,135.55</b>	<b>1,005.83</b>

### 4 Loans and Advances

Security Deposit	-	1.04
<b>Total</b>	<b>-</b>	<b>1.04</b>

### 5 Inventories

Inventories stock in trade	0.34	1.25
<b>Total</b>	<b>0.34</b>	<b>1.25</b>

### 6 Current investments:

Investments in Mutual Funds	-	951.38
Others	-	1.00
<b>Total</b>	<b>-</b>	<b>952.38</b>

### 7 Trade Receivables:

Unsecured-considered good:		
Outstanding for a period exceeding 6 months	76.00	22.82
Others	790.35	669.20
<b>Total</b>	<b>866.35</b>	<b>692.02</b>

### 8 Cash & Cash Equivalents

Cash on Hand	0.88	0.61
Balance with Banks in Current Accounts	1,281.14	511.38
<b>Total</b>	<b>1,282.02</b>	<b>511.99</b>

### 9 Other current financial assets:

Loans and Advances-Inter Corporate Deposits	2,925.65	2,887.17
Other unsecured Loans	35.00	122.92
Other Advances	1,333.43	1,566.94
GST input credit	3.54	2.40
Security Deposit	17.13	14.01
<b>Total</b>	<b>4,314.75</b>	<b>4,593.44</b>

**Note:** (Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Details of Inter corporate deposits/loans disclosed pursuant to section 186(4) of the companies act 2013</b>		
EDAC Engineering Limited	<b>2,925.65</b>	2,867.17
Chitraranjan Developers LLP	<b>35.00</b>	122.92
The above Inter corporate deposits/loans are given for the business purposes of the recipient entities		

#### 10 Current Tax assets

Advance income tax	<b>731.07</b>	634.10
<b>Total</b>	<b>731.07</b>	634.10

#### 11 Other Current assets

Chitharanjan Developers LLP	<b>731.71</b>	-
<b>Total</b>	<b>731.71</b>	-

#### 12 Share Capital

<b>Authorised Capital</b>		
11,50,00,000 Equity Shares of Rs.10/- each	<b>11,500.00</b>	11,500.00
1,50,00,000 Preference Shares of Rs.10/- each	<b>1,500.00</b>	1,500.00
<b>Total</b>	<b>13,000.00</b>	13,000.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
11,19,18,195 Equity Shares of Rs.10/- each fully paid up	<b>11,191.82</b>	11,191.82
(Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)		
<b>Total</b>	<b>11,191.82</b>	11,191.82

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	11,19,18,195	11,191.82	11,19,18,195	11,191.82
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the close of the year</b>	<b>11,19,18,195</b>	<b>11,191.82</b>	<b>11,19,18,195</b>	<b>11,191.82</b>

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

Name of Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Trinity Auto Points Limited	2,09,56,000	18.72%	2,09,56,000	18.72%
South India Travels Private Limited	1,85,82,056	16.60%	1,85,82,056	16.60%
Golden Star Assets Consultants Private Limited	1,49,36,000	12.86%	1,49,36,000	12.86%
Southern Petrochemical Industries Corporation Limited	1,50,28,000	13.43%	1,50,28,000	13.43%
Ranford Investments Limited	78,07,955	6.98%	78,07,955	6.98%
Dornolly Investments Limited	64,37,000	5.75%	64,37,000	5.75%

### 13 Other Equity

(Rs. In Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and Surplus				Total
		Capital Reserve	Securities Premium	General reserve	Retained Earnings*	
<b>Balance as at 01-04-2018</b>	12.71	295.28	12252.47	375.60	1,249.23	14,185.29
Share of profit from LLP	-	-	-	-	295.60	295.60
Profit of associate	-	-	-	-	(1.04)	(1.04)
Other comprehensive income for the year	-	-	-	-	1,453.29	1,453.29
Total comprehensive income for the year	-	-	-	-	1,747.85	1,747.85
Consolidated adjustment in Opening balance	-	-	-	-	32.65	32.65
<b>IND As adjustments</b>	(12.71)	-	-	-	12.71	-
<b>Balance as at 31-03-2019</b>	-	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>3,042.44</b>	<b>15,965.79</b>
Balance as at 01-04-2019	-	295.28	12,252.47	375.60	3,042.44	15,965.79
Profit for the year	-	-	-	-	1,136.59	1,136.59
Share of profit from LLP	-	-	-	-	731.71	731.71
Profit of associate	-	-	-	-	240.70	240.70
Minority Interest	-	-	-	-	470.03	470.03
Other comprehensive income for the year	-	-	-	-	(2,612.87)	(2,612.87)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(33.84)</b>	<b>(33.84)</b>
Any other change	-	-	-	-	11.98	11.98
<b>Balance as at 31-03-2020</b>	-	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>3,020.58</b>	<b>15,943.93</b>

\* Retained earning include other comprehensive income.

#### Nature and purpose of Reserves:

##### Capital Reserve:

Capital Reserve created on amalgamation of companies

##### Security Premium:

Security Premium has been created consequent to issue of shares at a premium

### 14 Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2020	As at 31 March 2019
Rent Deposit	281.44	252.20
<b>Total</b>	<b>281.44</b>	<b>252.20</b>

### 15 Trade Payables

Trade payables		
Due to Micro, Small and Medium Enterprises	1.59	2.93
Due to others	48.07	18.31
<b>Total</b>	<b>49.66</b>	<b>21.24</b>



**16 Other Current Financial Liabilities**
**(Rs. In Lakhs)**

Duties & Taxes	96.72	73.46
Inter corporate deposits	16.36	-
Other Payables	139.46	21.44
<b>Total</b>	<b>252.54</b>	<b>94.90</b>

**17 Other Current Liabilities**

Advance for sale of assets	99.50	-
<b>Total</b>	<b>99.50</b>	<b>-</b>

**18 Current Provisions**

Provision for Gratuity	-	1.28
Provision for employee benefits	307.31	274.70
Provision for Taxation	696.20	605.18
<b>Total</b>	<b>1,003.51</b>	<b>881.16</b>

**19 Income from Operations**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rent of immovable properties	669.82	541.18
Manpower Supply services	936.28	952.38
Sale of Services	2,175.50	1,869.99
Sale of products	42.34	76.04
<b>Total</b>	<b>3,823.94</b>	<b>3,439.59</b>

**20 Other Income**

Dividend received	97.65	54.44
Guarantee commission	60.00	60.00
Interest received	292.14	305.73
Provision for Gratuity written back	-	0.61
Credit Balances written Back	161.29	-
Profit on sale of investments	4.26	0.59
Miscellaneous income	29.65	6.45
<b>Total</b>	<b>644.99</b>	<b>427.82</b>

**21 Cost of services/materials consumed**

cost of manpower supply services	875.83	881.54
Cost of other services	57.89	79.30
Cost of materials consumed	29.43	73.25
<b>Total</b>	<b>963.15</b>	<b>1,034.09</b>

**22 Employment Benefit Expenses**

Salaries and allowances	1,825.64	1,498.42
PF and other employee benefits	182.65	160.79
Staff Welfare	19.80	5.62
<b>Total</b>	<b>2,028.09</b>	<b>1,664.83</b>

## 23 Finance Cost

(Rs. In Lakhs)

Interest on Secured loan	-	31.18
Notional interest on Rent Deposit	20.24	20.56
Notional interest on Financial liability	72.15	-
Interest on Inter Corporate Deposits	1.50	-
Bank charges	0.11	0.16
<b>Total</b>	<b>94.00</b>	<b>51.90</b>

## 24 Other Expenses

Rates & Taxes	69.08	72.63
Repairs & Maintenance	85.03	98.62
Postage, Telephone & Courier charges	12.33	24.68
Travelling Expenses	14.81	11.49
Director's Sitting Fees	4.50	3.75
Professional & Consultancy charges	94.87	68.78
Auditors Remuneration	8.75	8.25
Director's Remuneration	65.21	70.21
Miscellaneous Expenses	22.28	13.09
Advertisement Charges	1.58	0.86
Rent	15.59	16.90
Brokerage and commission	-	5.00
Electricity and Fuel charges	33.00	29.98
Filing Fees	0.33	0.13
Printing & Stationery	12.54	9.79
Loss on sale of fixed assets	-	45.18
Interest on Income Tax	-	2.25
Insurance Expenses	2.33	1.75
Bad Debts	0.62	-
Advances written off	-	3.30
<b>Total</b>	<b>442.85</b>	<b>486.64</b>

25. Exceptional Items	NIL	NIL
26. Expenditure in foreign currency during the current period	0.69	NIL
27. Earnings in Foreign Exchange received during the current period	NIL	NIL

## 28. Segment Reporting:

The company's reportable segments under IND AS 108 are as:

- Rent and Maintenance of Immovable properties
- Manpower services
- Security services
- Investment activities

The following is an analysis of the company's revenue and results from operations by reportable segments

(Rs. In Lakhs)

Particulars	Segment Revenue	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Rent and Maintenance of Immovable properties	669.82	656.27
Manpower services	936.28	952.38
Security services	2,250.74	1,830.94
Investment activities (Gross)	458.96	-
Unallocated Income	153.13	427.82
<b>Total</b>	<b>4,468.93</b>	<b>3,867.41</b>

Particulars	Segment Profit	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Rent and Maintenance of Immovable properties	379.43	367.22
Manpower services	67.47	70.84
Security services	283.53	177.18
Investment activities	458.96	417.57
<b>Total</b>	<b>1,189.39</b>	<b>1,032.81</b>
Finance cost	94.00	51.90
Other net unallocable (income)/expenses	255.75	457.65
Tax Expense	(296.95)	152.42
<b>Profit for the year</b>	<b>1,136.59</b>	<b>370.84</b>

**Segment Assets and Liabilities:**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Segment Assets:</b>		
Rent and Maintenance of Immovable properties	10,906.93	12,614.39
Manpower services	165.21	202.83
Security services	512.18	374.56
Investment activities	11,310.86	12,438.60
Unallocated assets	5,927.22	2,776.73
<b>Total Assets</b>	<b>28,822.40</b>	<b>28,407.11</b>
<b>Segment Liabilities:</b>		
Rent and Maintenance of Immovable properties	351.76	271.48
Manpower services	51.40	30.58
Security services	104.62	66.28
Unallocated liabilities	1,178.87	881.16
<b>Total Liabilities</b>	<b>1,686.65</b>	<b>1,249.50</b>

**Note:**

For the purpose of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments as applicable
2. All liabilities are allocated to reportable segments as applicable

**29. As per IND AS 24- "Related party disclosures", the disclosures of transactions with the related parties are given below:**

**Related Parties:**

**Subsidiary:**

i3 Security Private Limited

India Radiators Limited\*

**Subsidiary (LLP):**

Chitaranjan Developers LLP

**Associates:**

National Trust Housing Finance Limited

**Key Managerial Personnel:**

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

The following are transactions and Closing Balances with the related parties during current year (Rs. in Lakhs)

Particulars of transaction	Year ended 31 March 2020	Year ended 31 March 2019
<b>Transaction with related parties :</b>		
<b>i3 Security Private Limited</b>		
Security charges	35.41	0.08
Maintenance charges	-	6.00
Rent collected	0.12	1.24
<b>Chitaranjan Developers LLP:</b>		
Investment in capital (Transfer from loan)	-	294.00
Loans & Advances	22.54	46.07
Recovery from loans & advances	110.46	18.76
Realisation of interest on loan	11.95	33.89
<b>National Trust Housing Finance Limited:</b>		
Dividend received	33.07	21.00
<b>Mr. E. N. Rangaswami:</b>		
Remuneration	48.00	48.00
<b>Closing Balances:</b>		
<b>Chitaranjan Developers LLP:</b>		
Investment in Capital	294.00	294.00
Unsecured loans	35.00	122.92
<b>National Trust Housing Finance Limited:</b>		
Investment in Equity shares	4323.12	3947.85

**30. Contingent liabilities and commitments (to the extent not provided for):**
**(Rs. in Lakhs)**

Particulars	As at March 2020	As at March 2019
<b>i) Contingent liabilities :</b>		
a) Claims against the company not acknowledged as debt;	<b>Nil</b>	Nil
b) Guarantees-charge created on company's asset for third party loan	<b>25000.00</b>	12500.00
c) Other money for which the company is contingently liable.	<b>Nil</b>	Nil
Disputed tax demand in respect of Assessment Year 2015-16	<b>35.39</b>	35.39
Disputed tax demand in respect of Assessment Year 2016-17 .Appeal filed by the company is pending before CIT(A)	<b>28.58</b>	28.58
<b>ii) Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>406.92</b>	406.92
b) Uncalled liability on shares and other investments partly paid;	<b>Nil</b>	Nil
c) Other commitments (specify nature)	<b>Nil</b>	Nil

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

## Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries / associate companies pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 as at 31 March 2020

### Part "A:" Subsidiaries

(Rs. in Lakhs)

Particulars	i3 Security Private Limited	India Radiators Ltd	Chitaranjan Developers LLP
Reporting period for the subsidiary concerned, (if different from the holding company's reporting period)	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
Share capital	390.78	90.00	300.00
Other Equity	177.17	(809.00)	635.26
Total assets	1,043.07	1,214.44	971.20
Total Liabilities( Excluding Share Capital & Reserves)	475.12	1,933.46	35.94
Investments	-	-	205.00
Turnover	2,250.74	0.68	760.59
Profit before taxation	102.74	50.11	746.65
Provision for taxation	14.95	(144.96)	-
Profit after taxation	87.79	195.07	746.65
Other Comprehensive Income	(219.59)	(665.10)	-
Total Comprehensive Income	(131.80)	(470.03)	746.65
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100.00	92.21 *	98.00

\*Voting right entitlement pursuant to sub section (2) of section 47 of the companies Act 2013

### Part "B": Associates Statement

(Rs. in Lakhs)

Name of the Associate	National Trust Housing Finance Limited
Latest audited Balance Sheet Date	3/31/2020
No. of Shares of Associate held by the company on the year end	7,349,890
Amount of Investment in Associates	3,214.10
Extent of Holding %	49%
Description of how there is significant influence	by virtue of Shareholding
Reason why the associate is not consolidated	NA
Net worth attributable to Shareholding as per latest audited Balance Sheet	3547.95
Profit / Loss for the year - (Total Comprehensive Income)	491.23
i. Considered in Consolidation	240.70
ii. Not Considered in Consolidation	250.53

Note:

- The Financial results of National Trust Housing Finance Limited, Associate have been consolidated based on the audited financial statement prepared as per IND-AS provided by the company.
- The investments have been stated at fair value.

### For DPV & Associates

Chartered Accountants  
F.R. No. 011688S

**CA K Vairamuthu**  
Membership. No. 218791  
Partner

Place : Chennai  
Date : 19 June 2020

For and on behalf of the Board

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

**V. Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director  
DIN: 02299091

**S. Yoganandhan**  
Company Secretary

**Additional information pertaining to subsidiary companies and associate as at 31 March 2020**

**(Rs. in Lakhs)**

Name of the entity in the Group	Net Assets, ie. Total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Mercantile Ventures Limited	97.91	26,567.80	90.68	853.72	88.73	(1,728.18)	51.99	(142.73)
<b>Indian Subsidiaries:</b>								
i3 Security Private Limited	2.09	567.95	9.32	87.79	11.27	(219.59)	48.01	(131.82)
<b>Non-controlling interests in all subsidiaries</b>	-	-	-	-	-	-	-	-
<b>Total</b>	100.00	27,135.75	100.00	941.51	100.00	(1,947.77)	100.00	(274.55)
Chitharanjan Developers LLP-Indian Subsidiary		935.26		746.65		-		746.65
National trust Housing Finance Limited - Associate Indian		7,240.71		480.15		11.08		491.23

