

Mercantile Ventures Limited

Transcript of proceedings at the 19th Annual General Meeting held on 23 September 2020 through Video Conferencing/Other Audio Visual Means

Mr. E N Rangaswami (Whole Time Director)

Good Afternoon, Ladies and Gentlemen. It is 2.00 PM now. I am informed that the necessary quorum is present. Instant Poll is activated for proposing Mr. B Narendran Director of the Company as Chairman of the Meeting pursuant to Article 78 of the Articles of Association. On your screen you will see the proposal for this on which you may now vote, which will be open for 3 minutes.

Moderator

Sir, the poll will take one minutes please be online. The poll is open, I request the shareholders to cast the vote. The pool has been passed so you can start the proceedings.

Mr. B Narendran (Director & Chairman of the Meeting)

Ladies and gentlemen, thank you for electing me as the Chairman of the Meeting and now I call the meeting to order. I am happy to be with you for the 19th Annual General Meeting of your Company being held through Video Conferencing, facilitated by Central Depository Services (India) Limited, CDSL. A live streaming of the meeting is also available through their website. It has been confirmed that this meeting is held in due compliance with the matters specified in the circulars issued the Ministry of Corporate Affairs. The information and documents to be made available for inspection during the meeting are available in digital form through the e-voting platform of CDSL.

I welcome my colleagues who are participating in the meeting:

Mr. A L Chandramouli - Chairperson of the Audit Committee, Ms. Sashikala Srikanth, Mr. G D Sharma, (All Independent Directors), Mr. K Gopalakrishnan (Non-Independent and Non-executive Director), Mr. E N Rangaswami – Whole Time Director, Mr. Padmanabha Sarma – Chief Finance Officer and Mr. S Yoganandhan - Company Secretary. As specified in MCA's Circular the Statutory Auditor is also participating through Video Conferencing Mr. Dasarathy and Mr. Vairamuthu accordingly present. Before we proceed to take up the agenda items, I would like to share a few thoughts with you.

Mr. B. Narendran (Chairman of the Meeting) address to Members

Financial Performance

The company has reported a profit after tax of Rs. 1585.45 Lakhs total comprehensive income is negative of Rs. 142.73 lakhs for 19-20 after providing diminution of Rs. Rs. 2,068.52 lakhs towards fair valuation of fixed assets.

The company commenced Manpower Supply services in May 2019 which segment has contributed to a top line revenue of Rs. 936.28 Lakhs.

The Board has not recommended any dividend in order to conserve resources for future operational requirements.

The company has reported a gross revenue of Rs. 494.77 lakhs and a total comprehensive

income of Rs. 363.16 lakhs during the 1st quarter of the current fiscal year.

Future outlook

The Covid-19 pandemic has ravaged the economies of the world in general. The duration and the intensity of the pandemic is very uncertain. The management is continuously monitoring the macro economic scenario and will take timely and appropriate action

The prospects of the company's main business of lease of properties are likely to be stable even in the current market scenario. The revenue streams from the business of Manpower Supply Services are expected to be healthy.

The Directors express their grateful thanks for the co-operation and support extended to the company by the promoters, shareholders and bankers and appreciation of the good work put in by the employees of the company.

Mr. B Narendran (Chairman of the Meeting)

Now we may take up the items as per the Agenda. The Notice of the Meeting has already been circulated and with your consent, we will take this as read.

The resolutions given in the notice have already been put to vote through remote e-voting. So, there will be no proposing or seconding of the resolutions.

There are no adverse observations or remarks in the Report of the Auditors. So, there is no need to read the Report.

Before we proceed further, I would like to bring to your attention certain information regarding the proceedings. As you would be aware, the facility for remote e-voting on the resolutions was made available between 20 and 22 September 2020. Arrangements have also been made for e-voting during the meeting. The voting is open now and will close five minutes after conclusion of the meeting. Members who have not exercised their votes through remote e-voting and attending the meeting now may cast their votes through e-voting link available on your screen.

Now we will go ahead with the Q&A Session

Those shareholders who have registered to speak at the meeting will be invited one by one. If so, desired they can enable their video while they speak. Kindly note that the maximum time available for each speaker would be about 3 minutes.

So, I request members to be as brief as possible, not to repeat questions if they are similar to the one raised by any other person and speak only on items pertaining to the Agenda of the Meeting. I will collate all the questions and respond to the same at the end.

Now I invite the speakers one by one. I also request moderators to prompt the speakers if they stretch beyond the permitted time.

The first one register is Mr. K Abishek.

Moderator

Mr. Abishek you can speak

Mr. B Narendran

What Mr. Ashishek has done is along.

Mr. Abishek

I have joined.

Mr. B Narendran

Ok, Good afternoon.

Mr. Abishek

My DP ID is - IN301637 and my client id is 41359155 sir. First of all I congratulate the management for the 19 Annual general body meeting, sir, my best wishes for the company for the AGM. For all is well during the challenging situation this is much more respect to the current profitability of the company but no dividend history and we would like to know when will the management will be in a position to declare the dividend. Whereas the polling which we have conducted whereas the statutory requirement because there are only one person when polling is not required, when there are two person then only the polling they are conducting in most of the meetings. Second is in CDSL portal we are able to join the meeting but we are glad the company secretary has sent well in advance in order to help us to participate in particular method of VC, its new to you and for us so hope the management to continue the physical annual general body meeting in the upcoming year so thanks for having sending the link and investor consistency is good in the company and the corporate governance is also very good in the company. we cannot see in CDSL portal were you have enabled the e-voting process. You are supposed to enable the link for inspection of documents like inspection of register of KMP and register of contracts has to be updated on the CDSL portal 30 minutes prior to the AGM and after the conclusion of the AGM this documents are supposed to be updated on the CDSL portal, I cannot see this particular link being updated on CDSL portal so violation sir. Hence, I would request the management kindly upload the particular details / documents in CDSL so that shareholders can they may view the documents. So these documents may be allowed to view only during the time of AGM, kindly in order to, I request the management to kindly take appropriate step upload the documents with immediate effect. Sir, challenges in upcoming quarter. Management efforts to improve Working capital, sale ratio and interest coverage ratio. As a chairman you can tell us every we are actively participating in the AGM and we are having an opportunity to meet you and every year we are getting positive note from you and we cannot see positivity in the companies performance. When the company will be in a position to declare dividend to the minority shareholder. We cannot see the share value is less than the face value, hence some proactive steps to be taken so that the volume will increase so the share price is above the par value and declare meager dividend in the upcoming year. It's a very difficult time so some meager divided to be declared to the shareholders. kindly declare in the upcoming year and nothing more. I have sent an e-mail you could have got the access to that I request the company and the board of director a great success in the upcoming year and future thank you

Mr. B Narendran

Thankou very much. Next speaker is Mr. A V Mani Sundaram..... Mr. Mani Sundaram

Moderation

Wait a moment sir. Mani Sundaram has not joined.

Mr. B Narendran

Ok. Next speaker is Mr. Gopal and jaijand and I think Mr. Abishek they all having same email id is anything else.

Moderator

Both are not joined

Mr. B Narendran

I take it as group of Mr. Abishek

Mr. B Narendran

Ok. Let me start replying.

Regarding efficiency, pooling, e-voting all that we noted for observations and we will try to work towards that whatever possible to improve ourselves whatever we likely. with regard to a general dividend we would like to tell you resumed after lot of fighting hope we have to really undo the past event it will take a lot of time now we are also star recovering as fast as possible and you will see the performance has gone up. But we will see the performance in post and reported have gone up in still not declared simple reason it has to be consult in future business contemplated manpower supply as fast as possible on the directors we added up more experience director.

We will try to do our level best. Share value we have no control over that and you have sent a long list of point which generally sent to many of the company not specifically to us. Most of the things are covered in my reply. I request the whole time director to clarify on the left out items.

As you are blaming as minority shareholder and also you have to pickup some knowledge, all those question what you have asked in already available in the annual report, the question you have asked is repetitive nature which is already published but still I will ask Mr. Rangaswami to explain to your questions.

Mr. Rangaswami

Thank you chairman, with regard to CDSL voting regarding register of contracts and uploading of details we have done every thing as required however we will try to do. We will check it up however as of we have complied with as required in the stipulations. And with regard to your email on various points actually we have already mentioned in the annual report that there are no major adverse impact in on account of Covid in our operation that has been clearly clarified in our annual report itself and as regards any retrenchment of

employees we have not done anything like that and not reduction in no of employees and pay cuts as regards to current assets is relating to TDS, advance tax and share of profit from llp and current liability is relates to duties and taxes, TDS, PF etc. as regards contingent liability we have given a schedule of pending income tax cases and we have good chances of winning and as regards charge created on assets for third party loan and security has been obtained for equal amount the other expenses infact have come down by 97 lakhs you may check up from the annual report and as regard the dividend request it may be based on the companies performance and also the funds required for future the investment. The board will consider at appropriate stage as and when the dividend is possible over to chairman.

Mr. B Narendran (Chairman of the Meeting)

Hope all the questions have been answered. I, thank you once again for your presence and cooperation. As mentioned earlier the venue voting window would remain open for another five minutes. And those who want to cast their votes may do so. The votes polled will be consolidated and the results would be announced in the company's website as stipulated in the relevant regulations. Members may view the final results from the website of the company or the stock exchange on such release. As per the relevant rules, the resolutions deemed to have been passed as on the date of the AGM.

Business, I declare the meeting has been closed and thankyou gentlemen and ladies.