



# ANNUAL REPORT

## 2020 – 21

Mercantile Ventures Limited

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr V. Padmanabha Sarma

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms S Anusha

**REGISTRARS AND SHARE TRANSFER AGENT**

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

**REGISTERED OFFICE**

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

**AUDITORS**

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

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## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Thursday, 23 September, 2021** at 3 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 31<sup>st</sup> March, 2021 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 2021 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. K Gopalakrishnan (DIN: 00621061), 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.K Gopalakrishnan (DIN: 00621061), 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 2021-22 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 2021-22 be fixed at 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 increase in limits to give loans, provide guarantees, to make investment and to acquire securities under Section 186 of the Companies Act by passing the following resolution as **Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with Rule 13 of the Companies (Meeting of Board and its powers) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to give loans from time to time on such terms and conditions as it may deem expedient to any person or any bodies corporate, to provide guarantee or security in connection with a loan to any Body corporate or person and to make investment or to acquire by way of subscription, purchase or otherwise the securities of any other body corporate, up to an aggregate sum of Rs. 500 crores, over and above the limits calculated under section 186 (3) notwithstanding that the aggregate outstanding of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

**RESOLVED FURTHER THAT** the Board (shall be deemed to include any Committee which the Board may have constituted) be and is hereby authorised to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company

5. To consider the re-appointment of Mr B Narendran (DIN: 01159394) as Independent Director and if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. B Narendran (DIN: 01159394), who has already attained 75 years of age and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company W.e.f. 3 February 2022.

6. To consider the re-appointment of Mr. E N Rangaswami (DIN: 06463753) as Whole time Director and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to Sections 196 and 197 read in conjunction with the Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its consent and approval for the reappointment of Mr. E N Rangaswami (DIN: 06463753) as Whole-time Director (WTD) of the Company liable to retire by rotation for a period of three years from 5 December 2021 to 4 December 2024 on the following terms and conditions.

- i. Total annual remuneration shall be Rs. 53 lakhs (Rupees Fifty Three lakhs only) which includes all other allowances.
- ii. Contribution to Provident and Other Funds, Superannuation, Gratuity, leave eligibility and encashment shall be as per the applicable law/service rules of the Company and subject to the limits under (ii) above.
- iii. In addition to the above, the Company shall provide telephone and other communication facilities to the WTD for use in relation to discharge of the duties and responsibilities under this Agreement.
- iv. The Company shall reimburse actual entertainment and traveling expenses incurred by the WTD in connection with the Company's business and the same shall not be treated as perquisites or benefits to the WTD.
- v. In the event of inadequacy or absence of profits during the term of the Agreement, the Whole-time director shall be entitled to the aforesaid remuneration as Minimum Remuneration and the same subject to the provisions of the applicable laws and approval of the Central Government or such other approvals as may be required under the relevant laws.

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

**By order of the Board**  
**For MERCANTILE VENTURES LIMITED**  
**E N Rangaswami**

Place : Chennai  
Date : 13 August, 2021

(DIN: 06463753)  
Whole-time Director

**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 January 13, 2021 read with circulars dated May 5, 2020, 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. 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 M/s KRA & Associates, Practicing Company Secretaries as the scrutinizer for e-voting.
  6. A person who has participated in e-voting is not debarred from participating in the meeting though he/she shall not be able to vote at the meeting again and his/her earlier vote cast electronically shall be treated as final. However, as per Rule 20 of the Companies (Management & Administration) Rules, 2014, facility for voting will also be made available at the meeting and Members who have not cast their vote by e-voting shall be able to exercise their right at the meeting, which would also be through electronic means.
  7. The Register of Members and the Share transfer Books will remain closed from 15 September, 2021 to 23 September 2021 both days inclusive.
  8. The shareholding of the members will be reckoned as on the date of 14 September, 2021 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 dematerialization 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. 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.
  13. Members desirous of speaking at the meeting or seeking any views/questions may send a mail to [cs@mercantileventures.co.in](mailto:cs@mercantileventures.co.in) on or before 20 September, 2021. The same will be replied by the Company suitably.
  14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website [www.mercantileventures.co.in](http://www.mercantileventures.co.in) and website of the BSE Stock Exchange at [www.bseindia.com](http://www.bseindia.com).
- Shareholders are requested to furnish their 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, they 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 they can log in and register their email id and mobile number against the folio number in which you hold the shares. This module also enables them to submit the Form 15G / 15H by way of uploading of scanned copy of the same.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  16. 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 25 June 2021 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 2021-2022 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

#### To approve the increase in limits to give loans, provide guarantees, to make investment and to acquire securities under Section 186 of the Companies Act

As per the provisions of Section 186 of the Companies Act, 2013, (the Act) the Company can invest in the securities of other bodies corporate, give loans, guarantees and provide securities for any loan facility to the extent of sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more with the approval of Board of Directors but where the aggregate of investments, loans, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a Special Resolution.

The shareholders through postal ballot dated 11 April 2019 has approved an overall limit of 400 crores under section 186 of the Companies Act, 2013. Considering the future operational requirements it is proposed to increase the limits from Rs.400 crores to Rs.500 crores over and above the limits prescribed under section 186 of the Companies Act, 2013. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

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

### Item No.5

#### To consider the re-appointment of Mr B Narendran (DIN: 01159394) as Independent Director

Mr. B Narendran, aged 76 years, a Chemical Engineer and a Master's Graduate from USA in Transportation, had worked as professional for more than 3 decades in MAC Group of companies as well as consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA.

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

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

S.No	Name of the Company	Nature of Interest	Committee Membership/ Chairmanship
1.	Southern Petrochemical Industries Corporation Ltd	Director	Audit Committee – <b>Member</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination and remuneration Committee – <b>Chairman</b> Corporate Social responsibility Committee – <b>Member</b>

2.	Sicagen India Ltd	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b>
3.	Greenstar Fertilizers Ltd	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Chairman</b> Corporate Social responsibility Committee – <b>Member</b>
4.	Tuticorin Alkali Chemicals & Fertilizers Ltd	Director	Audit Committee – <b>Chairman</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Chairman</b> Risk Management Committee- <b>Chairman</b>
5.	South India House Estates & Properties Ltd	Director	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Member</b>
6.	India Radiators Limited	Director	Audit Committee – <b>Member</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Chairman</b>

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

Mr B Narendran is proposed to be re-appointed for a second term of 5 years. W.e.f. 3 February 2022

Pursuant to Section 149 (10) of the Companies Act, 2013 and regulation 17(1A) of the SEBI (LODR), 2015, the Board recommends the adoption of this Resolution as Special Resolution considering the fact that it is his second term and that he has already attained 75 years of age.

None of the Directors of your Company is concerned or interested in this resolution other than Mr. B Narendran, Director.

## Item No.6

To consider the re-appointment of Mr. E N Rangaswami (DIN: 06463753) as Whole time Director

Mr. E N Rangaswami, was appointed as the Whole-time Director of the company for a period of 3 years from 5<sup>th</sup> December 2018 to 4<sup>th</sup> December 2021. Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 13 August 2021 approved the re-appointment of Mr. E N Rangaswami as the Whole-time Director of the company for a period of 3 years from 5<sup>th</sup> December 2021 to 4<sup>th</sup> December 2024 subject to the approval of the shareholders.

## 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	(Rs. in Lakhs)		
		F.Year	Revenue from Operation	Profit after Tax
		2018-19	541.18	282.66
		2019-20	1606.10	853.74
		2020-21	1547.56	699.84
(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 Directors	Mr. E N Rangaswami		
(1).	Background details.	Mr. E N Rangaswami aged 65 years is a Chartered Accountant with 41 years of experience.		
(2).	Past remuneration.	Rs.53 Lakhs per annum FY 2020-21.		
(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	TheCompany operatesa niche businessmodel. Secondary data on managerial remuneration for equivalent positions is not readily available However considering current state of competition across the industry, the remuneration offered to the whole time director is fully in line with the responsibilities shouldered.		
(7).	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any	Nil		
III. Other information:				
(1).	Reasons of loss or inadequate profits	The company has made adequate profits in the current financial year.		
(2).	Steps taken or proposed to be taken for improvement	The Company has started manpower services for improving the revenue Stream.		
(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.		
IV. Disclosures – Provided under head Corporate Governance in Board of Directors’ report				
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board;		Directorships in the following companies: India Radiators Limited, Whole Time Director Committee memberships: Stakeholders Relationship Committee-Member		
Shareholding of non-executive directors.		Nil		



The Board recommends the proposal for the consideration of the members as an Special 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**

Place : Chennai  
Date : 13 August, 2021

(DIN: 06463753)  
Whole-time Director

**NOTES:**

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

- (i). The voting period begins on 20 September, 2021 at 9.00 a.m. and ends on 22 September, 2021 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, 2021 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). Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv). In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
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 <b>OR</b> 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>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Mercantile Ventures Limited on which you can choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.



#### Facility for Non – Individual Shareholders and Custodians –Remote Voting

- 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) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. 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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 2021.

### 1. REVIEW OF OPERATIONS

The financial results for the year ended 31 March 2021 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. 944.80 lakhs (previous year Rs. 686.80 lakhs) and total comprehensive income of Rs. 2765.56 lakhs (previous year Rs. (142.73) lakhs).

### 2. FINANCIAL RESULTS

(Rs. Lakhs)

Description	2020-21	2019-20
Profit/(Loss) Before Interest & Depreciation	1061.38	802.73
Interest	19.17	20.24
Depreciation	97.41	95.69
Profit/(Loss) Before Tax	944.80	686.80
Provision for taxation Current tax	272.72	187.06
Deferred tax	(27.76)	(354.00)
Share of profit from LLP/Partnership Firms	28.35	731.71
Profit/(Loss) After Tax	728.19	1585.45
Other Comprehensive Income	2037.37	(1728.18)
Total Comprehensive Income for the year	2765.56	(142.73)
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;

There has been no change in the nature of business during the financial year.

### 8. SUBSIDIARIES & ASSOCIATES

The Company monitors the performance of material unlisted 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 have been ensured.
- The Audit Committee reviewed the financial statements and the investments made by the unlisted subsidiary company.
- 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 has one Wholly Owned Subsidiary, two Subsidiaries and one Associate Company. 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. The performance summary of the subsidiaries and associate are given below:

(Rs in 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	2237.18	2.65	41.78	4821.34
Profit before tax	179.60	(188.86)	28.95	718.29
Current Tax	45.18	-	-	195.09
Deferred tax liability	1.34	5.65	-	(27.43)
Profit / (Loss) after tax	133.08	(194.51)	28.95	550.63
Other Comprehensive Income	-	-	-	4.32
Total Comprehensive Income	133.08	(194.51)	28.95	554.95

## 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 2021;
- 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 Key Managerial personnel of the Company are: Mr. E N Rangaswami - Whole-time Director, Mr. V Padmanabha Sarma - Chief Financial Officer and Ms. S. Anusha – 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 in 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 2020-21 which were in conflict with the interests of the Company.

The Board has approved the policy on related party transactions.

Details of transactions 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 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 16<sup>th</sup> Annual General Meeting to hold office till the conclusion of the 21<sup>st</sup> AGM to be held in the year 2022 as per Section 139 of the Companies Act, 2013.

### **SECRETARIAL AUDITOR**

The Company has appointed M/s KRA & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditors is annexed to this report.

### **COST AUDITOR**

The business activity of the Company is not covered under rule 3 of The Companies (Cost Records and Audit) Rules, 2014. Hence, 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 reviews the risks, threats & concerns and submits report to the Board of Directors periodically.

## **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

As per MCA circular providing the extract of Annual Return in Form MGT-9 along with the Board's Report has been dispensed with and 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 and Manpower supply services. 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 KRA & Associates, Secretarial Auditors.

## 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 adverse impact of the Covid-19 Pandemic continues to be felt by the world in general, though there are signs of abatement of the intensity of the pandemic. The management believes that it has considered all the factors that could affect the financial position of the company and will continue to monitor during the pandemic situation.

## 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 though there are signs of revival.

## b) Opportunities and Threats

There has been an improvement in the economic scenario and is expected to fuel the growth of real estate sector.

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

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

The prospects for this line of business is considered good and the company is expected to generate decent revenue from the aforesaid activities in future also.

## 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 these operations is expected to remain stable in the current fiscal year also.

## 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 500 listed entities, determined on the basis of market capitalization, 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 20-21	FY 19-20		
Debtors turnover ratio	4.51	7.14	36.90	Reduction in Manpower billing due to Covid impact.
Interest coverage ratio	50.29	34.93	43.97	Increase in profit and steady interest charge.
Net profit margin	30.50	41.34	26.12	Reduction due to Deferred tax impact.

**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 – 2020-21	Mr. E N Rangaswami, Whole-time Director	10.22
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2020-21.	Mr. E N Rangaswami, Whole-time Director	10.42
	Mr. V Padmanabha Sarma, Chief Financial Officer	22.34
	Mr. S Yoganandhan, Company Secretary till 10 February 2021.	9.20
	Ms. S Anusha, Company Secretary	NA
The percentage decrease in the median remuneration of employees in the financial Year – 2020-21.		20.67
The number of permanent employees on the rolls of Company as on 31.03.2021		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 increase already made in the salaries of employees other than the key managerial personnel in the FY 2020-21.	19.91
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2020-21	13.10

**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	53.00	B.Sc, ACA	42 Years	05/12/2012	65	Manali petrochemicals Ltd, General Manager (Finance)
V Padmanabha Sarma	Chief Financial Officer	20.37	B.Com., ACA	45 Years	01/12/2012	71	MCC Finance Ltd, Senior Vice President
S. Yoganandhan	Company Secretary till 10/02/2021	5.70	B. Com, ACS	12 Years	02/11/2018	34	Proactive Solutech India Private Limited Company Secretary
S.Anusha	Company Secretary W.e.f 10/02/2021	1.30	B.com, ACS	8 years	10/02/2021	30	Lotus Fertilizers Private Limited Company Secretary
V M Arunachalam	Assistant Manager (Ac- counts)	9.35	B.Com.,	33 Years	12/06/2013	54	SPIC SMO, Accounts Manager
L S Venkataraman	Executive (Co-ordination)	3.87	B.A.	44 Years	09/11/2012	68	Manali Petrochemicals Ltd, executive
Gopichand Koduri	Asst. Manager	4.98	B.Com, CA (Inter)	1 year	09/12/2019	25	IBM India Private Ltd.

**Note –**

1. As per the disclosure available with the Company, none of the above employees is related to any director and none of the employees hold any shares in the Company except Mr. V. Padmanabha Sarma.
2. 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 for their continued support. The Directors also place on record their appreciation of the good work put in by the employees of the company.

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

Place : Chennai  
Date :13 August, 2021

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

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

## FORM NO. AOC -2

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

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

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

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

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

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

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

Place : Chennai  
Date :13 August, 2021

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

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

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

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

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

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

2. Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013 and the Rules pertaining thereto, a Committee of the Board known as 'Corporate Social Responsibility Committee (CSR Committee)' has been constituted comprising, Sashikala Srikanth - Independent Director, B Narendran - Independent Director and 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.	2019-20	601.96
2.	2018-19	354.03
3.	2017-18	402.19
	Total net profit / (Loss)	1358.18
	Average net profit / (Loss)	452.73

The average net profit of the Company for the last three financial years to calculate the minimum CSR expenditure is Rs.452.73 lakhs.

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) is Rs. 9.05 Lakhs
5. Details of CSR spent during the financial year
  - a. Total amount to be spent for the financial year: Rs. 9.05 Lakhs
  - b. Amount unspent, if any: Rs. Nil
  - c. Manner in which the amount spent during the financial year: Rs.9.73 lakhs spent during the year towards providing computer and Computer accessories to a Government School in Chennai.
4. 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- **Not applicable**
5. 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**

Place: Chennai  
Date: 13 August, 2021

**E N Rangaswami**  
**DIN No.06463753**  
**Whole Time Director**

**Sashikala Srikanth**  
**DIN No. 01678374**  
**Director & Chairman CSR Committee**



## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

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

To,

The Members,

**MERCANTILE VENTURES LIMITED**

No: 88, Mount Road,

Guindy, Chennai – 600032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MERCANTILE VENTURES LIMITED** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed thereunder 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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31/03/2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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

- a) Transfer of Property Act, 1882

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with the stock exchanges;



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

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Reg 24A-The Company has not placed MR-3 of its material unlisted subsidiary in its Annual Report for FY 2019-20
- Reg 31-The Promoters shareholding has not been dematerialised to the extent of 0.27% of the total Promoters shareholding

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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.

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

**FOR KRA & ASSOCIATES**

Date: 15.07.2021  
Place: Chennai

R.Kannan  
Sr. Partner  
FCS 6718 / CP No. 3363  
UDIN: F006718C000637557

## **Annexure A**

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit 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 the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of the corporate laws and other applicable laws, rules, regulations, standards is the responsibility of the 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.
7. We have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation ( wherever applicable) for the purpose of issuing this report/certification/document ( As applicable )

**FOR KRA & ASSOCIATES**

Date: 15.07.2021  
Place: Chennai

R.Kannan  
Sr. Partner  
FCS 6718 / CP No. 3363  
UDIN: F006718C000637557



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March 2021**

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

To  
The Members,  
**i3 SECURITY PRIVATE LIMITED**  
# 14, 5th Cross Street, R.V. Nagar Anna Nagar East  
Chennai TN 600102 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **i3 SECURITY PRIVATE LIMITED (U74120TN2011PTC082965)** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed thereunder 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31/03/2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We have also examined, on test-check basis, the relevant documents and records maintained by the Company accordingly the following laws are applicable specifically to the Company:

1. The Private Securities Agencies (Regulation) Act, 2005

We further report that:

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

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

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

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

**FOR KRA & ASSOCIATES**

R.Kannan  
Sr. Partner

Date: 15.07.2021  
Place: Chennai

FCS 6718 / CP No. 3363  
UDIN: F006718C000637216

## Annexure-A

To,  
The Members,  
i3 SECURITY PRIVATE LIMITED  
# 14, 5th Cross Street, R.V. Nagar Anna Nagar East  
Chennai TN 600102 IN

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit 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 the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of the corporate laws and other applicable laws, rules, regulations, standards is the responsibility of the 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.
7. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation (Wherever applicable) for the purpose of issuing this report/certification/Document (as applicable)

**FOR KRA & ASSOCIATES**

Date: 15.07.2021  
Place: Chennai

R.Kannan  
Sr. Partner  
FCS 6718 / CP No. 3363  
UDIN: F006718C000637216

## 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, 2021, the Board of Directors of the Company comprised of six directors. The Board comprises of one executive director, one non-executive & non-independent and four 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. During the year 2020-21, 7 (Seven) Board meetings were held during as given hereunder:

Date of the Board meeting	Strength of the Board	No. of Directors present
19-06-2020	6	5
13-08-2020	6	6
03-09-2020	6	6
30-09-2020	6	6
12-11-2020	6	6
10-02-2021	6	6
31-03-2021	6	5

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, 2021 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 (Only membership in Audit Committees and Stakeholder's Relationship Committee)	
		Board meeting	Last AGM		As Member	As Chairman
1.	Mr. AL Chandramouli, (DIN: 02299091), Non-Executive Independent	7	Yes	1	2	2
2.	Mr. B Narendran, DIN: 1159394), Non-Executive Independent	7	Yes	5	10	5
3.	Ms. Sashikala Srikanth, (DIN: 01678374), Non- Executive Independent	6	Yes	5	8	4
4.	Mr G D Sharma, (DIN: 08060285), Non-Executive Independent	7	Yes	3	4	-
5.	Mr K Gopalakrishnan, (DIN: 00621061), Non-Executive Non-Independent	6	Yes	1	1	-
6.	Mr. E N Rangaswami, (DIN: 06463753), Whole-time Director, Executive Non-Independent	7	Yes	2	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. AL Chandramouli, Non-Executive Independent	Nil	Nil
2.	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.
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. G D Sharma, Non-Executive Independent	Tamilnadu Petroproducts Ltd. Manali Petrochemicals Limited	Non-Executive independent Director in all companies.
5.	Mr. K Gopalakrishnan , Non-Executive Non- Independent	Nil	Nil
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>.

## e) 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.

Major Classification	Sub Classification	Remarks	Directors having the skills
Industry	Specific Skills	knowledge about the leasing and man power business/ industry and the issues specific to the Company.	Mr E N Rangaswami Mr B Narendran
	Professional	professional skills and knowledge about the Company, its market, process, operations, etc.	Mr E N Rangaswami Mr K Gopalakrishnan
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Mr B Narendran Mr AL Chandramouli
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Mr E N Rangaswami Mr B Narendran
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr E N Rangaswami
Risk & Compliance	Operational	Identification of risks related to each area of operation	Mr E N Rangaswami
	Regulatory	Monitor the risks and compliances and knowledge of regulatory requirements	Mr G D Sharma Mr E N Rangaswami
	Financial	Experience in accounting and finance, ability to analyze the financial statements presented, assess the viability of various financial proposals, oversee funding arrangements and budgets.	Ms Sashikala Srikanth Mr E N Rangaswami
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.	Mr E N Rangaswami
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyze issues and contribute at board level to solutions	Mr E N Rangaswami Mr B Narendran
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	All the Directors
Personnel	Qualification & Experience	Having formal education, well qualified to possess the skills and competencies outlined above and previous experience as Member of Board or senior management positions in corporates	All the Directors

### Confirmation of Independent Director

The Independent Directors have been appointed in terms of requirement of Companies Act, SEBI (LODR) Regulations, 2015 and in the opinion of the Board, they fulfil the conditions specified therein and are independent of the Management

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

## 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 Seven times during the year ended 31.03.2021 viz., on 19-06-2020, 13-08-2020, 03-09-2020, 30-09-2020, 12-11-2020, 10-02-2021 and 31-03-2021. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	7
Mr. B Narendran	7
Ms. Sashikala Srikanth	6

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

#### 1) 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 two times during the year ended 31.03.2021 viz., on 19-06-2020 and 10-02-2021. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. B Narendran, Chairperson	2
Mr. G D Sharma	2
Ms. Sashikala Srikanth	2

## 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.

## III) 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 Executive 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

## IV) 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 2020-21 Rs. 53 Lakhs was paid as remuneration (inclusive of all allowances) to Mr. E N Rangaswami, Whole Time Director Company

The Company does not have a scheme for grant of stock options to the directors or to its employees.



## V) 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, 2021 are as follows:

Sl.No.	Name of the Director	Sitting fees (in Rs)
1.	Mr. AL Chandramouli	1,75,000
2.	Mr. B Narendran	1,75,000
3.	Ms. Sashikala Srikanth	1,50,000
4.	Mr. G D Sharma	1,75,000
5.	Mr K Gopalakrishnan	1,50,000
	<b>Total</b>	<b>8,25,000</b>

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

## 5) 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 2 times on 12-11-2020 and 10-02-2021 during the year ended 31.03.2021. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	2
Mr.E N Rangaswami	2
Ms. Sashikala Srikanth	2
Mr K Gopalakrishnan	2

## Details of the Compliance Officer:

S Anusha - Company Secretary & Compliance Officer

## Details of Shareholders Complaints:

Number of complaints received during the year: 1

Number of complaints solved during the year : 1

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

## 6) General Meetings

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

Year	Location	Date and Time
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, 02.00 PM
19th AGM-2019-2020	through VC/OAVM	23 September 2020, 02.00 PM

## b) Special resolutions

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

Date of AGM	Subject
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	Continuation of directorship of Mr. B. Narendran as an Independent Director on his attaining the age of 75.  Re-appointment of Mr. A L Chandramouli as an Independent Director for a second term of 5 years including continuation of directorship beyond 75 years.  Re-appointment of Ms. Sashikala Srikanth as an Independent Director for a second term of 5 years:  Re-appointment of Mr. E N Rangaswami as Whole Time Director for a further period of 3 years.
23 September, 2020	No Special Resolution was passed

## c) Passing of resolution by Postal Ballot

During the year the 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.

## 7) 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 "Makkal Kural" (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.

## 8) General Shareholder Information

1.	Annual General Meeting:	
	Date	23 September, 2021
	Time	03.00 PM
	Venue	The Company will be conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 read with 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 ISIN	538942 - Bombay Stock Exchange Limited. 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	Dematerialization of shares and liquidity	91.42 % equivalent to 10,23,13,399 equity shares of the total equity capital is held in dematerialised form. The company's equity shares are regularly traded in the Bombay Stock Exchange Limited in the compulsory demat form.
12.	Convertible instrument	Company has not issued any convertible instrument.
13.	Address for correspondence.	Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address viz. Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 Fax No. 28460129, Email: cameo@cameoindia.com  For other general matters or in case of any difficulties / grievances investors may contact. S. Anusha Company Secretary Mercantile Ventures Limited 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 044 – 40432209 Email: cs@mercantileventures.co.in.
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	48892	94.07	6891276	6.15
501	1000	2248	4.33	1723614	1.54
1001	2000	571	1.10	806525	0.73
2001	3000	104	0.20	265015	0.24
3001	4000	40	0.08	151102	0.14
4001	5000	35	0.07	165342	0.15
5001	10000	39	0.08	282908	0.25
>=	10001	35	0.07	101632413	90.80
<b>Total</b>		<b>51964</b>	<b>100.00</b>	<b>111918195</b>	<b>100.00</b>

**Shareholding pattern as of 31 March, 2021**

Particulars	Equity shares held	% to paid-up capital
Promoters	7,24,24,608	64.71
Public		
Bodies Corporate	2,87,88,379	25.72
Financial Institutions/ Banks	100	-
Others	1,07,05,108	9.57
<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-20	4.07	3.42	33887.25	27500.79
May-20	5.10	4.07	32845.48	29968.45
Jun-20	9.39	4.88	35706.55	32348.10
Jul-20	9.95	6.46	38617.03	34927.20
Aug-20	8.70	6.22	40010.17	36911.23
Sep-20	8.21	6.79	39359.51	36495.98
Oct-20	9.16	6.90	41048.05	38410.20
Nov-20	9.54	7.81	44825.37	39334.92
Dec-20	16.5	7.84	47896.97	44118.10
Jan-21	16.5	13.25	50184.01	46160.46
Feb-21	14.5	11.65	52516.76	46433.65
Mar-21	14.22	11.60	51821.84	48236.35
Apr-21	17.44	12.50	50118.08	47362.71

**9) 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 transactions has been placed in 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.

h) The Company has not raised any funds through preferential allotment or qualified institutional placement of shares and securities.

i) Certificate on Corporate Governance

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. M/s KRA & Associates, Practicing Company Secretaries, have submitted a certificate to this effect.

A compliance certificate from M/s KRA & Associates Practicing Company Secretaries pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

j) The Board of directors has accepted all the recommendations made by the committees.

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

(Rs. in Lakhs)

Companies	Financial Year 2020-21		
	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	-	2.00	-
Reimbursement of expenses	-	-	-
<b>Total</b>	<b>3.50</b>	<b>4.50</b>	<b>0.25</b>

l) Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

- Number of complaints filed during the financial year - Nil
- Number of complaints disposed of during the financial year - Nil
- Number of complaints pending as on end of the financial year - Nil

10) 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.

11) The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:

- The Financial Statements do not contain any modified audit opinion by the statutory Auditors.
- 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.

12) 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.

13) A Management Discussion and Analysis Report has been presented as part of the Directors' Report.

14) There are no pending unclaimed shares which are required to be transferred to demat suspense account.



## 15) 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).

## 16) 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

Place : Chennai  
Date : 13 August, 2021

(DIN: 06463753)  
Whole-time Director

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To:  
The Members of  
**MERCANTILE VENTURES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mercantile Ventures Limited (CIN: L65191TN-1985PLC037309), for the year ended 31st March, 2021 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said regulations. 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 and based on the representations made by the Directors and Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We 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.

**FOR KRA & ASSOCIATES**

Place: Chennai  
Date: 31.07.2021

R.Kannan  
Sr. Partner  
FCS 6718 / CP No. 3363  
UDIN: F006718C000715822

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To:**  
**The Members of**

### **MERCANTILE VENTURES LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MERCANTILE VENTURES LIMITED having CIN: L65191TN1985PLC037309 and having registered office at No.88, Mount Road, Guindy, Chennai – 600032 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment
1	A L Chandramouli	02299091	15/11/2012
2	B Narendran	01159394	03/02/2017
3	K Gopalakrishnan	00621061	12/06/2020
4	Sashikala Srikanth	01678374	25/03/2015
5	G D Sharma	08060285	12/06/2020
6	E N Rangaswami	06463753	05/12/2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR KRA & ASSOCIATES**

**Place: Chennai**  
**Date: 31.07.2021**

**R.Kannan**  
**Sr. Partner**  
**FCS 6718 / CP No. 3363**  
**UDIN: F006718C000715811**

v

## 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, 2021, 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, 2021, 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><i>Evaluation of uncertain tax positions</i></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><i>Principal Audit Procedures</i></b></p> <p>Obtained details of Pending tax assessments and demands for the year ended March 31, 2021 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.
  - j) 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.
  - ii) 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**  
**Partner**  
**(M.No.218791)**  
**Date: 25/06/2021**  
**Place: Chennai**  
**UDIN No.21218791AAAABP8748**

## **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, 2021 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, 2021, 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**  
**Partner**  
**(M.No.218791)**  
**Date: 25/06/2021**  
**Place: Chennai**  
**UDIN No. 21218791AAAABP8748**

## 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:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 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.
- 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 to Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

- In the light of above, we do not comment on terms and conditions of grant of such loans.
- In the light of above, we do not comment on repayment of the principal amount and interest.
- 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, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

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

- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities except TDS defaults of Rs 63,900/-\*.- appearing as TDS default in the Traces Portal relating to the period when the company was under control of the official Liquidator, Madras High Court".
- 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(A) AY 2016-17	28.58	Appeal filed however the is Pending before CIT Appeals



- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix) The Company has not raised 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.
- xvi) 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**  
**Partner**  
**(M.No.218791)**  
**Date: 25/06/2021**  
**Place: Chennai**  
**UDIN No.21218791AAAABP8748**

## STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(Rs.In Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	6,252.38	6,341.11
(b) Capital work-in progress	2	4,401.62	4,401.62
(c) Financial assets- Investments	3	9,250.60	7,314.97
(d) Deferred tax assets (Net)	4	1,371.91	1,344.15
		<b>21,276.51</b>	<b>19,401.85</b>
<b>(2) Current assets</b>			
(a) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables	5	357.10	329.41
(iii) Cash and cash equivalents	6	1,946.74	928.25
(iv) Other current financial assets	7	5,148.90	4,970.50
(b) Current Tax Assets	8	889.22	613.15
(c) Other Current Assets	9	354.03	731.71
		<b>8,695.99</b>	<b>7,573.02</b>
<b>Total Assets</b>		<b>29,972.50</b>	<b>26,974.87</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	11,191.82	11,191.82
(b) Other Equity	11	17,512.44	14,746.88
		<b>28,704.26</b>	<b>25,938.70</b>
<b>LIABILITIES</b>			
<b>(1) Non- Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities	12	247.11	281.44
		<b>247.11</b>	<b>281.44</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	13	19.20	36.06
(ii) Other financial liabilities	14	96.20	85.66
(b) Provisions	15	905.73	633.01
		<b>1,021.13</b>	<b>754.73</b>
<b>Total Equity &amp; Liabilities</b>		<b>29,972.50</b>	<b>26,974.87</b>

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

As per our Report of even date

**For DPV & Associates**

**Chartered Accountants**

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

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

**Place : Chennai**  
**Date : 25 June 2021**

**For and on behalf of the Board**

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

**V.Padmanabha Sarma**  
**Chief Financial Officer**

**B Narendran**  
**Director**  
**DIN:01159394**

**S. Anusha**  
**Company Secretary**

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Rs.In Lakhs)

Particulars		Note No.	Year Ended 31 March 2021	Year Ended 31 March 2020
I	Revenue from operations	16	1,547.56	1,606.10
II	Other income	17	746.81	458.96
	<b>Total Revenue</b>		<b>2,294.37</b>	<b>2,065.06</b>
III	<b>Expenses</b>			
	a). Cost of Services	18	908.15	948.02
	b). Employee benefits expense	19	105.18	91.78
	c). Finance costs	20	19.17	20.24
	d). Depreciation and amortisation expense	2	97.41	95.69
	e). Other expenses	21	219.66	222.53
	<b>Total expenses</b>		<b>1,349.57</b>	<b>1,378.26</b>
IV	<b>Profit/(loss) before exceptional items and tax</b>		<b>944.80</b>	<b>686.80</b>
V	Exceptional Items		-	-
VI	<b>Profit/(loss) before tax</b>		<b>944.80</b>	<b>686.80</b>
VII	<b>Tax expense</b>			
	Current tax		272.72	184.39
	Tax relating to previous years		-	2.67
	Deferred tax		(27.76)	(354.00)
VIII	<b>Profit/(loss) for the period (VII-VIII)</b>		<b>699.84</b>	<b>853.74</b>
IX	Share of Profit/(loss) from LLP/Partnership Firms		28.35	731.71
X	<b>Profit/(loss) for the period</b>		<b>728.19</b>	<b>1,585.45</b>
XI	Other Comprehensive Income		2,037.37	(1,728.18)
	Total Comprehensive Income for the period (VIII+IX) (Comprising Profit /(loss) and other comprehensive income)		<b>2,765.56</b>	<b>(142.73)</b>
XII	<b>Earnings per equity share</b>			
	(1) Basic		0.63	0.76
	(2) Diluted		0.63	0.76

The accompanying notes are an integral part of the standalone financial statements  
As per our Report of even date

**For DPV & Associates**

**For and on behalf of the Board**

**Chartered Accountants**

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

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

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

**B Narendran**  
**Director**  
**DIN:01159394**

**Place : Chennai**  
**Date : 25 June 2021**

**V.Padmanabha Sarma**  
**Chief Financial Officer**

**S. Anusha**  
**Company Secretary**



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

### (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 2020	11,19,18,195	11191.82
<b>As at 31 March 2021</b>	<b>11,19,18,195</b>	<b>11191.82</b>

### (B) Other equity

(Rs. In Lakhs)

Particulars	Reserves and surplus					Items of other comprehensive		Total
	Equity components 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 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
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>361.27</b>	<b>12,250.20</b>	<b>375.60</b>	<b>1,767.28</b>	<b>1,202.89</b>	<b>(1,210.36)</b>	<b>14,746.88</b>
Profit for the year					699.84			699.84
Share of profit from LLP					28.35			28.35
Other comprehensive income						2,054.82	(17.45)	2,037.37
Total comprehensive Income for the year					728.19	2,054.82	(17.45)	2,765.56
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>361.27</b>	<b>12,250.20</b>	<b>375.60</b>	<b>2,495.47</b>	<b>3,257.70</b>	<b>(1,227.81)</b>	<b>17,512.44</b>

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

As per our Report of even date

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

CA K.Vairamuthu  
Membership No: 218791  
Partner

Place : Chennai  
Date : 25 June 2021

For and on behalf of the Board

E N Rangaswami  
Whole-time Director  
DIN: 06463753

V.Padmanabha Sarma  
Chief Financial Officer

B Narendran  
Director  
DIN:01159394

S. Anusha  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Rs. In Lakhs)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit for the year before Tax after Exceptional items, OCI, share of profit	3,010.52	(309.67)
	<b>Adjustments for:</b>		
	Depreciation	97.41	95.69
	Dividend Income	(258.52)	(84.84)
	Interest Income	(424.26)	(309.63)
	Other equity adjustments	-	11.99
	Profit on sale of investments	(4.01)	(4.26)
	Reduction in Fixed assets on fair valuation	-	2,068.52
		(589.38)	1,777.47
	<b>Operating Profit before Working Capital changes</b>	2,421.14	1,467.80
	<b>Adjustments for:</b>		
	Other Financial Liabilities	(34.33)	29.24
	Current liabilities & Provisions	(6.32)	(21.74)
	Trade Receivables	(27.69)	(208.76)
	Current tax assets	(13.49)	108.59
	Other current assets	377.68	(731.71)
		295.85	(824.38)
	Tax paid	2,716.99	643.42
		(262.58)	(173.57)
	<b>Net Cash from Operating activities (A)</b>	2,454.41	469.85
<b>B</b>	<b>Cash Flow from Investing activities</b>		
	Proceeds from sale of shares	33.65	30.81
	Addition to Fixed assets	(8.68)	(413.20)
	Non Current Investments	(1,965.27)	(432.98)
	Current Investments	-	951.38
	Income from Investments	682.78	394.47
	Loans and Advances	(178.40)	(391.82)
		(1,435.92)	138.66
	<b>Cash Flow from investing activities (B)</b>	(1,435.92)	138.66
<b>C</b>	<b>Cash Flow from Financing activities</b>		
	Long term Borrowings	-	
	<b>Net Cash used in Financing Activities (C)</b>		
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>	1,018.49	608.51
	<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	928.25	319.74
	<b>Cash &amp; Cash Equivalents at the end of the period</b>	1,946.74	928.25

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

As per our Report of even date

For DPV & Associates

For and on behalf of the Board

Chartered Accountants

F.R.No: 011688S

CA K.Vairamutthu  
Membership No: 218791  
Partner

E N Rangaswami  
Whole-time Director  
DIN: 06463753

B Narendran  
Director  
DIN:01159394

Place : Chennai  
Date : 25 June 2021

V.Padmanabha Sarma  
Chief Financial Officer

S. Anusha  
Company Secretary

## SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2021

### 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.

- 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
- c. Interest income is recognised based on accrual basis
- d. Other Income were accounted on accrual basis
- e. Dividend income shall be recognised when the share holder's right to receive payments is established. In respect of the investment in Preference Shares, dividend income is recognised based on the right to receive based on contractual obligations.

## **B) Expenditure**

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

## **C) Income taxes**

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

## 2. Property Plant and Equipment

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPREICATION				NET BLOCK	
	AS AT 01-04-2020	ADDITIONS	DELETIONS	TOTAL 31-03-2021	AS AT 01-04-2020	DELETIONS	FOR THE YEAR	TOTAL 31-03-2021	AS AT 31-03-2021	AS AT 31-03-2020
Tangible Assets										
Freehold Land	4592.49	8.68	-	4601.17	-	-		-	4601.17	4592.49
Buildings **	1954.40	-	-	1954.40	347.83	-	74.25	422.08	1532.32	1606.57
Computers	4.55	-	-	4.55	2.97	-	1.44	4.41	0.14	1.58
Airconditioners,etc	124.63	-	-	124.63	38.39	-	7.89	46.28	78.35	86.24
Furniture and Fixtures	137.49	-	-	137.49	84.11	-	13.06	97.17	40.32	53.38
Office Equipments	4.09	-	-	4.09	3.24	-	0.77	4.01	0.08	0.85
<b>Total</b>	<b>6817.65</b>	<b>8.68</b>	<b>-</b>	<b>6826.33</b>	<b>476.54</b>	<b>-</b>	<b>97.41</b>	<b>573.95</b>	<b>6252.38</b>	6341.11
Capital work-in Progress	4401.62	-	-	4401.62	-	-	-	-	4401.62	4401.62
<b>Total</b>	<b>11219.27</b>	<b>8.68</b>	<b>-</b>	<b>11227.95</b>	<b>476.54</b>	<b>-</b>	<b>97.41</b>	<b>573.95</b>	<b>10654.00</b>	<b>10742.73</b>
<b>Previous year</b>	<b>12874.59</b>	<b>413.20</b>	<b>(2,068.52)</b>	<b>11219.27</b>	<b>380.85</b>	<b>-</b>	<b>95.69</b>	<b>476.54</b>	<b>10742.73</b>	<b>12493.74</b>

\*\* 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 for an equivalent value

### 3. Financial Assets-Investments:

(Rs. in lakhs)

S. No.	Particulars	Subsidiary / Associates / Joint Venture/Others	Face Value (Rs.)	No. of Shares	As at 31 March 2021	No. of Shares	As at 31 March 2021
	<b>Investments in Equity instruments-fully paid up at fair value through Other</b>						
	Comprehensive Income						
	Quoted						
1	Chitra Durga Spintex Ltd	Others	10	3,650	0.06	3,650	0.05
	Sical Logistics Ltd	Others	10	12,600	1.25	12,600	0.96
3	Sicagen India Ltd	Others	10	7,29,510	106.14	7,29,510	87.91
4	Southern Petrochemical Industries Corporation Ltd	Others	10	8,53,810	247.61	8,53,810	105.87
5	Haryana Leather Chemicals Ltd	Others	10	12,131	—	21,800	4.32
6	ICICI Bank	Others	2	—	—	—	—
7	Reliance Industries Limited EQ	Others	10	—	—	—	—
8	Alphageo India Ltd	Others	10	—	—	7,600	10.22
9	Tamil Nadu Petroproducts Ltd	Others	10	2,01,000	97.18	2,01,000	55.17
10	Manali Petrochemicals	Others	5	24,97,810	1,493.69	24,97,810	369.68
11	Sterlite Technologies Ltd	Others	2	225	0.45	225	0.15
12	Tata Coffee Ltd	Others	1	—	—	16,000	9.57
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	—
<b>Sub Total - (A)</b>					<b>1,946.38</b>		<b>643.90</b>

#### Unquoted

1	National Trust Housing Finance	Associates	10	73,49,890	3,454.45	73,49,890	3,214.10
2	Ltd AM Foundation	Others	10	1,200	—	1,200	—
3	i3 Security private Ltd	Subsidiary	10	39,07,800	701.06	39,07,800	567.80
<b>Sub Total - (B)</b>					<b>4,155.51</b>		<b>3,781.90</b>
<b>Total (C) : (A) + (B)</b>					<b>6,101.89</b>		<b>4,425.80</b>

#### Investments in Preference Shares

1	EDAC Engineering Ltd	Others	10	2,00,00,000	1,907.11	2,00,00,000	1,735.09
2	India Radiators Ltd	Subsidiary	10	1,06,46,000	938.60	1,06,46,000	860.08
<b>Sub Total - (D)</b>					<b>2,845.71</b>		<b>2,595.17</b>

#### Investment in capital of Partnership firms/LLP- at cost

1	Chitharanjan Developers LLP *	Subsidiary			294.00		294.00
2	Cunningham Ventures**	Subsidiary			3.00		—
3	Willingdon Ventures**	Subsidiary			3.00		—
4	Sahoj Ventures**	Subsidiary			3.00		—
<b>Sub Total - (E)</b>					<b>303.00</b>		<b>294.00</b>
<b>Net Value of Investments (C)+(D)+(E)</b>					<b>9,250.60</b>		<b>7,314.97</b>



**\*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>

**\*\*Details of Investment in Partnership Firms:**

Names of partners	Capital	Share of Profit
Cunningham Ventures***		
Mercantile Ventures Limited	3.00	99%
i3 Security Private Limited (Nominee of Mercantile Ventures Limited)	-	1%
Willingdon Ventures***		
Mercantile Ventures Limited	3.00	99%
i3 Security Private Limited (Nominee of Mercantile Ventures Limited)	-	1%
Sahoj Ventures***		
Mercantile Ventures Limited	3.00	99%
i3 Security Private Limited (Nominee of Mercantile Ventures Limited)	-	1%
*** Mercantile ventures Limited became partner w.e.f 01-March-2021		

**4 Deferred Tax Asset (Net)**

(Rs.in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2021
opening balance	1,344.15	990.15
Deferred tax asset	27.76	354.00
<b>Total</b>	<b>1,371.91</b>	<b>1,344.15</b>

**5 Trade Receivables:**

<b>Unsecured-considered good:</b>		
Outstanding for more than 6 months	27.09	21.97
Others	330.01	307.44
<b>Total</b>	<b>357.10</b>	<b>329.41</b>

**6 Cash & Cash Equivalents**

Cash on Hand	0.07	0.12
Balance with Banks in Current Accounts	96.67	928.13
Fixed deposits with banks	1,850.00	
<b>Total</b>	<b>1,946.74</b>	<b>928.25</b>

**7 Other current financial assets:**

Loans and Advances-Inter Corporate Deposits	3,698.09	3,600.65
Other unsecured Loans	-	35.00
Other Advances	1,439.48	1,327.79
Security Deposit	5.86	7.06
Interest accrued on Fixed deposits	5.47	-
<b>Total</b>	<b>5,148.90</b>	<b>4,970.50</b>

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

Edac Engineering Limited	2,960.65	2,925.65
Chitaranjan Developers LLP	-	35.00
India Radiators Limited	737.44	675.00

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

**8 Current Tax assets**

Advance income tax	889.22	613.15
<b>Total</b>	<b>889.22</b>	<b>613.15</b>

**9 Other Current assets**

Share of Profit from LLP/Partnership Firms	354.03	731.71
<b>Total</b>	<b>354.03</b>	<b>731.71</b>

## 10 Share Capital

Particulars	As at 31 March 2021	As at 31 March 2021
<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
Total	13,000.00	13,000.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
11,19,18,195 Equity Shares of Rs.10/- each fully paid up (Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)	11,191.82	11,191.82
Total	11,191.82	11,191.82

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	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	-	-	-	-
Shares outstanding at the close of the year	111,918,195	11,191.82	111,918,195	11,191.82

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

Name of Shareholder	As at 31-03-2021		As at 31-03-2020	
	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	1,43,96,000	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

(Rs.in lakhs)

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 2019	-	361.27	12,250.20	375.60	1,890.55	14,877.62
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
Balance as at 31 March 2020	-	361.27	12,250.20	375.60	1,759.81	14,746.88
Profit for the year					699.84	699.84
Share of profit from LLP					28.35	28.35
Other comprehensive income					2,037.37	2,037.37
Total comprehensive Income for the year					2,765.56	2,765.56
Any other change					-	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>361.27</b>	<b>12,250.20</b>	<b>375.60</b>	<b>4,525.37</b>	<b>17,512.44</b>

## 12 Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2021	As at 31 March 2020
Rent Deposit	247.11	281.44
<b>Total</b>	<b>247.11</b>	<b>281.44</b>

## 13 Trade Payables

Due to Micro, Small and Medium Enterprises	-	1.59
Due to others	19.20	34.47
<b>Total</b>	<b>19.20</b>	<b>36.06</b>

#### 14 Other Current Financial Liabilities

(Rs.in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Duties & Taxes	21.76	22.51
Other Payables	74.44	63.15
<b>Total</b>	<b>96.20</b>	<b>85.66</b>

#### 15 Current Provisions

Provision for Taxation	905.73	633.01
<b>Total</b>	<b>905.73</b>	<b>633.01</b>

#### 16 Income from Operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rent of immovable properties	561.92	569.65
Maintenance Charges	103.62	100.17
Manpower Supply services	882.02	936.28
<b>Total</b>	<b>1,547.56</b>	<b>1,606.10</b>

#### 17 Other Income

Dividend received	258.52	84.84
Guarantee commission	60.00	60.00
Interest Received	424.26	309.63
Profit on sale of investments	4.01	4.26
Miscellaneous income	0.02	0.23
<b>Total</b>	<b>746.81</b>	<b>458.96</b>

#### 18 Cost of Services

Cost of manpower supply services	833.80	875.83
Cost of maintenance services	74.35	72.19
<b>Total</b>	<b>908.15</b>	<b>948.02</b>

#### 19 Employment Benefit Expenses

Salaries	100.42	86.88
Contribution to PF	1.65	0.46
Staff Welfare	3.11	4.44
<b>Total</b>	<b>105.18</b>	<b>91.78</b>

#### 20 Finance Cost

Notional interest on Rent Deposit	19.17	20.24
<b>Total</b>	<b>19.17</b>	<b>20.24</b>

## 21 Other Expenses

(Rs.in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rates & Taxes	37.27	60.38
Repairs & Maintenance	122.45	75.96
Postage, Telephone & Courier charges	1.31	9.92
Travelling Expenses	0.50	0.22
Professional & Consultancy charges	6.18	21.14
Auditors Remuneration	4.50	4.50
Miscellaneous Expenses	2.63	7.96
Advertisement Charges	1.80	1.58
Director Sitting Fees	8.25	4.50
Electricity and Fuel charges	20.69	23.62
Filing Fees	0.15	0.14
Printing & Stationery	1.35	10.30
Insurance Expenses	2.85	2.31
Loss on sale of investments	-	-
Contribution to CSR activities	9.73	-
<b>Total</b>	<b>219.66</b>	<b>222.53</b>

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

(Rs. In Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
<b>Segment Revenue:</b>		
Rent and Maintenance of Immovable properties	665.54	669.82
Manpower services	882.02	936.28
Investment activities	746.81	458.96
Unallocated Income	-	-
<b>Total</b>	<b>2,294.37</b>	<b>2,065.06</b>

### Segment Profit:

Rent and Maintenance of Immovable properties	326.29	375.57
Manpower services	48.22	60.45
Investment activities	746.81	458.96
Unallocated Income	-	-
<b>Total</b>	<b>1,121.32</b>	<b>894.98</b>
Finance cost	19.17	20.24
Other net unallocable (income)/expenses	157.35	187.94
Tax Expense	244.96	(166.94)
<b>Profit for the year</b>	<b>699.84</b>	<b>853.74</b>

### Segment Assets and Liabilities:

#### Segment Assets:

Rent and Maintenance of Immovable properties	10,833.91	10,906.93
Manpower services	177.19	165.21
Investment activities	14,399.50	12,285.47
Unallocated assets	4,561.90	3,617.26
<b>Total</b>	<b>29,972.50</b>	<b>26,974.87</b>

#### Segment Liabilities:

Rent and Maintenance of Immovable properties	275.01	351.76
Manpower services	87.50	51.40
Unallocated liabilities	905.73	633.01
<b>Total</b>	<b>1,268.24</b>	<b>1,036.17</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



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

**Subsidiaries:**

i3 Security Private Limited  
India Radiators Limited  
Chitaranjan Developers LLP  
Cunningham Ventures\*\*  
Willingdon Ventures\*\*  
Sahoj Ventures\*\*

**Associate:**

National Trust Housing Finance Limited

**Key Managerial Personnel:**

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

\*\*Mercantile ventures Limited became partner w.e.f 01-March-2021

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

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

(Rs. in lakhs)

Particulars of transaction	Year ended 31 March 2021	Year ended 31 March 2020
<b><u>Transaction with related parties :</u></b>		
<b>i3 Security Private Limited</b>		
Security charges	32.11	35.41
Rent collected	-	0.12
<b>India Radiators Limited</b>		
Inter corporate deposit & advances given	45.89	655.13
Interest Accrued/received on Inter corporate deposit	62.43	17.68
<b>Chitaranjan Developers LLP:</b>		
Loans & Advances	5.39	22.54
Recovery from loans & advances	40.39	110.46
Interest Accrued/received on loan	2.40	11.95
<b>Cunningham Ventures - Capital Contribution</b>	3.00	-
<b>Willingdon Ventures - Capital Contribution</b>	3.00	-
<b>Sahoj Ventures - Capital Contribution</b>	3.00	-
<b>National Trust Housing Finance Limited: - Dividend Received</b>	33.07	33.07
<b>Mr. E. N. Rangaswami - Remuneration</b>	53.00	48.00
<b><u>Closing Balances:</u></b>		
<b>i3 Security Private Limited</b>		
Investments in Equity shares	701.06	567.80
<b>India Radiators Limited</b>		
Investment in preference shares	938.60	860.08
Inter Corporate Deposit & Advances	721.02	675.12



(Rs. in lakhs)

Particulars of transaction	Year ended 31 March 2021	Year ended 31 March 2020
Interest accrued on Inter corporate deposit	62.43	-
<b>Chitaranjan Developers LLP:</b>		
Investment in capital	294.00	294.00
Unsecured loans	-	35.00
<b>Cunningham Ventures</b> - Investment in capital	3.00	-
<b>Willingdon Ventures</b> - Investment in capital	3.00	-
<b>Sahoj Ventures</b> - Investment in capital	3.00	-
<b>National Trust Housing Finance Limited</b> -Investment in Equity shares	3,454.44	3,214.10

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

Particulars	As at 31 March 2021	As at 31 March 2020
i) Contingent liabilities :		
a) Claims against the company not acknowledged as debt;	Nil	Nil
b) Guarantees-charge created on company's asset for third party loan	23,500.00	25,000.00
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
ii) Commitments:		
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, 2021, 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, 2021, 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	<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 29 to the Consolidated Financial Statements</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of Pending tax assessments and demands for the year ended March 31, 2021 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises

the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, Compare with the financial statements of 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.2292.31 lacs as at 31st March 2021, Total Revenue of Rs.2239.83 lacs, Net cash flows amounting to (Rs.9.01) lacs for the year ended 31st March 2021 and one subsidiary whose groups share of profit of Rs.28.37 lacs for the year ended on that date, as considered in the Consolidated financial Statements
- b) We did not the audit the financial information of Associate namely M/s.National Trust Housing Finance Limited and groups share of profit of Rs.271.93 lacs for the year ended 31st March 2021, has been considered in the Consolidated financial Statements.
- c) These consolidated 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 consolidated 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, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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 29.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**CA Vaira Mutthu K**  
**Partner**  
**(M.No.218791)**  
**Date: 25/06/2021**  
**Place: Chennai**  
**UDIN No. 21218791AAAABQ1936**



## **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, 2021 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, 2021, 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**  
**Partner**  
**(M.No.218791)**  
**Date: 25/06/2021**  
**Place: Chennai**  
**UDIN: 21218791AAAABQ1936**

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Rs. in Lakhs)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	7,467.79	7,555.99
	(b) Capital work-in progress	2	4,401.62	4,401.62
	(c) Goodwill on consolidation		221.15	87.89
	(d) Minority Interest		913.53	719.00
	<b>Financial assets</b>			
	(a) Investments	3	8,992.89	6,996.11
	(b) Deferred tax assets (Net)	4	1,156.31	1,135.55
	(c) Other loans and advances		-	-
			<b>23,153.29</b>	<b>20,896.16</b>
(2)	<b>Current assets</b>			
	<b>Inventories</b>	5	0.25	0.34
	<b>(a) Financial Assets</b>			
	(i) Investments		-	-
	(ii) Trade receivables	6	759.77	866.35
	(iii) Cash and cash equivalents	7	2,291.51	1,282.02
	(iv) Other current financial assets	8	4,531.59	4,314.75
	<b>(b) Current Tax Assets</b>	9	1,037.25	731.07
	<b>(c) Other Current Assets</b>	10	354.03	731.71
			<b>8,974.40</b>	<b>7,926.24</b>
	<b>Total Assets</b>		<b>32,127.69</b>	<b>28,822.40</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	11	11,191.82	11,191.82
	(b) Other Equity	12	19,114.51	15,943.93
			<b>30,306.33</b>	<b>27,135.75</b>
	<b>LIABILITIES</b>			
(1)	<b>Non-current Liabilities</b>			
	<b>Financial Liabilities</b>			
	(i) Borrowings		-	-
	(ii) Other financial liabilities	13	247.11	281.44
			<b>247.11</b>	<b>281.44</b>
(2)	<b>Current Liabilities</b>			
	<b>(a) Financial Liabilities</b>			
	(i) Trade payables	14	21.14	49.66
	(ii) Other financial liabilities	15	242.04	252.54
	(b) Other Current liabilities	16	99.50	99.50
	(c) Provisions	17	1,211.57	1,003.51
			<b>1,574.25</b>	<b>1,405.21</b>
	<b>Total Equity and Liabilities</b>		<b>32,127.69</b>	<b>28,822.40</b>

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

As per our Report of even date

For and on behalf of the Board

For DPV & Associates  
Chartered Accountants  
F.R.No: 011688S  
CA K.Vairamuthu Membership  
No: 218791 Partner

E N Rangaswami  
Whole-time Director  
DIN:06463753

B Narendran  
Director  
DIN:01159394

V.Padmanabha Sarma  
Chief Financial Officer

S Anusha  
Company Secretary

Place : Chennai  
Date :25 June 2021



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Rs in lakhs)

S.No	Particulars	Note No.	Year Ended 31 March 2021	Year Ended 31 March 2020
I	Revenue from operations	18	3,729.99	3,823.94
II	Other income	19	694.55	644.99
	<b>Total Revenue (A)</b>		<b>4,424.54</b>	<b>4,468.93</b>
III	<b>Expenses</b>			
	Cost of Services/materials consumed	20	899.10	963.15
	Employee benefits expense	21	2,009.43	2,028.09
	Finance costs	22	99.30	94.00
	Depreciation and amortisation expense	2	101.39	101.20
	Other expenses	23	379.77	442.85
	<b>Total expenses (B)</b>		<b>3,488.99</b>	<b>3,629.29</b>
IV	<b>Profit/(loss) before exceptional items and tax (A)-(B)</b>		<b>935.55</b>	<b>839.64</b>
V	Exceptional Items		-	-
VI	<b>Profit/(loss) before ax</b>		<b>935.55</b>	<b>839.64</b>
VII	<b>Tax expense</b>			
	Current tax		317.90	197.98
	Tax relating to Previous years		-	-
	Deferred tax		(20.77)	(497.60)
VIII	<b>Profit/(loss) for the period</b>		<b>638.42</b>	<b>1,136.59</b>
IX	Share of Profit from LLP & Partnership Firms		28.35	731.71
X	Share of profit from associate		271.93	240.70
XI	<b>Profit/(loss) for the period</b>		<b>938.70</b>	<b>2,109.00</b>
XII	Minority interest		(194.51)	(470.03)
XIII	<b>Net Profit/(loss) for the period</b>		<b>1,133.21</b>	<b>2,579.03</b>
XIV	Other Comprehensive Income		2,037.37	(2,612.87)
XV	<b>Total Comprehensive Income for the period Comprising Profit/(loss) and other comprehensive income</b>		<b>3,170.58</b>	<b>(33.84)</b>
	Attributable to:			
	Owners of the company		3,170.58	(33.84)
	Non-controlling interests		-	-
XVI	<b>Earnings per equity share</b>			
	(1) Basic		0.74	1.44
	(2) Diluted		0.74	1.44

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

As per our Report of even date

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

CA K.Vairamutthu  
Membership No: 218791  
Partner  
Place Chennai  
Date : 25 June 2021

For and on behalf of the Board

E N Rangaswami  
Whole-time Director  
DIN:06463753

V.Padmanabha Sarma  
Chief Financial Officer

B Narendran  
Director  
DIN:01159394  
S Anusha  
Company Secretary



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

### 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 2020	111,918,195	11,191.82
As at 31 March 2021	111,918,195	11,191.82

### 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 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
Other comprehensive income	-	-	-	-	-	44.83	(2,657.70)	(2,612.87)
Total comprehensive Income for the year	-	-	-	-	1,136.59	44.83	(2,657.70)	(1,476.28)
Profit of associate	-	-	-	-	240.70	-	-	240.70
share of profit from LLP	-	-	-	-	731.71	-	-	731.71
Minority Interest	-	-	-	-	470.03	-	-	470.03
Any other change	-	-	-	-	11.98	-	-	11.98
Balance as at 31 March 2020	-	295.28	12,252.47	375.60	3,912.74	1,202.89	(2,095.05)	15,943.93
<b>Balance as at 1 April 2020</b>	<b>-</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>
Profit for the year	-	-	-	-	638.42	-	-	638.42
Other comprehensive income	-	-	-	-	-	2,054.82	(17.45)	2,037.37
Share of profit from LLP	-	-	-	-	28.35	-	-	28.35
Minority Interest	-	-	-	-	194.51	-	-	194.51
Total comprehensive Income for the year	-	-	-	-	861.28	2,054.82	(17.45)	2,898.65
Profit of associate	-	-	-	-	271.93	-	-	271.93
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>5,045.95</b>	<b>3,257.71</b>	<b>(2,112.50)</b>	<b>19,114.51</b>

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

As per our Report of even date

For and on behalf of the Board

For DPV & Associates  
Chartered Accountants

CA K.Vaira Muthu  
Partner

Membership  
No:218791

Place : Chennai  
Date : 25 June 2021

E N Rangaswami  
Whole-time Director  
DIN:06463753

V. Padmanabha Sarma  
Chief Financial Officer

B Narendran  
Director  
DIN:01159394

S Anusha  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(Rs in lakhs)

	Particulars		Year ended 31 March 2021		Year ended 31 March 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Profit for the year before Tax and after Exceptional items, OCI and share of profit excluding associate		3,195.78		(571.50)
	<b>Adjustments for:</b>				
	Depreciation	101.39		101.20	
	Dividend Income	(258.52)		(97.65)	
	Interest Income	(370.12)		(292.14)	
	Minority Interest	(194.51)		(719.00)	
	Deferred tax Liability	-		367.88	
	Other Equity adjustments	-		11.99	
	Profit on sale of investments	(4.01)		(4.26)	
	Guarantee Commission	(60.00)		(60.00)	
	Net block of assets added	-		(1,878.77)	
	Reduction in fair value of assets	-	(785.77)	2,733.62	162.87
	<b>Operating Profit before Working Capital changes</b>		<b>2,410.01</b>		<b>(408.63)</b>
	<b>Adjustments for:</b>				
	Other Current liabilities	1.69		106.50	
	Current provisions	(109.82)		(75.63)	
	Long Term Liabilities	(34.33)		29.24	
	Current liabilities	(40.71)		179.04	
	Other current assets	377.68		(731.71)	
	Goodwill	(133.26)		243.82	
	Trade Receivables	106.58		(174.33)	
	Other Current tax Assets	1.58	169.41	87.52	(335.55)
			<b>2,579.42</b>		<b>(744.18)</b>
	<b>Tax paid</b>		<b>(307.76)</b>		<b>(187.16)</b>
	<b>Net Cash from Operating activities (A)</b>		<b>2,271.66</b>		<b>(931.34)</b>
<b>B</b>	<b>Cash Flow from Investing activities</b>				
	Proceeds from sale of shares	33.66		30.81	
	Addition to Fixed Assets	(13.18)		(415.12)	
	Non Current Investments	(1,754.45)		402.87	
	Current Investments	-		952.38	
	Income from Investments	688.64		449.79	
	Loans and Advances	(216.84)	(1,262.17)	280.64	1,701.37
	<b>Cash Flow from investing activities (B)</b>		<b>(1,262.17)</b>		<b>1,701.37</b>
<b>C</b>	<b>Cash Flow from Financing activities</b>				
	Long term Borrowings		-		-
	<b>Net Cash used in Financing Activities (C)</b>		<b>-</b>		<b>-</b>
	<b>Net Cash Flows during the year (A) + (B) + (C)</b>	-	<b>1,009.49</b>		<b>770.03</b>
	<b>Cash &amp; Cash Equivalents at the beginning of the period</b>		<b>1,282.02</b>		<b>511.99</b>
	<b>Cash &amp; Cash Equivalents at the end of the period</b>		<b>2,291.51</b>		<b>1,282.02</b>
	The accompanying notes are an integral part of the consolidated financial statements				

As per our Report of even date

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

CA K.Vairamuthu  
Membership No: 218791  
Partner

Place : Chennai

Date : 25 June 2021

For and on behalf of the Board

E N Rangaswami  
Whole-time Director  
DIN:06463753

B Narendran  
Director  
DIN:01159394

V. Padmanabha Sarma  
Chief Financial Officer

S Anusha  
Company Secretary

## CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

### 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 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*
Chitharanjan 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 Mercantile Ventures 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 intragroup 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 recognized as "Goodwill" in the consolidated financial statements.
- The proportionate share of the Group's interest in associates is accounted under equity method of accounting in accordance with Ind AS 28 Investments in Associates and Joint Ventures.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence share of movements in equity since the date the parent subsidiary relationship

came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.

#### **1.4. Use of estimates**

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

#### **1.5. Cash Flow Statement**

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

#### **1.6. Critical accounting estimates**

##### **A) Revenue recognition**

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

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

##### **B) Expenditure**

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

#### **1.7. Property, Plant and Equipment**

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

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

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

## 1.8. Impairment

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

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

## 1.9. Financial Instruments

### 1. Initial recognition

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

There are no such transactions in the current financial year.

### 1.12. Segment Reporting

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

### 1.13. Income tax

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

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

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

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

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

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

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

### 1.14. Rounding of amounts

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

## 2. Property Plant and Equipment

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPREICATION					NET BLOCK	
	As at 01-04-2020	Additions	Deletions	Total 31-03-2021	As at 04-04-2020	Addi- tions	Dele- tions	For the year	Total 31-03-2021	As at 31-03-2021	As at 31-03-2020
Tangible Assets											
Freehold Land	5,780.49	8.68	-	5,789.17	-	-	-	-	-	5,789.17	5,780.49
Leasehold Land	0.90	-	-	0.90	-	-	-	-	-	0.90	0.90
Plant & Machinery	284.66	-	-	284.66	270.43	-	-	-	270.43	14.23	14.23
Buildings **	2,050.98	-	-	2,050.98	438.23	-	-	75.59	513.82	1,537.16	1,612.75
Computers	29.71	4.08	-	33.79	26.54	-	-	2.89	29.43	4.36	3.17
Airconditioners,etc	127.65	-	3.02	124.63	41.41	-	3.03	7.90	46.28	78.35	86.24
Furniture and Fixtures	151.88	-	-	151.88	97.48	-	-	13.33	110.81	41.07	54.40
Office Equipments	19.48	0.42	-	19.90	16.92	-	-	1.68	18.60	1.30	2.56
Vehicles	2.42	-	2.42	-	2.42	-	2.42	-	-	-	-
Electrical Installation	25.15	-	-	25.15	23.90	-	-	-	23.90	1.25	1.25
<b>Total</b>	<b>8,473.32</b>	<b>13.18</b>	<b>5.44</b>	<b>8,481.06</b>	<b>917.33</b>	<b>-</b>	<b>5.45</b>	<b>101.39</b>	<b>1,013.27</b>	<b>7,467.79</b>	<b>7,555.99</b>
<b>Capital work-in Progress</b>	<b>4,401.62</b>	<b>-</b>	<b>-</b>	<b>4,401.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,401.62</b>	<b>4,401.62</b>
<b>Total</b>	<b>12,874.94</b>	<b>13.18</b>	<b>5.44</b>	<b>12,882.68</b>	<b>917.33</b>	<b>-</b>	<b>5.45</b>	<b>101.39</b>	<b>1,013.27</b>	<b>11,869.41</b>	<b>11,957.61</b>
<b>Previous year</b>	<b>12,896.62</b>	<b>2,711.94</b>	<b>2,733.62</b>	<b>12,874.94</b>	<b>398.10</b>	<b>418.03</b>	<b>-</b>	<b>101.20</b>	<b>917.33</b>	<b>11,957.61</b>	<b>12,498.52</b>

\*\* 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 for an equivalent value



### 3. Financial Asstes- Investments

Particulars	Subsidiary/ Associates/ Joint Ven- ture/Others	Face Value (Rs.)	No. of Shares	As at 31 March 2021	No. of Shares	As at 31 March 2020
<b>Investments in Equity instruments-fully paid up at fair value through Other Comprehensive Income</b>						
<b>Quoted</b>						
Chitra Durga Spintex Ltd	Others	10	3,650	0.06	3,650	0.05
Sical Logistics Ltd	Others	10	12,600	1.25	12,600	0.96
Sicagen India Ltd	Others	10	729,510	106.14	729,510	87.91
Southern Petrochemical Industries Corporation Ltd	Others	10	853,810	247.61	853,810	105.87
Haryana Leather Chemicals Liimited	Others	10	-	-	21,800	4.32
Icici Bank	Others	2	82	-	82	-
Reliance Industries Limited EQ	Others	10	1,820	-	1,820	-
Alphageo India Ltd	Others	10	7,600	-	7,600	10.22
Tamil Nadu Petroproducts Ltd	Others	10	201,000	97.18	201,000	55.17
Manali Petrochemicals	Others	5	2,497,810	1,493.69	2,497,810	369.68
Sterlite Technologies Ltd	Others	2	225	0.45	225	0.15
Tata Coffee Ltd	Others	1	16,000	-	16,000	9.57
Thirumalai Chemicals Ltd	Others	1	1,000	-	1,000	-
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>1,946.38</b>		<b>643.90</b>
<b>Unquoted</b>						
National Trust Housing Finance Ltd	Associate	10	7,349,890	4,835.40	7,349,890	4,323.12
Express Carriers Limited	Others	10	100,000	1.00	-	-
AM Foundation	Others	10	1,200	-	1,200	-
<b>Sub Total - (B)</b>				<b>4,836.40</b>		<b>4,323.12</b>
<b>Total (C) : (A) + (B)</b>				<b>6,782.78</b>		<b>4,967.02</b>

(Rs. in lakhs)

Particulars	Subsidiary/ Associates/ Joint Ven- ture/Others	Face Value (Rs.)	No. of Shares	As at 31 March 2021	No. of Shares	As at 31 March 2020
<b>Investments in Preference Shares</b>						
EDAC Engineering Ltd	Others	10	20,000,000	1,907.11	20,000,000	1,735.09
India Radiators Ltd	Subsidiary	10	10,646,000	-	10,646,000	-
<b>Sub Total - (D)</b>				1,907.11		1,735.09
Investment in capital of LLP- at cost						
Chitharanjan Developers LLP *	Subsidiary			294.00		294.00
Cunningham Ventures**	Subsidiary			3.00		-
Willingdon Vnventures**	Subsidiary			3.00		-
Sahoj Ventures**	Subsidiary			3.00		-
<b>Sub Total - (E)</b>				303.00		294.00
<b>Net Value of Investments - (C) + (D) + (E)</b>				8,992.89		6,996.11

**\*Details of Investment in LLP:**

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>	300.00	100%

**\*\*Details of Investment in Partnership Firms:**

Names of partners	Capital	Share of Profit
<b>Cunningham Ventures***</b>		
Mercantile Ventures Limited	3.00	99%
i3 Security Private Ltd (Nominee of Mercantile Ventures Ltd	-	1%
<b>Willingdon Ventures***</b>		
Mercantile Ventures Limited	3.00	99%
I3 Security Private Limited (Nominee of Mercantile Ventures Ltd	-	1%
<b>Sahoj Ventures***</b>		
Mercantile Ventures Limited	3.00	99%
I3 Security Private Limited (Nominee of Mercantile Ventures Ltd	-	1%

\*\*\* Mercantile ventures Limited became partner w.e.f 01-March-2021

**4.Deferred Tax Asset (Net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	1,358.47	1,005.83
Additions/(Reversal)	(202.16)	129.72
<b>Total</b>	1,156.31	1,135.55

(Rs. in lakhs)

## 5. Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Inventories stock in trade	0.25	0.34
<b>Total</b>	<b>0.25</b>	<b>0.34</b>

## 6. Trade Receivables:

Unsecured-considered good: Outstanding for period exceeding 6 months	29.98	76.00
Others	729.79	790.35
<b>Total</b>	<b>759.77</b>	<b>866.35</b>

## 7. Cash & Cash Equivalents

Cash on Hand	0.49	0.88
Balance with Banks in Current Accounts	441.02	1,281.14
Fixed deposits with banks	1,850.00	-
<b>Total</b>	<b>2,291.51</b>	<b>1,282.02</b>

## 8. Other current financial assets:

Loans and Advances-Inter Corporate Deposits	3,070.86	2,925.65
Other unsecured Loans	-	35.00
Other Advances	1,445.87	1,333.43
GST input credit	0.45	3.54
Security Deposit	14.01	17.13
<b>Total</b>	<b>4,531.19</b>	<b>4,314.75</b>

Details of Inter corporate deposits/loans disclosed pursuant to section 186(4) of the companies act 2013		
EDAC Engineering Limited	2,960.65	2,925.65
Chitraranjan Developers LLP	-	35.00
The above Inter corporate deposits/loans are given for the business purposes of the recipient entities		

## 9. Current Tax assets

Advance income tax	1,037.25	731.07
<b>Total</b>	<b>1,037.25</b>	<b>731.07</b>

## 10. Other Current assets

Chitharanjan Developers LLP-Current account	354.03	731.71
<b>Total</b>	<b>354.03</b>	<b>731.71</b>

## 11. Share Capital

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

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

(Rs. in lakhs)

Particulars	As at 31-03-2021		As at 31-03-2020	
	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>

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

Name of Shareholder	As at 31-03-2021		As at 31-03-2020	
	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%

## 12. Other Equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus				Total
		Capital Reserve	Securities Premium	General reserve	Retained Earnings	
Balance as at 01-04-2019	-	295.28	12,252.47	375.60	3,042.44	15965.79
Profit for the year	-	-	-	-	1136.59	1136.59
Profit of associate	-	-	-	-	240.70	240.70
Share of profit from LLP	-	-	-	-	731.71	731.71
Minority Interest	-	-	-	-	470.03	470.03
Other comprehensive income for the year	-	-	-	-	(2,612.87)	(2,612.87)
Total comprehensive income for the year	-	-	-	-	(33.84)	(33.84)
Any other change	-	-	-	-	11.98	11.98
Balance as at 31-03-2020	-	295.28	12,252.47	375.60	3,020.58	15,943.93
<b>Balance as at 01-04-2020</b>	<b>-</b>	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>3,020.58</b>	<b>15,943.93</b>
Profit for the year	-	-	-	-	638.42	638.42
Other comprehensive income for the year	-	-	-	-	2,037.37	2,037.37
Share of profit from LLP	-	-	-	-	28.35	28.35
Minority Interest	-	-	-	-	194.51	194.51
Total comprehensive income for the year	-	-	-	-	2,898.65	2,898.65
Profit of associate	-	-	-	-	271.93	271.93
Any other change	-	-	-	-	-	-
<b>Balance as at 31-03-2021</b>	<b>-</b>	<b>295.28</b>	<b>12,252.47</b>	<b>375.60</b>	<b>6,191.16</b>	<b>19,114.51</b>

### 13 Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2021	As at 31 March 2020
Rent Deposit	247.11	281.44
<b>Total</b>	<b>247.11</b>	<b>281.44</b>

### 14 TradePayables

Due to Micro, Small and Medium Enterprises	-	1.59
Due to others	21.14	48.07
<b>Total</b>	<b>21.14</b>	<b>49.66</b>

### 15 Other Current Financial Liabilities

Duties & Taxes	73.55	96.72
Inter corporate deposits	17.72	16.36
Other Payables	150.77	139.46
<b>Total</b>	<b>242.04</b>	<b>252.54</b>

### 16 Other Current Liabilities

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

### 17 Current Provisions

Provision for employee benefits	213.50	307.31
Provision for Taxation	998.07	696.20
<b>Total</b>	<b>1,211.57</b>	<b>1,003.51</b>

## 18 Income from Operations

(Rs.in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rent of immovable properties	665.54	669.82
Manpower Supply services	882.02	936.28
Sale of Services	2,160.41	2,175.50
Sale of products	22.02	42.34
<b>Total</b>	<b>3,729.99</b>	<b>3,823.94</b>

## 19 Other Income

Dividend received	258.52	97.65
Guarantee commission	60.00	60.00
Interest received	370.12	292.14
Credit Balances written Back	1.26	161.29
Profit on sale of investments	4.01	4.26
Miscellaneous income	0.64	29.65
<b>Total</b>	<b>694.55</b>	<b>644.99</b>

## 20 Cost of services/materials consumed

cost of manpower supply services	833.80	875.83
Cost of Other services	42.24	57.89
Cost of materials consumed	23.06	29.43
<b>Total</b>	<b>899.10</b>	<b>963.15</b>

## 21 Employment Benefit Expenses

Salaries and allowances	1,801.53	1,825.64
Contribution to PF and other funds Gratuity	185.55	182.65
Staff Welfare	22.35	19.80
<b>Total</b>	<b>2,009.43</b>	<b>2,028.09</b>

## 22 Finance Cost

Notional interest on Rent Deposit	19.17	20.24
Notional interest on Financial liability	78.53	72.15
Interest on Inter Corporate Deposits	1.50	1.50
Bank charges	0.10	0.11
<b>Total</b>	<b>99.30</b>	<b>94.00</b>

## 23 Other Expenses

(Rs. in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rates & Taxes	47.39	69.08
Repairs & Maintenance	140.70	85.03
Postage, Telephone & Courier charges	2.87	12.33
Travelling Expenses	10.80	14.81
Director's Sitting Fees	8.25	4.50
Professional & Consultancy charges	32.37	94.87
Auditors Remuneration	7.50	8.75
Director's Remuneration	41.97	65.21
Miscellaneous Expenses	20.27	22.28
Advertisement Charges	3.31	1.58
Rent	4.05	15.59
Electricity and Fuel charges	31.32	33.00
Filing Fees	0.34	0.33
Printing & Stationery	3.05	12.54
Insurance Expenses	2.87	2.33
Bad Debts	12.98	0.62
Contribution to CSR Activities	9.73	-
<b>Total</b>	<b>379.77</b>	<b>442.85</b>

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

## 27 Segment Reporting:

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

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

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

(Rs. In Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
<b>Segment Revenue:</b>		
Rent and Maintenance of Immovable properties	665.54	669.82
Manpower services	882.02	936.28
Security services	2,181.65	2,250.74
Investment activities (Gross)	679.29	458.96
Unallocated Income	16.04	153.13
<b>Total</b>	<b>4,424.54</b>	<b>4,468.93</b>
<b>Segment Profit:</b>		
Rent and Maintenance of Immovable properties	358.40	379.43
Manpower services	48.22	67.47
Security services	260.45	283.53
Investment activities	679.29	458.96
<b>Total</b>	<b>1,346.36</b>	<b>1,189.39</b>
Finance cost	99.30	94.00
Other net unallocable (income)/expenses	311.51	255.75
Tax Expense	297.13	(296.95)
<b>Profit for the year</b>	<b>638.42</b>	<b>1,136.59</b>
<b>Segment Assets and Liabilities:</b>		
<b>Segment Assets:</b>		
Rent and Maintenance of Immovable properties	10,833.91	10,906.93
Manpower services	177.19	165.21
Security services	409.08	512.18
Investment activities	13,358.35	11,310.86
Unallocated assets	7,349.16	5,927.22
<b>Total</b>	<b>32,127.69</b>	<b>28,822.40</b>
<b>Segment Liabilities:</b>		
Rent and Maintenance of Immovable properties	266.31	351.76
Manpower services	71.44	51.40
Security services	72.13	104.62
Unallocated liabilities	1,411.48	1,178.87
<b>Total</b>	<b>1,821.36</b>	<b>1,686.65</b>

Note:

For the purpose of monitoring segment performance and allocating resources between segments:1

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



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

**Related Parties:**

**Subsidiaries:**

i3 Security Private Limited  
India Radiators Limited  
Chitaranjan Developers LLP  
Cunningham Ventures \*\*  
Willingdon Ventures \*\*  
Sahoj Ventures \*\*

**Associate:**

National Trust Housing Finance Limited

**Key Managerial Personnel:**

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

\*\*Mercantile ventures Limited became partner w.e.f 01-March-2021

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

(Rs. in lakhs)

Particulars of transaction	Year ended 31 March 2021	Year ended 31 March 2020
<b><u>Transaction with related parties :</u></b>		
<b>Chitaranjan Developers LLP:</b>		
Loans & Advances	5.39	22.54
Recovery from loans & advances	40.39	110.46
Realisation of interest on loan	2.40	11.95
<b>Cunningham Ventures - Capital Contribution</b>	<b>3.00</b>	-
<b>Willingdon Ventures - Capital Contribution</b>	<b>3.00</b>	-
<b>Sahoj Ventures - Capital Contribution</b>	<b>3.00</b>	-
<b>National Trust Housing Finance Limited - Dividend Received</b>	<b>33.07</b>	33.07
<b>Mr. E. N. Rangaswami - Remuneration</b>	<b>53.00</b>	48.00
<b><u>Closing Balances:</u></b>		
<b>Chitaranjan Developers LLP:</b>		
Investment in capital	294.00	294.00
Unsecured loans	-	35.00
<b>Cunningham Ventures - Investment in capital</b>	<b>3.00</b>	-
<b>Willingdon Ventures - Investment in capital</b>	<b>3.00</b>	-
<b>Sahoj Ventures - Investment in capital</b>	<b>3.00</b>	-
<b>National Trust Housing Finance Limited - Investment in Equity shares</b>	<b>4,835.40</b>	4,323.12

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

<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	23,500.00	25,000.00
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.	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

30. 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 2021

## Part "A:" Subsidiaries

(Rs. in lakhs)

Particulars	i3 Security Private Limited	India Radia-tors Limited	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	NA		NA
Financial year in the case of foreign subsidiaries			
Share capital	390.78	90.00	300.00
Other Equity	310.25	(1,003.52)	259.21*
Total assets	1,080.06	1,212.25	560.59
Total Liabilities( Excluding Share Capital & Reserves)	379.03	2,125.77	1.38
Investments	1.00	-	205.00
Turnover	2,223.81	0.78	41.78
Profit before taxation	179.60	(188.86)	28.95
Provision for taxation	46.52	5.65	-
Profit after taxation	133.08	(194.51)	28.95
Other Comprehensive Income	-	-	-
Total Comprehensive Income	133.08	(194.51)	28.95
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100.00	92.21**	98.00

\*Partners current account

\*\*Voting right entitlement pursuant to sub section (2) of the 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	31-03-2021
No. of Shares of Associate held by the company on the year end	73,49,890
Amount of Investment in Associates	3454.45
Extent of Holding %	49%
Description of how there is significant influence	by virtue of Shareholding
Reason why the associate is not consolidated	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	3786.80
Profit / Loss for the year - (Total Comprehensive Income)	554.95
i. Considered in Consolidation	271.93
ii. Not Considered in Consolidation	283.02

Note:

1) The Financial results of National Trust Housing Finance Limited, Associate have been consolidated based on the audited financial statement prepared as per IND-AS.

2) The investments have been stated at fair value.

For and on behalf of the Board

E N Rangaswami  
Whole-time Director  
DIN:06463753

B Narendran  
Director  
DIN:01159394

Place : Chennai  
Date : 25 June 2021

V. Padmanabha Sarma  
Chief Financial Officer

S Anusha  
Company Secretary

ADDITIONAL INFORMATION PERTAINING TO SUBSIDIARY COMPANIES AS AT 31 MARCH 2021

(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
<b>Parent:</b>								
Mercantile Ventures Limited	97.69	29605.30	84.02	699.85	100.00	2,037.37	95.36	2737.22
<b>Indian Subsidiaries:</b>								
i3 Security Private Limited	2.31	701.03	15.98	133.08	-	-	4.64	133.08
Non-controlling interests in all subsidiaries	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>30306.33</b>	<b>100.00</b>	<b>832.93</b>	<b>100.00</b>	<b>2,037.37</b>	<b>100.00</b>	<b>2,870.30</b>
Chitharanjan Developers LLP-Indian Subsidiary		559.21		28.95				28.95
National trust Housing Finance Limited - Indian Associate		7728.16		550.63		4.32		554.95











**MERCANTILE VENTURES LIMITED**  
Registered Office : 88, Mount Road, Guindy, Chennai - 600 032