



ANNUAL REPORT

2015 – 16

Mercantile Ventures Limited

Board of Directors

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

Audit Committee

AL. Chandramouli	Chairman
M.Rajamani	Member
Sashikala Srikanth	Member

Chief Financial Officer

V Padmanabha Sarma

Company Secretary & Compliance Officer

N Prasanna Varadan

Registered Office

88, Mount Road,
Guindy,
Chennai – 600 032.
CIN: L6519TN1985PLC037309
E-mail: admin@mercantileventures.co.in
Website: www.mercantileventures.co.in

Auditors

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

Registrars and Share Transfer Agent

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

CONTENTS

Notice to Shareholders	1
Boards' Report and Annexures	6
Standalone Financial Statements (27-31)	
Independent Auditors' Report.....	27
Balance Sheet	28
Statement of Profit and Loss	29
Cash Flow Statement.....	30
Notes annexed to and forming part of Financial Statements.....	31
Consolidated Financial Statements (33-37)	
Independent Auditors' Report.....	33
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement.....	36
Notes annexed to and forming part of Financial Statements.....	37
Subsidiaries	
Financial Highlights of Subsidiaries Companies	38

MERCANTILE VENTURES LIMITED

CIN: L6519TN1985PLC037309

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

NOTICE OF THE ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements for the year ended 31 March 2016 and the Reports of Directors and Auditors thereon.

“**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any, of the Companies Act, 2013, the financial statements of the Company for the year ended 31 March 2016, together with the Reports of the Directors, Auditors thereon and the report of Secretarial Auditor as circulated to the members and presented to the meeting be and are hereby considered and adopted”.

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

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

3. To ratify the appointment of Auditors by passing the following as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the re-appointment of M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants as the Auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, for the fourth year in the first term of five years as recommended by the board of directors of the Company is ratified at a remuneration of Rs. 275000.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Sections 196 and 197 read in conjunction with the Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its consent and approval for the reappointment of Mr. E N Rangaswami (DIN: 06463753) as Whole-time Director of the Company for a period of three years from 05 December 2015 to 04 December 2018 on the following terms and conditions and liable to retire by rotation.

- i. Basic Salary at the rate of Rs.1,25,000 (Rupees one lakh twenty five thousand only) per month.
- ii. Other Allowances and perquisites aggregating to Rs.1,75,000 (Rupees one lakh seventy five thousand only) per month
- iii. Contribution to Provident and Other Funds, Superannuation, Gratuity, leave eligibility and encashment shall be as per the applicable law/service rules of the Company and subject to the limits under (ii) above.
- iv. In addition to the above, the Company shall provide telephone and other communication facilities to the WTD for use in relation to discharge of the duties and responsibilities under this Agreement.
- v. The Company shall reimburse actual entertainment and traveling expenses incurred by the WTD in connection with the Company's business and the same shall not be treated as perquisites or benefits to the WTD.
- vi. In the event of inadequacy or absence of profits during the term of the Agreement, the Whole-time director shall be entitled to the aforesaid remuneration as Minimum Remuneration and the same subject to the provisions of the applicable laws and approval of the Central Government or such other approvals as may be required under the relevant laws.

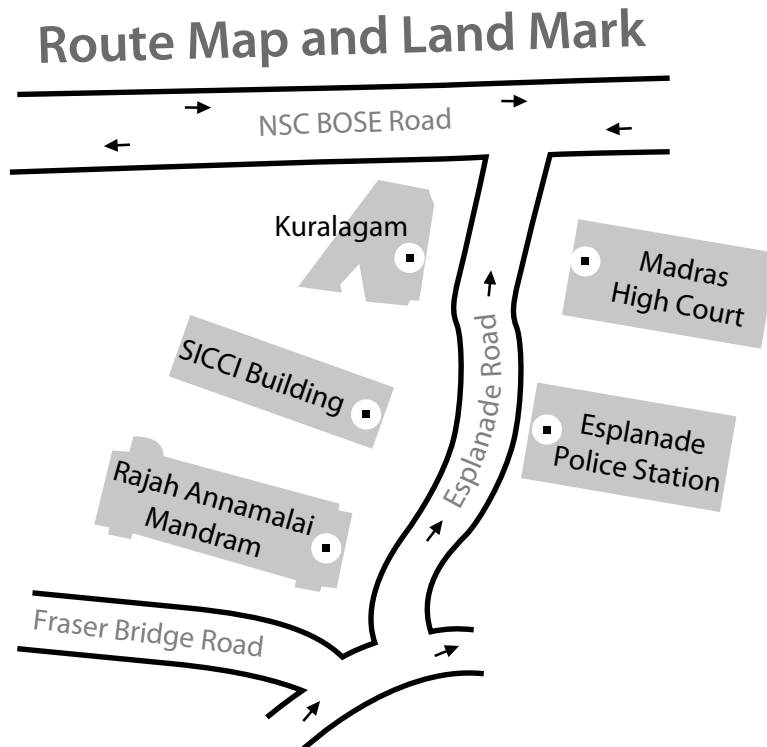
RESOLVED FURTHER THAT the Board, including any Committee thereof, be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the aforesaid resolution.”

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

Place: Chennai
Date : 04 August 2016

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 13 September 2016 to 19 September 2016 both days inclusive.
3. Members are requested to convert the physical shares to demat and to effect change of address, if any.
4. Members are requested to bring their copies of Annual Report to the meetig.
5. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members facility to cast their vote electronically on all resolutions set forth in this Notice through remote e-voting services provided by Central Depository Services (India) Limited(CDSL). The detailed process for participating in e-voting is furnished in the Annexure to the Notice in Page No. 4. The Company has appointed Mr. R Kannan, Practising Company Secretary as the scrutinizer for E-voting.
6. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.
7. The share holding of the Members will be reckoned as on the date of 12 September 2016 for the purpose of E-voting.
8. Shareholders are aware that, the Ministry of Corporate Affairs has allowed Companies to send notices for meetings and other shareholders correspondences in electronic form. Hence the shareholders are requested to register their E-mail ID's with the Registrars of the Company by submitting EARF(E-mail address Registration Form)



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

ITEM NO. 2 & 4

INFORMATION ABOUT THE APPOINTEE

BACKGROUND DETAILS:

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

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

Directorships in the following companies:

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

Committee memberships in the following company:

India Radiators Limited

Audit Committee - Member

Stakeholders Relationship Committee- Chairperson

PAST REMUNERATION:

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

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

JOB PROFILE AND HIS SUITABILITY:

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

REMUNERATION PROPOSED:

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

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

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

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

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

DISCLOSURE OF INTEREST:

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

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

Place: Chennai

Date : 04 August 2016

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

The voting period begins on 16 September 2016 and ends on 18 September 2016. E-Voting system will be available at all time except between 00:00 hours to 01:00 hours (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

The shareholders should log on to the e-voting website www.evotingindia.com.

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

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

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

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

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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 and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

BOARD'S REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2016.

REVIEW OF OPERATIONS

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

FINANCIAL RESULTS

(Rs.Lakhs)

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

DIVIDEND

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

FIXED DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with related parties during the financial year 2015-16 which were in conflict with the interests of the Company.

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

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

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

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

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

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

<http://mercantileventures.co.in/files/CRITERIA%20FOR%20APPOINTMENT%20OF%20INDEPENDENT%20DIRECTORS.pdf>

<http://mercantileventures.co.in/files/Remuneration%20Policy.pdf>

The Remuneration Policy also forms part of the Corporate Governance Report.

MEETINGS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Scenario

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

Future Outlook

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

Opportunities and Threats

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

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

Risks & Concerns

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee has to be set up by top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year. As per this regulation company need not constitute a risk management committee. However, company has constituted a risk management committee to constantly review the technical and commercial risks the company has to face so that the interests of the shareholders are protected. The Risk Management Committee has been formed comprising Ms. Sashikala Srikanth, Director as Chairperson of the committee and the other members are Mr. E N Rangaswami, Whole-time Director and Mr. Padmanabha Sarma, Chief Financial officer.

Risk Management Committee ensures that the Company has an appropriate and effective risk management system which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals.

Internal Control Systems & their adequacy

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2016;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

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

(Rs.lakhs)

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

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

DIRECTORS

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

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

KEY MANAGERIAL PERSONNEL

The Key Managerial personnel of the Company are:

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

BOARD EVALUATION

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

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

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

AUDITORS

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

SECRETARIAL AUDIT REPORT

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE AND WHISTLE BLOWER POLICY

The Audit Committee consists of three independent directors.

Mr. AL Chandramouli

Mr. M Rajamani

Ms. Sashikala Srikanth

As required under Section 177 of the Companies Act 2013, the Company has established Whistle Blower Policy and the same has been uploaded in the following web link

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

SHARES

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

ANNUAL RETURN

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

TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technical Absorption:

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

Foreign Exchange Earnings and Outgo:

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

PARTICULARS OF EMPLOYEES

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

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

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

AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY

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

ACKNOWLEDGEMENT

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

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

Place : Chennai
Date : 04 August 2016

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L65191TN1985PLC037309
ii	Registration Date	23-12-1985
iii	Name of the Company	MERCANTILE VENTURES LIMITED
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	88, MOUNT ROAD, GUINDY, CHENNAI - 600 032
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED Subramanian Building No. 1, Club house road, Chennai - 600 002. Ph- 044-28460390/95

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Leasing of immovable properties	77	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A.	Shareholding of Promoter and Promoter Group								
1.	Indian								
a.	Individuals/Hindu Undivided Family	-	41482	41482	0.04	-	41482	41482	0.04
b.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-
c.	Bodies Corporate	57012500	2548555	59561055	53.22	59384305	177250	59561555	53.22
d.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-
	Sub - Total (A)(1)	57012500	2590037	59602537	53.26	59384305	218732	59603037	53.26
2.	Foreign								
a.	Individuals (Non- Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	14244955	14244955	12.72	14244955	-	14244955	12.72
c.	Institutions	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-
	Sub - Total (A)(2)	-	14244955	14244955	12.72	14244955	-	14244955	12.72
	Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	57012500	16834992	73847492	65.98	73629260	218732	73847992	65.98
B.	Public Shareholding								
1.	Institutions								
a.	Mutual Funds/Uti	-	-	-	-	-	-	-	-
b.	Financial Institutions / Banks	-	100	100	-	-	100	100	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
i.	Any Other	-	-	-	-	-	-	-	-
	Sub - Total (B)(1)	-	100	100	-	-	100	100	-

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
2.	Non-Institutions								
a.	Bodies Corporate	18939110	4722575	23661685	21.14	19080837	6608715	25689552	22.95
b.	Individuals -								
	I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	79758	10625364	10705122	9.57	667938	9906213	10574151	9.45
	II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	15513	3676364	3691877	3.29	26363	1760018	1786381	1.60
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-
d.	Any Other								
	Clearing Members	-	-	-	-	1475	-	1475	
	Hindu Undivided Families	687	300	987	0.01	6632	-	6632	0.01
	Non Resident Indians	-	10932	10932	0.01	230	10932	11162	0.01
	Trusts	-	-	-	-	50	700	750	-
		687	11232	11919	0.02	8387	11632	20019	0.02
	Sub - Total (B)(2)	19035068	19035535	38070603	34.02	19783525	18286578	38070103	34.02
	Total Public Shareholding (B) = (B)(1)+(B)(2)	19035068	19035635	38070703	34.02	19783525	18286678	38070203	34.02
	Total (A)+(B)	76047568	35870627	111918195	100.00	93412785	18505410	111918195	100.00
C.	Shares Held By Custodians and against Which Depository Receipts Have Been Issued								
	Promoter And Promoter Group	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-
	Total Custodian (C)	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	76047568	35870627	111918195	100.00	93412785	18505410	111918195	100.00

(ii) SHARE HOLDING OF PROMOTERS

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Trinity Auto Points Ltd	20956000	18.72	-	20956000	18.72	-	-
2	South India Travels Pvt Ltd	15852500	14.16	-	15852500	14.16	-	-
3	Golden Star Assets Consultants Pvt Ltd	14396000	12.86	-	14396000	12.86	-	-
4	Gold Nest Trading Company Ltd	5808000	5.19	-	5808000	5.19	-	-
5	Ranford Investments Limited	5580000	4.99	-	-	-	-	-4.99
6	Ranford Investments Ltd	1370705	1.22	-	-	-	-	-1.22
7	Ranford Investments	857250	0.77	-	-	-	-	-0.77
8	Ranford Investments Ltd	-	-	-	7807955	6.98	-	6.98
9	Darnolly Investments Limited	5580000	4.99	-	-	-	-	-4.99
10	Darlolly Investments	857000	0.77	-	-	-	-	-0.77
11	Darnolly Investments Ltd	-	-	-	6437000	5.75	-	5.75
12	Sical Logistics Limited	1125000	1.01	-	-	-	-	-1.01
13	Sical Logistics Limited	573542	0.51	-	-	-	-	-0.51
14	Sical Logistics Limited	331898	0.30	-	-	-	-	-0.30
15	Sical Logistics Limited	318365	0.28	-	-	-	-	-0.28
16	First Leasing Co of India Ltd	177250	0.16	-	177250	0.16	-	-
17	Jawahar Vadivelu	24800	0.02	-	24800	0.02	-	-
18	Jawahar Vadivelu	2300	-	-	2300	-	-	-
19	Sical Logistics Limited	11400	0.01	-	-	-	-	-0.01
20	Navia Markets Limited	11600	0.01	-	11600	0.01	-	-
21	Vadivelu AL	5494	-	-	5494	-	-	-
22	Vadivelu AL	2550	-	-	2550	-	-	-
23	Vadivelu AL	100	-	-	100	-	-	-
24	Muthiah A C	4000	-	-	4000	-	-	-
25	Chidambaram M A	1858	-	-	1858	-	-	-
26	Chidambaram M A	150	-	-	150	-	-	-
27	Ashwin C Muthiah	200	-	-	200	-	-	-
28	Ashwin C Muthiah	30	-	-	30	-	-	-
29	Sicagen India Limited	-	-	-	2360205	2.11	-	2.11

(iii) Change in Promoters' Shareholding

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

(iv) Shareholding Pattern of Top ten Shareholders

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED				
	At the beginning of the year 01-Apr-2015	9220000	8.24	9220000	8.24
	At the end of the Year 31-Mar-2016	9220000	8.24	9220000	8.24
2	SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED				
	At the beginning of the year 01-Apr-2015	3711000	3.32	3711000	3.32
	At the end of the Year 31-Mar-2016	3711000	3.32	3711000	3.32
3	SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION				
	At the beginning of the year 01-Apr-2015	2276000	2.03	2276000	2.03
	At the end of the Year 31-Mar-2016	2276000	2.03	2276000	2.03
4	SPIC OFFICERS AND STAFF WELFARE FOUNDATION				
	At the beginning of the year 01-Apr-2015	2064000	1.84	2064000	1.84
	At the end of the Year 31-Mar-2016	2064000	1.84	2064000	1.84
5	MANALI PETROCHEMICALS LIMITED				
	At the beginning of the year 01-Apr-2015	1648000	1.47	1648000	1.47
	At the end of the Year 31-Mar-2016	1648000	1.47	1648000	1.47
6	DICK FINANCIAL SERVICES LTD				
	At the beginning of the year 01-Apr-2015	958350	0.85	958350	0.85
	At the end of the Year 31-Mar-2016	958350	0.85	958350	0.85
7	COROMANDEL GROWTH FUND LTD				
	At the beginning of the year 01-Apr-2015	631550	0.56	631550	0.56
	At the end of the Year 31-Mar-2016	631550	0.56	631550	0.56
8	WINDSOR INVESTMENTS LTD				
	At the beginning of the year 01-Apr-2015	484400	0.43	484400	0.43
	At the end of the Year 31-Mar-2016	484400	0.43	484400	0.43
9	PANTHEON INVESTMENTS LTD				
	At the beginning of the year 01-Apr-2015	425980	0.38	425980	0.38
	At the end of the Year 31-Mar-2016	425980	0.38	425980	0.38
10	RIPON INVESTMENTS PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	156900	0.14	156900	0.14
	Changes during the year (Purchased on 01 January 2016)	2092300	1.86	2092300	1.86
	At the end of the Year 31-Mar-2016	2249200	2.00	2249200	2.00

(V) SHAREHOLDING OF EACH DIRECTORS AND KEY MANAGERIAL PERSONNEL

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. AL Chandramouli				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
2	Mr.M Rajamani				
	At the beginning of the year 01-Apr-2015	900	-	900	-
	At the end of the Year 31-Mar-2016	900	-	900	-
3	Ms.Sashikala Srikanth				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
4	Mr. E N Rangaswami				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
5	Mr. V Padmanabha Sarma				
	At the beginning of the year 01-Apr-2015	10	-	10	-
	At the end of the Year 31-Mar-2016	10	-	10	-
6	Ms. S Aarthi				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-
7	Mr.N Prasanna Varadan				
	At the beginning of the year 01-Apr-2015	-	-	-	-
	At the end of the Year 31-Mar-2016	-	-	-	-

VI INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness as at 01.04.2015				
i) Principal Amount	1,100.00	224.80	-	1,324.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,100.00	224.80	-	1,324.80
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	75.70	182.80	-	258.50
Net Change	75.70	182.80	-	258.50
Indebtedness as at 31.03.2016				
i) Principal Amount	1,024.30	42.00	-	1,066.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,024.30	42.00	-	1,066.30

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Director

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
	Name	Mr. E N Rangaswami
	Designation	Whole-time Director
	Total Amount	
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	36.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others	-
5	Others, specify	-
	Total (A)	36.00
	Ceiling as per the Act	60.00

B. Remuneration to other Directors:

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

C. Remuneration to Key Managerial Personnel other than MD

Sl. No	Gross Salary				Total
	Name	S Aarthi	N Prasanna Varadan	V Padmanabha Sarma	
	Designation	Co.Secy	Co.Secy	C F O	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	3.29	2.10	9.74	15.13
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others	-	-	-	-
5	Others, specify	-	-	-	-
	Total (C)	3.29	2.10	9.74	15.13

VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,
The Members,
Mercantile Ventures Limited
No.88, Mount Road
Guindy,
Chennai- 600032

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

Based on my verification of the M/s Mercantile Ventures Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Mercantile Ventures Limited ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings is not applicable for the year under review
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 2015;
 - (g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement)
- (vi) The other laws as may be applicable specifically to the company
 - (a) Transfer of Property Act, 1882
 - (b) Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act 1996.

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

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

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

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

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

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

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

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

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

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

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

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

Place : Chennai
Date : 04 August 2016

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

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS

Composition and membership in other Boards

As on 31 March, 2016, the Board of Directors of the Company comprised of four directors. The Board comprises of one executive director and three non-executive directors of which all the three non-executive directors are independent. The non-executive directors bring independent judgment in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions. All information as required under LODR are being made available to the Board.

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

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

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

Particulars of the Board's composition, attendance at board meetings and the previous annual general meeting, number of other directorships held and board-committee memberships of the Company's Directors, as at 31st March, 2016 are given below:

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

3. CODE OF CONDUCT

The Board of directors has laid down a code of conduct for all Board members and senior management personnel of the Company who have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director and Chief Financial Officer to this effect is enclosed at the end of this Report. The code of conduct is also posted in the website of the Company viz., http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_DIRECTORS.pdf and http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_SENIORMANAGEMENT.pdf.

COMMITTEES OF THE BOARD

4. AUDIT COMMITTEE

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

The role of the audit committee shall include the following:

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

The Audit committee comprises of three directors non-executive and independent directors.

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

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

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

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee was constituted to formulate and recommend to the Board, from time to time the compensation structure for directors of the board and key managerial personnel of the company. The committee met 3 times during the year ended 31.03.2016 viz., on 18 May 2015, 30 July 2015 & 04 November 2015. The composition and attendance of the committee meetings are as follows:

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

REMUNERATION TO DIRECTORS

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

The non-executive directors are being remunerated by way of sitting fees. The sitting fees paid to non-executive directors for the year ended 31st March, 2016 are as follows:

(in Rupees)

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference to the stakeholders relationship committee are related to transfer, transmission, demat, remat, split/ consolidation of shares and issue of duplicate share certificates, etc and also to oversee the redressal of investors' complaints. The committee met 34 times during the year ended 31.03.2016. The composition and attendance of the committee meetings are as follows:

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

Details of the Compliance Officer:

N Prasanna Varadan- Company Secretary & Compliance Officer

Details of Shareholders Complaints:

Number of complaints received during the year: 15

Number of complaints solved during the year : 15

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

7. INSIDER TRADING

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has prescribed a code of conduct for prevention of insider trading and code of corporate disclosure practices. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at <http://www.mercantileventures.co.in/files/Code%20for%20Disclosures%20Reg%208.pdf>

8. FAMILIARISATION PROGRAMME

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

9. GENERAL MEETINGS

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

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

10. Disclosures

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

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

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

11. Means of Communication:

The quarterly, half-yearly and yearly financial results of the company are forwarded to the Bombay Stock Exchange immediately upon approval by the board of directors and are published in "News Today" (English) and "Malai Sudar" (Tamil).

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

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

12. General Shareholder Information:

1.	Annual General Meeting : Date Time Venue	19 Septemeber 2016 3.30 pm Rajah Annamalai Hall, Esplanade, Chennai – 600 108.
2.	Financial calendar April 2016 – March 2017	First quarter results - Second week of August, 2016 Half-yearly results -Second week of November, 2016 Third quarter results - Second week of February, 2017 Annual results 31 March 2017 - Last week of May, 2017
3.	Record date Book closure date	12/09/2016 13/09/ 2016 to 19/09/2016
4.	Listing of equity shares on stock exchanges	Bombay Stock Exchange Limited. The company has paid the Listing Fees to the stock exchange upto date.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Off. Anna Salai, Chennai – 600 002
6.	Stock Code ISIN	538942 - Bombay Stock Exchange Limited. INE689O01013
7.	Share transfer system	The authority to approve share transfers has been delegated by the Board of Directors to the Stakeholders Relationship Committee. The Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer Agent within fifteen days of receipt of documents, provided the documents are found to be in order.
8.	Dematerialisation of shares and liquidity	83.46% equivalent to 9,34,12,785 equity shares of the total equity capital is held in dematerialised form. The company's equity shares are regularly traded in the Bombay Stock Exchange Limited in the compulsory demat form.
9.	Details of public funding obtained in the last three years Depository Registry - For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	No capital has been raised in the last three years from public. Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 : Fax No. 28460129 Email: cameo@cameoindia.com

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

DISTRIBUTION OF HOLDINGS

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

Market / Share Price Data

Bombay Stock Exchange Limited, Mumbai

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

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

To the Members of Mercantile Ventures Limited:

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 04 August 2016

V Padmanabha Sarma
Chief Financial Officer

E N Rangaswami
Whole-time Director



CERTIFICATE TO THE MEMBERS OF MERCANTILE VENTURES LIMITED

We have examined the compliance of conditions of Corporate Governance by Mercantile Ventures Limited, for the year ended 31st March, 2016 as stipulated in SEBI (LODR) Regulations, 2015.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 04 August 2016

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

INDEPENDENT AUDITORS' REPORT

To the Members

M/s.Mercantile Ventures Limited

Report on the abridged financial statements

1. The accompanying abridged financial statements of Mercantile Ventures Limited (the "Company") comprise the abridged balance sheet as at 31st March 2016, the abridged statement of profit and loss and abridged cash flow statement for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited financial statements of the Company for the year ended 31st March 2016 prepared by the Company's Management in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"), covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Act and Schedule III to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

4. The Company's Management is responsible for the preparation of the abridged financial statements in accordance with sub-clause (1) of section 136. The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged financial statements that are consistent with the audited financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.
5. The Company's Management (including Directors) are also responsible for ensuring that the Company complies with the requirements of the Rules.

Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

Opinion

7. In our opinion, the accompanying abridged financial statements, are consistent, in all material respects, with the audited statutory financial statements of the Company as at and for the year ended 31st March 2016 prepared in accordance with Schedule III to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in accordance with the Rules.

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

CA Vaira Mutthu K
M.No. 218791
Partner

Place : Chennai
Date : 26 May 2016

ABRIDGED BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

S. No.	Particulars	As at 31 March 2016	As at 31 March 2015
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	11269.67	11269.67
	(b) Reserves & Surplus	15373.20	14969.15
		26642.87	26238.82
2	Non-Current Liabilities		
	(a) Long-Term Borrowings	938.99	1324.80
	(b) Deferred Tax Liabilities	77.08	33.81
	(c) Other Long-Term Liabilities	282.04	290.68
		1298.11	1649.29
3	Current Liabilities		
	(a) Other Current Liabilities	206.68	10.78
	(b) Short-Term Provisions	1290.00	1186.21
		1496.68	1196.99
	Total - Equity & Liabilities	29437.66	29085.10
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets - Tangible Assets	4356.28	4269.27
	(b) Non Current Investments	4453.59	4266.93
	(c) Long Term Loans and Advances	4369.90	3013.17
	(d) Other Non-Current Assets	11544.57	11544.57
		24724.34	23093.94
2	Current Assets		
	(a) Trade Receivables	55.68	98.96
	(b) Cash and cash equivalents	36.00	492.51
	(c) Other Loans and Advances	3371.91	4780.85
	(d) Other Current Assets	1249.73	618.84
		4713.32	5991.16
	Total - Assets	29437.66	29085.10

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of schedule III of the Companies Act, 2013 are available at the Company's website at the link www.mercantileventures.co.in

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

For DPV & Associates
Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu
Partner

E N Rangaswami
Whole-time Director

Sashikala Srikanth
Director

Place : Chennai
Date : 26 May 2016

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

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

(₹ in Lakhs)

S.No.	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
I	Revenue:				
	Revenue from rental services		424.51		360.75
	Dividend received	286.79		180.95	
	Interest received	396.45		373.75	
	Other Income	34.78	718.02	5.57	560.27
	Total Revenue (A)		1142.53		921.02
II	Expenses:				
	Employee Benefit Expense		63.08		49.61
	Finance Costs		224.40		11.72
	Depreciation and Amortization Expense		40.33		32.55
	Repairs and maintenance	79.15		83.98	
	Other Expenses	170.99	250.14	149.22	233.20
	Total Expenses (B)		577.95		327.08
III	Profit before exceptional and extraordinary items and tax (A - B)		564.58		593.94
IV	Exceptional items:				
	Profit on sale of Fixed Assets		-		2045.21
V	Profit before tax		564.58		2639.15
VI	Tax Expense:				
	Current Income Tax		103.79		695.22
	Tax relating to previous year		13.47		-
	Provision for Tax reversed		-		(165.53)
	Deferred tax liability / (Asset)		43.27		(11.89)
VII	Profit/(Loss) for the year from continuing operations		404.05		2121.35
VIII	Profit/(Loss) for the year		404.05		2121.35
IX	Earning per equity share(in Rs)				
	Basic		0.36		1.90
	Diluted		0.36		1.85

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of schedule III of the Companies Act, 2013 are available at the Company's website at the link www.mercantileventures.co.in

This is the Abridged Statement of Profit & Loss referred to in our Report of even date.

For DPV & Associates
Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu
Partner

E N Rangaswami
Whole-time Director

Sashikala Srikanth
Director

Place : Chennai
Date : 26 May 2016

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A	Cash Flow from Operating Activities	(1936.71)	849.80
B	Cash Flow from Investing activities	1780.70	(1762.10)
C	Cash Flow from Financing activities	(300.50)	1175.00
	Net Increase(decrease) in cash and cash equivalents(A+B+C)	(456.51)	262.70
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2015	492.51	229.81
	Cash & Cash Equivalents (closing Balance) as at 31-3-2016	36.00	492.51
	Net Increase(decrease) in cash and cash equivalents	(456.51)	262.70
	Details of Cash and Cash equivalents shown below:		
	Cash on Hand	0.19	0.06
	Balance with bank in current account	35.81	492.45
	Total	36.00	492.51

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website at the link www.mercantileventures.co.in

This is the Abridged Cash Flow Statement referred to in our Report of even date.

For DPV & Associates
Chartered Accountants

CA K.Vairamuthu
Partner

Place : Chennai
Date : 26 May 2016

For and on behalf of the Board

E N Rangaswami
Whole-time Director

V.Padmanabha Sarma
Chief Financial Officer

Sashikala Srikanth
Director

N. Prasanna Varadan
Company Secretary

NOTES FORMING PART OF ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

S No. / Note No	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
i) 1.10	The company operates only in one segment, namely leasing of immovable properties		
ii) 11	Book Value of quoted investments	424.26	470.17
	Market value of quoted Investments	756.12	904.59
iii) 27	Contingent liabilities and commitments		
	Commitments on capital account not provided for	313.25	1313.25
iv) 28	Dividend receivable on preference Shares	260.00	260.00
v) 26	Related party disclosure as per accounting Standard 18 Related Parties: Subsidiaries: Oasis Ventures Private Limited i3 Security Private Limited Rayce Electronic Intelligence India Private Limited Associates: Navia Markets Limited National Trust Housing Finance Limited Key Managerial Personnel: Mr. E.N. Rangaswami, Whole-time Director		

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

Particulars of transaction	Relationship	Year ended 31 March 2016	Year ended 31 March 2015
Transaction with related parties during the year 2015-16			
1. Security charges paid to M/s. i3 Security Private Limited	Subsidiary	0.07	17.75
2. Maintenance charges paid to Oasis Ventures Private Ltd	Subsidiary	28.65	42.27
3. Rent collected- Oasis Ventures Private Limited	Subsidiary	1.08	-
4. Reimbursement of expenses by Oasis ventures Private Ltd	Subsidiary	-	10.02
5. Sale of Products and services-Rayce Electronic Intelligence India Private Ltd	Subsidiary	2.14	-
6. Whole-time Director's remuneration - Mr. E. N. Rangaswami	Key Managerial Personnel	36.00	25.00
Closing balances:			
Investment in Subsidiaries:			
Oasis Ventures Private Limited		131.00	76.00
Investment in Associates:			
Navia Markets Linlimited		145.06	145.06
National Trust Housing Finance Limited		691.76	689.99

Consolidated Financial Statements 2015 - 16

INDEPENDENT AUDITORS' REPORT

To the Members of Mercantile Ventures Limited and Group

Report on the Abridged Consolidated Financial Statements

1. The accompanying Abridged Financial Statements of Mercantile Ventures Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate comprising of the Consolidated Balance Sheet for the year ended as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year ended then together with the related notes, which we have signed under reference to this report.
2. These abridged financial statements are derived from the statutory audited consolidated financial statements of the Holding Company for the year ended 31st March 2016 prepared by the Company's Management in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"), covered by our attached report of even date to the Members of the Holding Company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Act and Schedule III to the Act, applied in the preparation and presentation of the audited financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Holding Company

Management's Responsibility for the Abridged Consolidated Financial Statements

4. The Holding Company's Management is responsible for the preparation of the abridged consolidated financial statements in accordance with sub-clause (1) of section 136. The Holding Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged consolidated financial statements that are consistent with the audited consolidated financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.
5. The Holding Company's Management (including Directors) are also responsible for ensuring that the Holding Company complies with the requirements of the Rules.

Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

Opinion

7. In our opinion, the accompanying abridged consolidated financial statements, are consistent, in all material respects, with the audited consolidated statutory financial statements of the Holding Company as at and for the year ended 31st March 2016 prepared in accordance with Schedule III to the Act, covered by our attached report of even date to the Members of the Holding Company pursuant to section 143 of the Act, in accordance with the Rules.

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

CA Vaira Mutthu K
M.No. 218791
Partner

Place : Chennai
Date : 26 May 2016

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lakhs)

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

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of schedule III of the Companies Act, 2013 are available at the Company's website at the link www.mercantileventures.co.in

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

For DPV & Associates

Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu

Partner

E N Rangaswami

Whole-time Director

Sashikala Srikanth

Director

Place : Chennai

Date : 26 May 2016

V.Padmanabha Sarma

Chief Financial Officer

N.Prasanna Varadan

Company Secretary

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

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Revenue:				
I	Revenue from Services provided		1813.34		1302.99
	Interest received	399.39		377.23	
	Dividend received	286.79		180.95	
	Other Income	35.59	721.77	5.59	563.77
	Total Revenue (A)		2535.11		1866.76
	Expenses:				
II	Cost of Services		30.58		95.00
	Employee Benefit Expense		1277.32		766.71
	Finance Costs		224.91		11.91
	Depreciation and Amortization Expense		43.40		33.68
	Repairs and Maintenance	56.48		98.33	
	Other Expenses	285.96	342.44	205.28	303.61
	Total Expenses (B)		1918.65		1210.91
III	Profit before exceptional and extraordinary items and tax (A - B)		616.46		655.85
IV	Exceptional items (Net):				
	Profit on sale of Fixed Assets		-		2045.21
V	Profit before tax		616.46		2701.06
	Current Income Tax		128.67		712.67
	Provision for Tax reversed		-		(165.53)
	Tax relating to previous year		13.47		-
	Deferred tax liability / (Asset)		43.15		(12.10)
VII	Profit/(Loss) for the year from continuing operations		431.17		2166.02
VIII	Profit/(Loss) for the year		431.17		2166.02
IX	Minority interest		5.63		10.52
	Pre-acquisition profit(capital Reserve)		1.59		-
	Consolidate profit for thr year attributable to the group(VIII-IX-X)		423.95		2155.50
IX	Earning per equity share(in Rs)				
	Basic		0.38		1.93
	Diluted		0.37		1.88

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of schedule III of the Companies Act , 2013 are available at the Company's website at the link www.mercantileventures.co.in

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

For DPV & Associates

Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu

Partner

E N Rangaswami

Whole-time Director

Sashikala Srikanth

Director

Place : Chennai

Date : 26 May 2016

V.Padmanabha Sarma

Chief Financial Officer

N.Prasanna Varadan

Company Secretary

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

(₹ in Lakhs)

	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A	Cash Flow from Operating Activities	(1945.86)	886.59
B	Cash Flow from Investing activities	1744.88	(1789.78)
C	Cash Flow from Financing activities	(245.50)	1175.00
	Net Increase(decrease)in cash and cash equivalents(A+B+C)	(446.48)	271.81
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2015	590.14	318.33
	Cash & Cash Equivalents (closing Balance) as at 31-3-2016	143.66	590.14
	Net Increase(decrease) in cash and cash equivalents	(446.48)	271.81
	Details of Cash and Cash equivalents shown below:		
	Cash on Hand	1.17	2.41
	Balance with bank in current account	142.49	587.73
	Total	143.66	590.14

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per requirements of schedule III of the Companies Act , 2013 are available at the Company's website at the link www.mercantileventures.co.in

This is the Abridged Consolidated Cash Flow Statement referred to in our Report of even date.

For DPV & Associates

For and on behalf of the Board

Chartered Accountants

CA K.Vairamuthu

Partner

E N Rangaswami

Whole-time Director

Sashikala Srikanth

Director

Place : Chennai

Date : 26 May 2016

V.Padmanabha Sarma

Chief Financial Officer

N.Prasanna Varadan

Company Secretary

NOTES FORMING PART OF ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

S No./ Note No	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
i) 1.10	The company operates only in one segment, namely leasing of immovable properties		
ii) 12	Book Value of quoted investments	424.26	470.17
	Market value of quoted Investments	756.12	904.59
iii) 29	Contingent liabilities and commitments		
	Commitments on capital account not provided for	313.25	1313.25
iv) 30	Dividend receivable on preference Shares	260.00	260.00
v) 28	Related party disclosure as per accounting Standard 18 Related Parties: Subsidiaries: Oasis Ventures Private Limited i3 Security Private Limited Rayce Electronic Intelligence India Private Limited Associates: Navia Markets Limited National Trust Housing Finance Limited Key Managerial Personnel: Mr. E.N. Rangaswami, Whole-time Director		

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

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

Statement containing salient features of the financial statement of subsidiaries / associate companies pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 as at 31 March 2016

Part "A:" Subsidiaries

(₹ in Lakhs)

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

Part "B": Associates Statement

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

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

For and on behalf of the Board

E N Rangaswami
Whole-time Director

Sashikala Srikanth
Director

Place : Chennai
Date : 26 May 2016

V.Padmanabha Sarma
Chief Financial Officer

N.Prasanna Varadan
Company Secretary



MERCANTILE VENTURES LIMITED

CIN L65191TN1985PLC037309

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

**ATTENDANCE
SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

Name of the attending Member(s):	Folio/DP-Client ID No. :
No. of Shares held:	

I hereby certify that I am a member / proxy appointed by the member* of the Company and record my presence at the **15th Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** on **Monday, the 19 September 2016** at **3.30 PM**.

NAME OF THE PROXY IN BLOCK LETTERS	SIGNATURE OF SHAREHOLDER/PROXY*
	*Strikeout whichever is not applicable
Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.	



MERCANTILE VENTURES LIMITED

CIN L65191TN1985PLC037309

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

**PROXY
FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name:....., Address:.....
E-mail Id:.....,Signature:....., or failing him
- Name:....., Address:.....
E-mail Id:.....,Signature:....., or failing him
- Name:....., Address:.....
E-mail Id:.....,Signature:....., or failing him

as my/our proxy to attend and vote for me/us and on my/our behalf at the **15th Annual General Meeting** of the company, to be held on **Monday, the 19 September 2016** at **3.30 PM**. at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** and at any adjournment thereof.

Sl.No.of Resolutions(as in the Notice annexed)

1	2	3	4
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(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

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

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

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



Note:


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

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

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To:



If undelivered, please return to:

MERCANTILE VENTURES LIMITED

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