



# ANNUAL REPORT

## 2016 – 17

Mercantile Ventures Limited

## Board of Directors

AL. Chandramouli	Director (DIN: 02299091)
B. Narendran	Director (DIN: 01159394)
Sashikala Srikanth	Director (DIN: 01678374)
E.N. Rangaswami	Whole-time Director (DIN: 06463753)

## Audit Committee

AL. Chandramouli	Chairman
B. Narendran	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.

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## MERCANTILE VENTURES LIMITED

CIN: L6519TN1985PLC037309

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

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Friday the 28th day of July 2017 at 2.00 PM** at Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108 to transact the following businesses:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the year ended 31 March 2017 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 audited financial statements of the Company for the year ended 31 March 2017, together with the Reports of the Directors, Auditors thereon and the report of Secretarial Auditor as circulated to the members and presented to the meeting be and are hereby considered and adopted”.

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

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

3. To re-appoint Statutory Auditors by passing the following as an Ordinary Resolution:

#### RESOLVED THAT

- i. Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, M/s. DPV & Associates, Chennai (Firm Registration No.011688S), Chartered Accountants, who have expressed their willingness to be re-appointed as statutory auditors of the Company, for a second term of five years to hold office from the conclusion of the 16th Annual General Meeting (AGM) until the conclusion of the 21st AGM to be held in 2022, subject to ratification by members every year, as applicable, at remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.
- ii. The Auditors be paid remuneration of Rs.3,50,000/- (Rupees Three lakhs fifty thousand only) plus reimbursement of out of pocket expenses and applicable taxes for the audit of accounts and other related services as the Auditors of the company for the financial year 2017-18.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr.B Narendran, (DIN: 01159394) be and is here by appointed as a Director of the Company, not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149,150,152,160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under(including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the appointment of Mr. B Narendran (DIN: 01159394) as an Independent Director of the Company by the Board for a period of five years from 03 February 2017 be and is hereby approved.”

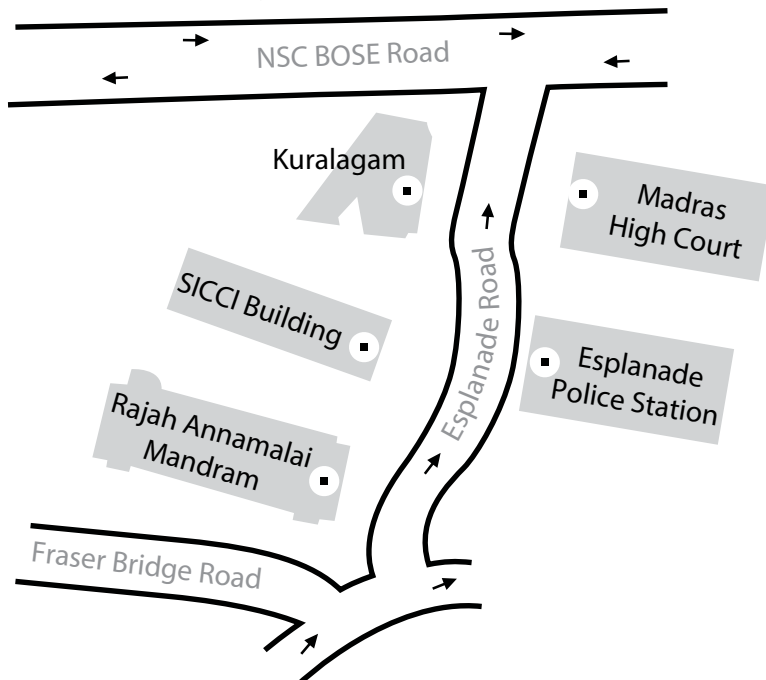
By Order of the Board  
For **MERCANTILE VENTURES LIMITED**  
**E N RANGASWAMI**  
(DIN: 06463753)  
Whole-time Director

Place: Chennai  
Date : 18 May 2017

## 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 22 July 2017 to 28 July 2017 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 meeting.
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 3. 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 21 July 2017 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 with the Registrars of the Company by submitting EARF( E-mail address Registration Form).

## Route Map and Land Mark



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

### ITEM NO. 4

#### INFORMATION ABOUT THE APPOINTEE

#### BACKGROUND DETAILS:

Mr. B Narendran, aged 71 years, a Chemical Engineer and a Master's Graduate from USA in Transportation, had worked as professional for more than 3 decades in MAC Group of companies as well as consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA.

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

**Details of other directorships and memberships/chairmanships of committees are given below:**

S.No	Name of the Company	Nature of Interest	Committee Membership/ Chairmanship
1.	Southern Petrochemical Industries Corporation Ltd	Director	Audit Committee – <b>Member</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination and Remuneration Committee – <b>Chairman</b> Corporate Social Responsibility Committee – <b>Member</b>
2.	Sicagen India Ltd	Director	Audit Committee – <b>Chairman</b> Stakeholders Relationship Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Member</b>
3.	Greenstar Fertilizers Ltd	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Chairman</b> Corporate Social Responsibility Committee – <b>Member</b>
4.	Tuticorin Alkali Chemicals & Fertilizers Ltd	Director	Audit Committee – <b>Chairman</b> Stakeholders Relationship Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Member</b>
5.	South India House Estates & Properties Ltd	Director	Audit Committee – <b>Chairman</b> Nomination & Remuneration Committee – <b>Member</b>
6.	India Radiators Limited	Director	Audit Committee – <b>Member</b> Nomination & Remuneration Committee – <b>Chairman</b>

#### **Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

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

#### **Disclosure of Interest:**

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

The Board recommends the adoption of this Resolution as Ordinary Resolution.

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

Place: Chennai  
 Date : 18 May 2017

#### **The instructions for shareholders voting electronically are as under:**

The voting period begins on **25 July 2017, 9.00 am** and ends on **27 July 2017, 5.00 pm**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21 July 2017** 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](http://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](http://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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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. 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  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).

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](http://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](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 2017.

### REVIEW OF OPERATIONS

During the year the company has reported a profit before tax and exceptional items of Rs.428.71 lakhs (previous year Rs.564.58 lakhs) and a loss of Rs.2297.75 lakhs (previous year profit of Rs.404.25 lakhs) after tax and exceptional items.

### FINANCIAL RESULTS

(Rs.Lakhs)

Description	2016-17	2015-16
Profit/(Loss) Before Interest & Depreciation	632.08	829.31
Interest	172.05	224.40
Depreciation	31.32	40.33
Profit/(Loss) Before Tax & Exceptional items	428.71	564.58
Exceptional items	(2591.14)	-
Profit/(Loss) Before Tax	(2162.43)	564.58
Provision for Taxation		
Current Tax	122.90	103.79
Tax relating to previous year	3.13	13.47
Deferred tax	9.29	43.27
Profit/(Loss) After Tax	(2297.75)	404.05

### DIVIDEND

The Board of Directors has not recommended any dividend in view of the loss incurred during the year.

### 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 2016-17 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 qualifications, 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 five 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 continue to witness a downward trend during the year also and is likely to continue in the coming 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**

Market instability due to introduction of Real Estate regulation may create a slight flutter in real estate industry. The expected better economic outlook can improve the industry growth and can create a positive effect in attracting further investments.

##### **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. The company however has constituted a risk management committee to constantly review the technical and commercial risks the company has to face so that the interests of the shareholders are protected. The Risk Management Committee has been formed comprising Ms. Sashikala Srikanth, 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.

The Committee met periodically to study the risks, threats & concerns and submitted reports to the Board of Directors.

##### **Internal Control Systems & their adequacy**

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

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

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



## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2017;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## SUBSIDIARIES

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

- 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.
- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- 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 its wholly owned subsidiary Oasis Ventures Private Limited and its subsidiaries i3 Security Services Private Limited and Rayce Electronic Intelligence India Pvt Ltd. Particulars of associate company as required in AS 23 were considered in respect of National Trust Housing Finance Ltd (NATRUST)

## PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

The financial highlights of the subsidiaries and associate company as on 31 March 2017 are given below:

(Rs.lakhs)

Particulars	Oasis Ventures Pvt Ltd	i3 Security Services Pvt Ltd	Rayce Electronic Intelligence India Pvt Ltd	National Trust Housing Finance Ltd
	Subsidiaries			Associates
% of shareholding held by	100.00% Mercantile Ventures Ltd	100.00% Oasis Ventures Pvt Ltd	100.00% Oasis Ventures Pvt Ltd	40.00% Mercantile Ventures Ltd
Total Income	684.21	1461.03	138.75	4937.06
Profit before tax	36.78	70.85	1.17	702.07
Provision for Taxation	20.55	21.98	0.38	228.28
Deferred tax	(9.11)	(0.09)	(0.02)	27.40
Profit after tax	25.34	48.96	0.81	446.39

The financial highlights of National Trust Housing Finance Ltd (NATRUST) are based on the unaudited financial statements submitted by the company. The equity shares purchased during the year are yet to be transferred in the name of the company and hence the acquisition has not been considered while determining the holding percentage.

M/s. Navia Markets Limited ceased to be an associate of the company during the year.

During the year M/s. Alyx Enterprises Private Limited became an associate with effect 09 January 2017 and subsequently it ceased to be an associate on 30 March 2017.

The following companies become subsidiaries during the year and subsequently ceased to be subsidiaries consequent to the sale of the entire stake in these companies.

S.No.	Name of the Company	Date of becoming a Subsidiary	Date of Cessation as a Subsidiary
1	M/s. Harrington Ventures Limited	23 January 2017	30 March 2017
2	M/s. Panteon Ventures Limited	23 January 2017	30 March 2017
3	M/s. Armenian Ventures Limited	27 January 2017	30 March 2017
4	M/s. Eka Enterprises Limited	27 January 2017	30 March 2017
5	M/s. Unmaj Enterprises Limited	27 January 2017	30 March 2017
6	M/s. Ajara Ventures Limited	20 February 2017	30 March 2017
7	M/s. Dick Enterprises Private Limited	22 February 2017	30 March 2017

## DIRECTORS

The Company's Board comprises of the following directors:

Mr. AL Chandramouli

Mr. B Narendran

Ms. Sashikala Srikanth

Mr. E N Rangaswami

In the Meeting of the Board held on 03 February 2017, Mr. B Narendran was appointed as an Additional Director of the company.

Mr. M Rajamani resigned as a Director with effect from 08 February 2017. The Board of Directors places on record its appreciation of the good services rendered by Mr. M Rajamani as a Director of the company.

## 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

Ms. N Prasanna Varadan- Company Secretary

## DECLARATION OF INDEPENDENT DIRECTORS

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

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and 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 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. M/s. DPV & Associates, Chartered Accountants have expressed their willingness to be re-appointed as statutory auditors of the Company, for a second term of five years to hold office from the conclusion of the 16th Annual General Meeting (AGM) until the conclusion of the 21st AGM, subject to ratification by members every year.

## **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. B Narendran

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 employee 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 – 2016-17	Mr. E N Rangaswami Whole-time Director	6.84
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2016-17.	Mr. E N Rangaswami, Whole-Time Director	-
	Mr. V Padmanabha Sarma, Chief Financial Officer	7.80%
	Mr. N Prasanna Varadan, Company Secretary	10.00%
The percentage increase in the median remuneration of employees in the financial Year – 2016-17		3.87%
The number of permanent employees on the rolls of Company – as on 31.03.2017		2
The explanation on the relationship between average increase in remuneration and Company performance.	Profit/(Loss) after tax (Rs. in Lakhs)	(2297.75)
	Average increase in remuneration	2.70%
Comparison of the remuneration of the Key managerial personnel against the performance of the Company	Profit/(Loss) after tax (Rs. in Lakhs)	(2297.75)
	Remuneration of key managerial personnel (Rs. in Lakhs)	51.12
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	Month	Share Price (Rs.)
	Mar. '17	11.80
Price Earnings Ratio		(5.41)
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 2016-17	11.73%
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2016-17	2.36%

**INFORMATION PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: DETAILS OF EMPLOYEES IN TERMS OF REMUNERATION RECEIVED DURING THE YEAR**

Name	Designation	Remuneration (Rs. in Lakhs)	Qualification	Experience	Date of Joining	Last Employment
E N Rangaswami	Whole-time Director	36.00	B.Sc., ACA	38 Years	05/12/2012	Manali Petrochemicals Ltd, General Manager (Finance)
V Padmanabha Sarma	Chief Financial Officer	10.50	B.Com., ACA	41 Years	01/12/2012	MCC Finance Ltd, Senior Vice President
N Prasanna Varadan	Company Secretary	4.62	B.Com., MBA, ACS	5 Years	13/07/2015	S V Global Ltd, Secretarial Executive
V M Arunchalam	Assistant Manager (Accounts)	5.90	B.Com.,	29 Years	12/06/2013	SPIC-SMO, Accounts Manager
LS Venkataraman	Executive (Co-ordination)	4.20	BA.,	40 Years	09/11/2012	Manali Petrochemicals Ltd, Executive

**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: 18 May 2017

## ANNEXURE FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2017

**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	% of Shares Held
1	OASIS VENTURES PRIVATE LIMITED	U70102TN2013PTC093554	Subsidiary	100%
2	I3 SECURITY PRIVATE LIMITED	U74120TN2011PTC082965	Subsidiary	100.00% held by Oasis ventures Pvt Ltd
3	RAYCE ELECTRONIC INTELLIGENCE INDIA PRIVATE LIMITED	U74900TN2015PTC099223	Subsidiary	100.00% held by Oasis ventures Pvt Ltd
5	NATIONAL TRUST HOUSING FINANCE LIMITED	U65922TN1995PLC031681	Associate	40%

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

##### (i) Category-wise Shareholding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1.</b>	<b>Indian</b>									
a.	Individuals/Hindu Undivided Family	-	41482	41482	0.04	-	41252	41252	0.04	-
b.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	59384305	177250	59561555	53.22	54584305	177250	54761555	48.93	(4.29)
d.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(1)</b>	<b>59384305</b>	<b>218732</b>	<b>59603037</b>	<b>53.26</b>	<b>54584305</b>	<b>218502</b>	<b>54802807</b>	<b>48.97</b>	<b>(4.29)</b>
<b>2.</b>	<b>Foreign</b>									
a.	Individuals (Non- Resident Individuals / Foreign Individuals)	-	-	-	-	230	-	230	-	-
b.	Bodies Corporate	14244955	-	14244955	12.72	14244955	-	14244955	12.72	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(2)</b>	<b>14244955</b>	<b>-</b>	<b>14244955</b>	<b>12.72</b>	<b>14245185</b>	<b>-</b>	<b>14245185</b>	<b>12.72</b>	<b>-</b>
	<b>Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>73629260</b>	<b>218732</b>	<b>73847992</b>	<b>65.98</b>	<b>68829490</b>	<b>218502</b>	<b>69047992</b>	<b>61.69</b>	<b>(4.29)</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a.	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions / Banks	-	100	100	-	-	100	100	-	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B)(1)</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non-Institutions</b>									
a.	Bodies Corporate	19080837	6608715	25689552	22.96	24011791	7806351	31818142	28.44	5.48
b.	Individuals -									
	I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	667938	9906213	10574151	9.44	775983	9651880	10427863	9.32	(0.12)
	II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	26363	1760018	1786381	1.60	84965	508848	593813	0.53	(1.07)
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any Other									
	Clearing Members	1475	-	1475	-	3230	-	3230	-	-
	Hindu Undivided Families	6632	-	6632	0.01	11943	-	11943	0.01	-
	Non Resident Indians	230	10932	11162	0.01	3430	10932	14362	0.01	-
	Trusts	50	700	750	-	50	700	750	-	-
	<b>Sub - Total (B)(2)</b>	<b>19783525</b>	<b>18286578</b>	<b>38070103</b>	<b>34.02</b>	<b>24891392</b>	<b>17978711</b>	<b>42870103</b>	<b>38.31</b>	<b>4.29</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>19783525</b>	<b>18286678</b>	<b>38070203</b>	<b>34.02</b>	<b>24891392</b>	<b>17978811</b>	<b>42870203</b>	<b>38.31</b>	<b>4.29</b>
	<b>Total (A)+(B)</b>	<b>93412785</b>	<b>18505410</b>	<b>111918195</b>	<b>100.00</b>	<b>93720882</b>	<b>18197313</b>	<b>111918195</b>	<b>100.00</b>	<b>-</b>
<b>C.</b>	<b>Shares Held By Custodians and against Which Depository Receipts Have Been Issued</b>									
	Promoter And Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	<b>Total Custodian (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>93412785</b>	<b>18505410</b>	<b>111918195</b>	<b>100.00</b>	<b>93720882</b>	<b>18197313</b>	<b>111918195</b>	<b>100.00</b>	<b>-</b>

## ii) SHARE HOLDING OF PROMOTERS

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Trinity Auto Points Ltd	20956000	18.72	-	20956000	18.72	-	-
2	South India Travels Pvt Ltd	15852500	14.16	-	11052500	9.87	-	(4.29)
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	Sicagen India Limited	2360205	2.11	-	2360205	2.11	-	-
6	Navia Markets Limited	11600	0.01	-	11600	0.01	-	-
7	First Leasing Co of India Ltd	177250	0.16	-	177250	0.16	-	-
8	Ranford Investments Limited	7807955	6.98	-	7807955	6.98	-	-
9	Darnolly Investments Limited	6437000	5.75	-	6437000	5.75	-	-
10	Jawahar Vadivelu	27100	0.02	-	27100	0.02	-	-
11	Vadivelu AL	8044	0.01	-	8044	0.01	-	-
12	Muthiah A C	4000	-	-	4000	-	-	-
13	Chidambaram M A	2008	-	-	2008	-	-	-
14	Ashwin C Muthiah	230	-	-	230	-	-	-

## (iii) Change in Promoters' Shareholding

SI No	Shareholder's Name	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company
	Part of Promoter Group								
1	South India Travels Private Limited	15852500	14.16	31/03/2017	Sale of Shares	4800000	4.29	11052500	9.87



**(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
<b>1</b>	<b>SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED</b>				
	At the beginning of the year 01-Apr-2016	9220000	8.24	9220000	8.24
	At the end of the Year 31-Mar-2017	9220000	8.24	9220000	8.24
<b>2</b>	<b>TWINSHIELD CONSULTANTS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	Purchase during the year	5039365	4.50	5039365	4.50
	At the end of the Year 31-Mar-2017	5039365	4.50	5039365	4.50
<b>3</b>	<b>SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED</b>				
	At the beginning of the year 01-Apr-2016	3711000	3.32	3711000	3.32
	At the end of the Year 31-Mar-2017	3711000	3.32	3711000	3.32
<b>4</b>	<b>SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2016	2276000	2.03	2276000	2.03
	At the end of the Year 31-Mar-2017	2276000	2.03	2276000	2.03
<b>5</b>	<b>ALYX ENTERPRISES PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2016	2092300	1.87	2092300	1.87
	At the end of the Year 31-Mar-2017	2092300	1.87	2092300	1.87
<b>6</b>	<b>SPIC OFFICERS AND STAFF WELFARE FOUNDATION</b>				
	At the beginning of the year 01-Apr-2016	2064000	1.84	2064000	1.84
	At the end of the Year 31-Mar-2017	2064000	1.84	2064000	1.84
<b>7</b>	<b>ARMENIAN VENTURES LIMITED</b>				
	At the beginning of the year 01-Apr-2016	1100	0.00	1100	0.00
	Purchase during the year	1198736	1.07	1198736	1.07
	At the end of the Year 31-Mar-2017	1198736	1.07	1198736	1.07
<b>8</b>	<b>MANALI PETROCHEMICALS LIMITED</b>				
	At the beginning of the year 01-Apr-2016	1648000	1.47	1648000	1.47
	At the end of the Year 31-Mar-2017	1648000	1.47	1648000	1.47
<b>9</b>	<b>DICK ENTERPRISES PRIVATE LTD</b>				
	At the beginning of the year 01-Apr-2016	958350	0.86	958350	0.86
	At the end of the Year 31-Mar-2017	958350	0.86	958350	0.86
<b>10</b>	<b>AJARA VENTURES LTD</b>				
	At the beginning of the year 01-Apr-2016	631550	0.56	631550	0.56
	At the end of the Year 31-Mar-2017	631550	0.56	631550	0.56

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

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mr. AL Chandramouli</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
<b>2</b>	<b>Mr.M Rajamani</b>				
	At the beginning of the year 01-Apr-2016	900	-	900	-
	At the end of the Year 31-Mar-2017	900	-	900	-
<b>3</b>	<b>Ms.Sashikala Srikanth</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
<b>4</b>	<b>Mr. B Narendran</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
<b>5</b>	<b>Mr. E N Rangaswami</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
<b>6</b>	<b>Mr. V Padmanabha Sarma</b>				
	At the beginning of the year 01-Apr-2016	10	-	10	-
	At the end of the Year 31-Mar-2017	10	-	10	-
<b>7</b>	<b>Mr.N Prasanna Varadan</b>				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-

Mr.B Narendran, Director was appointed on 03 February 2017.

Mr.M Rajamani, Director resigned on 08 February 2017.

**VI INDEBTEDNESS**

(Amount Rs. in lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness as at 01.04.2016</b>				
i) Principal Amount			-	1,066.30
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>	<b>1,024.30</b>	<b>42.00</b>	-	<b>1,066.30</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	652.84	6.00	-	658.84
Net Change			-	-
<b>Indebtedness as at 31.03.2017</b>				
i) Principal Amount	371.46	36.00	-	407.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>371.46</b>	<b>36.00</b>	-	<b>407.46</b>

## VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Whole-time Director

(Rs.Lakhs)

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	-
	<b>Total (A)</b>	<b>36.00</b>
	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 WTD

(Rs.Lakhs)

Sl.No	Name:	V.Padmanabha Sarma	N.Prasanna Varadan	Total
	Designation	C F O	Co.Secy	
		Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961	10.50	4.62	15.12
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others, specify	-	-	-
	<b>Total (C)</b>	<b>10.50</b>	<b>4.62</b>	<b>15.12</b>

## VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

## Form No. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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, 2017 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, 2017 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;
  - (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 Stock Exchange(s) namely 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.

Signature

**R Kannan**

Practicing Company Secretary

FCS No: 6718

C P No: 3363

Place : Chennai

Date : 18 May 2017

## CORPORATE GOVERNANCE REPORT

### 1. PHILOSOPHY ON CODE OF GOVERNANCE:

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

### 2. BOARD OF DIRECTORS

#### Composition and membership in other Boards

As on 31 March, 2017, the Board of Directors of the Company comprised of four directors. The Board comprises of one executive director and three non-executive independent directors. The non-executive directors bring independent judgment in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions. All information as required under LODR are being made available to the Board.

During the year under review, five meetings of the Board of Directors were held on 26 May 2016, 04 August 2016, 10 November 2016, 03 February 2017 & 20 March 2017.

Date of the Board meeting	Strength of the Board	No. of Directors present
26/05/2016	4	3
04/08/2016	4	4
10/11/2016	4	4
03/02/2017	5	4
20/03/2017	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, 2017 are given below:

Sl. 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	4	Yes	7	-	1
2.	Mr. AL Chandramouli Non-Executive Independent	3	Yes	1	-	-
3.	Ms. Sashikala Srikanth Non-Executive Independent	5	Yes	8	2	2
4.	**Mr. B Narendran Non-Executive Independent	2	NA	6	5	5
5.	Mr. E N Rangaswami Whole time Director, Executive Non-Independent	5	Yes	5	1	2

\*Mr. M Rajamani resigned from the Board of Directors with effect from 09 February 2017.

\*\*Mr. B Narendran was appointed as additional/independent director with effect from 03 February 2017.

### 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](http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_DIRECTORS.pdf) and [http://www.mercantileventures.co.in/files/CODE\\_OF\\_CONDUCT\\_SENIORMANAGEMENT.pdf](http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_SENIORMANAGEMENT.pdf).

### 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:
- To investigate any activity within its terms of reference.
  - To seek information from any employee, if needed.
  - To obtain outside legal or other professional advice.
  - To secure attendance of outsiders with relevant expertise.

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

During the year under review, the committee met five times during the year ended 31.03.2017 viz., on 26 May 2016, 04 August 2016, 10 November 2016, 03 February 2017 & 20 March 2017. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
Mr. AL Chandramouli, Chairperson	3
*Mr. M Rajamani	4
Ms. Sashikala Srikanth	5
**Mr. B Narendran	1

\*Mr. M Rajamani resigned from the Board of Directors with effect from 09 February 2017.

\*\*Mr. B Narendran was appointed as additional/independent director with effect from 03 February 2017.

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 two times during the year ended 31.03.2017 viz., on 26 May 2016 and 03 February 2017. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
*Mr. M Rajamani, Chairperson	2
Mr. AL Chandramouli	-
Ms. Sashikala Srikanth	2
**Mr. B Narendran	-

\*Mr. M Rajamani resigned from the Board of Directors with effect from 09 February 2017.

\*\*Mr. B Narendran was appointed as additional/independent director with effect from 03 February 2017.

## REMUNERATION TO DIRECTORS

Mr E N Rangaswami, was reappointed as Whole-Time Director (WTD) of the company for a further period of three years with effect from 05 December 2015. His remuneration was revised to Rs.36.00 lakhs per annum 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, 2017 are as follows:

(in Rupees)		
Sl.No.	Name of the Director	Sitting fees
1.	Mr. AL Chandramouli	75,000
2.	Mr.M Rajamani	1,00,000
3.	Ms. Sashikala Srikanth	1,25,000
4.	Mr. B Narendran	50,000
	<b>Total</b>	<b>3,50,000</b>

## 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 32 times during the year ended 31.03.2017. The composition and attendance of the committee meetings are as follows:

Names of directors	No. of meetings attended
*Mr. M Rajamani, Chairperson	28
Mr. AL Chandramouli, Chairperson	10
Mr.E N Rangaswami	30

\*Mr. M Rajamani resigned from the Board of Directors with effect from 09 February 2017.

### Details of the Compliance Officer:

N Prasanna Varadan- Company Secretary & Compliance Officer

### Details of Shareholders Complaints:

Number of complaints received during the year : 6

Number of complaints solved during the year : 6

The Company had no pending documents for transfer as on 31st March, 2017.

## 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 practice 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 2016-17. 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
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
15th AGM – 2015 – 2016	Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108.	19 September 2016 3.30 PM

## 10. Disclosures

During the year ended 31st March, 2017, there were no materially significant related party transactions having conflict with the interests of the Company.

There were no instances of non-compliance, penalties or strictures imposed on the company by the stock exchanges, 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 2016-17.



## 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](http://www.mercantileventures.co.in). Website of the company provides the basic information about the company viz. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the company is regularly updating the information provided on its website

## 12. General Shareholder Information:

1.	Annual General Meeting : Date Time Venue	28 July 2017 2.00 pm Rajah Annamalai Hall, Esplanade, Chennai – 600 108.
2.	Financial calendar April 2017 – March 2018	First quarter results - Second week of August, 2017 Half-yearly results -Second week of November, 2017 Third quarter results - Second week of February, 2018 Annual results 31 March 2018 - Last week of May, 2018
3.	Record date Book closure date	21 July 2017 22 July 2017 to 28 July 2017
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	83.74 % equivalent to 93722682 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	No capital has been raised in the last three years from public.
10.	Depository Registry - For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 : Fax No. 28460129 Email: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>
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: <a href="mailto:cs@mercantileventures.co.in">cs@mercantileventures.co.in</a>
12.	Website	<a href="http://www.mercantileventures.co.in">www.mercantileventures.co.in</a>

## DISTRIBUTION OF HOLDINGS

Share holding of nominal value of Rs.10/- Range – Shares	Share Holders		Number of Shares	
	Number	%	Number	%
1 – 100	31464	58.76	2205748	1.97
101 – 500	18934	35.36	4957788	4.43
501 – 1000	2304	4.30	1766263	1.58
1001 – 2000	570	1.06	807221	0.72
2001 – 3000	117	0.22	295451	0.26
3001 – 4000	41	0.08	154799	0.14
4001 – 5,000	29	0.05	137918	0.12
5,001 – 10,000	38	0.07	275395	0.25
10,001 – And Above	52	0.10	101317612	90.53
<b>TOTAL</b>	<b>53549</b>	<b>100.00</b>	<b>111918195</b>	<b>100.00</b>

## Market / Share Price Data (Bombay Stock Exchange Limited, Mumbai)

Month	High (Rs.)	Low (Rs.)
April 2016	10.58	8.50
May 2016	11.73	9.51
June 2016	13.73	8.95
July 2016	14.20	10.12
August 2016	15.05	11.21
September 2016	15.80	12.01
October 2016	14.71	9.10
November 2016	13.39	9.01
December 2016	11.50	9.20
January 2017	10.49	9.03
February 2017	10.20	8.26
March 2017	11.85	8.91

## 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, 2017.

Place : Chennai  
Date : 18 May 2017

**For and on behalf of the Board**  
**V.Padmanabha Sarma**                      **E N Rangaswami**  
Chief Financial Officer                      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, 2017 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 : 18 May 2017

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

## INDEPENDENT AUDITORS' REPORT

To

**The Members of 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 March, 31<sup>st</sup> 2017, the abridged statement of profit and loss and the 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 March, 31<sup>st</sup> 2017 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 March, 31<sup>st</sup> 2017 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  
F.R.No.0011688S

Place : Chennai  
Date : 18 May 2017

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

## ABRIDGED BALANCE SHEET AS AT 31 MARCH 2017

(Rs. in Lakhs)

S. No.	Particulars	As at 31 March 2017	As at 31 March 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds</b>		
	(a) Share Capital	11269.67	11269.67
	(b) Reserves & Surplus	13075.45	15373.20
		<b>24345.12</b>	26642.87
2	<b>Non-Current Liabilities</b>		
	(a) Long Term Borrowings	333.17	938.99
	(b) Deferred Tax Liabilities	86.37	77.08
	(c) Other Long Term Liabilities	334.36	282.04
		<b>753.90</b>	1298.11
3	<b>Current Liabilities</b>		
	(a) Other Current Liabilities	129.08	206.68
	(b) Short Term Provisions	1190.70	1290.00
		<b>1319.78</b>	1496.68
	<b>Total - Equity &amp; Liabilities</b>	<b>26418.80</b>	29437.66
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Fixed Assets - Tangible Assets	4325.85	4356.28
	(b) Non Current Investments	4798.92	4453.59
	(c) Long Term Loans and Advances	4360.00	4369.90
	(d) Other Non-Current Assets	7525.59	11544.57
		<b>21010.36</b>	24724.34
2	<b>Current Assets</b>		
	(a) Trade Receivables	152.94	55.68
	(b) Current Investments	7.08	-
	(c) Cash and cash equivalents	101.98	36.00
	(d) Other Loans and Advances	3998.50	3371.91
	(e) Other Current Assets	1147.94	1249.73
		<b>5408.44</b>	4713.32
	<b>Total - Assets</b>	<b>26418.80</b>	29437.66

**Note:** Complete Balance Sheet, Statement of Profit and Loss, other statements and notes there to 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](http://www.mercantileventures.co.in)

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

**For DPV & Associates**  
Chartered Accountants

**CA K.Vairamuthu**  
Partner

Place : Chennai  
Date : 18 May 2017

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director

**V.Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director

**N. Prasanna Varadan**  
Company Secretary

## ABRIDGED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Rs in Lakhs)

S.No.	Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	<b>Revenue:</b>				
I	<b>Revenue from rental services</b>		<b>468.74</b>		424.51
	Dividend received	<b>28.70</b>		286.79	
	Interest received	<b>392.97</b>		396.45	
	Other Income	<b>46.53</b>	<b>468.20</b>	34.78	718.02
	<b>Total Revenue</b>	<b>(A)</b>	<b>936.94</b>		1142.53
	<b>Expenses:</b>				
II	Employee Benefit Expense		<b>62.68</b>		63.08
	Finance Costs		<b>172.05</b>		224.40
	Depreciation and Amortization Expense		<b>31.32</b>		40.33
	Repairs and maintenance	<b>121.23</b>		79.15	
	Other Expenses	<b>120.95</b>	<b>242.18</b>	170.99	250.14
	<b>Total Expenses</b>	<b>(B)</b>	<b>508.23</b>		577.95
III	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(A-B)</b>	<b>428.71</b>		564.58
IV	<b>Exceptional items</b>		<b>(2,591.14)</b>		-
V	<b>Profit before tax</b>		<b>(2,162.43)</b>		564.58
VI	<b>Tax Expense:</b>				
	Current Income Tax		<b>122.90</b>		103.79
	Tax relating to previous year		<b>3.13</b>		13.47
	Deferred tax liability / (Asset)		<b>9.29</b>		43.27
VII	<b>Profit/(Loss) for the year from continuing operations</b>		<b>(2,297.75)</b>		404.05
VIII	<b>Profit/(Loss) for the year</b>		<b>(2,297.75)</b>		404.05
IX	<b>Earning per equity share(in Rs)</b>				
	Basic		<b>(2.05)</b>		0.36
	Diluted		<b>(2.03)</b>		0.36
<p><b>Note:</b> 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 <a href="http://www.mercantileventures.co.in">www.mercantileventures.co.in</a></p>					

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

**AL Chandramouli**  
Director

Place : Chennai  
Date : 18 May 2017

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rs.in Lakhs)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>A</b>	Cash Flow from Operating Activities	<b>3,857.88</b>	(1,936.71)
<b>B</b>	Cash Flow from Investing activities	<b>(3,147.79)</b>	1780.70
<b>C</b>	Cash Flow from Financing activities	<b>(644.11)</b>	(300.50)
	Net Increase/(decrease) in cash and cash equivalents(A+B+C )	<b>65.98</b>	(456.51)
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2016	<b>36.00</b>	492.51
	Cash & Cash Equivalents (closing Balance) as at 31-3-2017	<b>101.98</b>	36.00
	Net Increase/(decrease) in cash and cash equivalents	<b>65.98</b>	(456.51)
	<b>Details of Cash and Cash equivalents shown below:</b>		
	Cash on Hand	<b>0.05</b>	0.19
	Balance with bank in current accounts	<b>101.93</b>	35.81
	Total	<b>101.98</b>	36.00

**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](http://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 : 18 May 2017

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director

**V.Padmanabha Sarma**  
Chief Financial Officer

**AL Chandramouli**  
Director

**N. Prasanna Varadan**  
Company Secretary

## NOTES FORMING PART OF ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Rs in Lakhs)

Sl.No	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
i) 1.10	The company operates only in one segment, namely leasing of immovable properties		
ii) 10	Book Value of quoted investments	376.31	424.26
	Market value of quoted Investments	658.06	756.12
iii) 28	Contingent liabilities and commitments (to the extent not provided for):		
	i) Contingent liabilities :		
	a) Claims against the company not acknowledged as debt;	NIL	NIL
	b) Guarantees;	NIL	NIL
	c) Other money for which the company is contingently liable.	47.86	NIL
	Disputed tax demand in respect of Assessment Year 2013-14 is under appeal before the CIT (Appeals). 15% amounting to Rs.7.20 lakhs has been paid so far under protest.		
	ii) Commitments:		
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	225.00	313.25
	b) Uncalled liability on shares and other investments partly paid;	NIL	NIL
	c) Other commitments (specify nature).	NIL	NIL
iv) 29	Dividend receivable on preference Shares	460.00	260.00
v) 26	<b>Related party disclosure as per accounting Standard 18</b> <b>Related Parties:</b> <b>Subsidiaries:</b> Oasis Ventures Private Limited i3 Security Private Limited Rayce Electronic Intelligence India Private Limited <b>Associates:</b> National Trust Housing Finance Limited <b>Key Managerial Personnel:</b> Mr. E.N. Rangaswami, Whole-time Director		

The following are transactions and Closing Balances with the related parties during current year			
(Rs.in Lakhs)			
Particulars of Transaction	Relationship	Year ended 31 March 2017	Year ended 31 March 2016
<b>Transaction with related parties during the year 2016-17</b>			
1. Security charges paid to i3 Security Private Limited	Subsidiary	<b>0.09</b>	0.07
2. Maintenance charges paid to Oasis Ventures Private Ltd	Subsidiary	<b>12.00</b>	28.65
3. Rent collected- Oasis Ventures Private Limited	Subsidiary	<b>1.08</b>	1.08
4. Sale of products and services-Rayce Electronic Intelligence India Private Ltd	Subsidiary	-	2.02
5. Whole-time Director's remuneration - Mr. E. N. Rangaswami	Key Managerial personnel	<b>36.00</b>	36.00
<b>Closing balances:</b>			
Payable to Oasis Ventures Private Ltd	Subsidiary	-	8.56
<b>Investment in Subsidiaries:</b>			
Oasis Ventures Private Limited		<b>214.00</b>	131.00
<b>Investment in Associates:</b>			
Navia Markets Limited (ceased to be an Associate during the year)		<b>60.47</b>	145.06
National Trust Housing Finance Limited		<b>1092.68</b>	691.76

<b>(vi) 27</b>	<b>Disclosure on Specified Bank Notes (SBNs)</b>			
	<p><b>During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:</b></p>			
	(In Rupees)			
	<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
	Closing cash in hand as on 08.11.2016	5000	4898	9898
	(+) Permitted receipts	-	45000	45000
	(-) Permitted payments	-	36957	36957
	(-) Amount deposited in Banks	5000	-	5000
	<b>Closing cash in hand as on 30.12.2016</b>	-	<b>12941</b>	<b>12941</b>



# Consolidated Financial Statements 2016-17

## 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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet for the year ended as at March, 31 2017, 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 March, 31 2017, 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 March, 31 2017, is 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  
FRNo 0011688S

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

Place : Chennai  
Date : 18 May 2017

## ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(Rs.in Lakhs)

S. No.	Particulars	As at 31 March 2017	As at 31 March 2016
A	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds</b>		
	(a) Share Capital	11269.67	11269.67
	(b) Reserves & Surplus	13613.62	15734.86
		<b>24883.29</b>	27004.53
2	<b>Non-Current Liabilities</b>		
	(a) Long-Term Borrowings	333.17	938.99
	(b) Deferred Tax Liabilities	76.94	76.87
	(c) Other Long-Term Liabilities	334.36	307.44
		<b>744.47</b>	1323.30
3	<b>Current Liabilities</b>		
	(a) Trade Payables	20.43	10.48
	(b) Other Current Liabilities	286.19	298.12
	(c) Short-Term Provisions	1345.65	1433.83
		<b>1652.27</b>	1742.43
	<b>Total - Equity &amp; Liabilities</b>	<b>27280.03</b>	30070.26
B	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Fixed Assets - Tangible Assets	4333.57	4360.43
	(b) Goodwill-Intangible Assets	21.55	12.85
	(c) Non Current Investments	4995.34	4625.66
	(d) Long Term Loans and Advances	4360.00	4369.90
	(e) Other Non-Current Assets	7526.48	11545.47
		<b>21236.94</b>	24914.31
2	<b>Current Assets</b>		
	(a) Inventories	3.72	19.33
	(b) Trade Receivables	523.82	303.10
	(c) Current Investments	7.08	-
	(d) Cash and cash equivalents	298.00	143.66
	(e) Other Loans and Advances	4035.47	3433.05
	(f) Other Current Assets	1175.00	1256.81
		<b>6043.09</b>	5155.95
	<b>Total - Assets</b>	<b>27280.03</b>	30070.26

**Note:** Complete Balance Sheet, Statement of Profit and Loss, other statements and notes there to 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](http://www.mercantileventures.co.in)

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

**For DPV & Associates**

For and on behalf of the Board

Chartered Accountants

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**AL Chandramouli**  
Director

Place : Chennai  
Date : 18 May 2017

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## ABRIDGED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Rs in Lakhs)

S.No.	Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
I	<b>Revenue:</b>				
	<b>Revenue from services provided</b>		<b>2,701.01</b>		1,813.34
	Interest received	395.54		399.39	
	Dividend received	30.38		286.79	
	Other Income	47.47	473.39	35.59	721.77
	<b>Total Revenue</b>	<b>(A)</b>	<b>3174.40</b>		2535.11
II	<b>Expenses:</b>				
	Cost of Services		703.36		30.58
	Employee Benefit Expense		1,397.99		1,277.32
	Finance Costs		172.37		224.91
	Depreciation and Amortization Expense		33.65		43.40
	Repairs and maintenance	113.67		56.48	
	Other Expenses	221.25	334.92	285.96	342.44
	<b>Total Expenses</b>	<b>(B)</b>	<b>2,642.29</b>		1918.65
III	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(A-B)</b>	<b>532.11</b>		616.46
IV	<b>Exceptional items (Net):</b>				
	Loss on sale of investments (net)		(2,591.14)		-
V	<b>Profit before tax</b>		<b>(2,059.03)</b>		616.46
VI	<b>Tax Expense:</b>				
	Current Income Tax		165.81		128.67
	Tax relating to previous year		3.13		13.47
	Deferred tax liability / (Asset)		0.07		43.15
VII	<b>Profit/(Loss) for the year from continuing operations</b>		<b>(2,228.04)</b>		431.17
VIII	<b>Profit/(Loss) for the year</b>		<b>(2,228.04)</b>		431.17
IX	<b>Minority interest</b>		-		5.63
	<b>Pre-acquisition profit (Capital Reserve)</b>		<b>0.12</b>		1.59
	<b>Consolidate profit for the year attributable to the group(VIII-IX-X)</b>		<b>(2,228.16)</b>		423.95
IX	<b>Earning per equity share(in Rs)</b>				
	Basic		<b>(1.99)</b>		0.38
	Diluted		<b>(1.97)</b>		0.37

**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](http://www.mercantileventures.co.in)

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

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**AL Chandramouli**  
Director

Place : Chennai  
Date : 18 May 2017

**V.Padmanabha Sarma**  
Chief Financial Officer

**N. Prasanna Varadan**  
Company Secretary

## ABRIDGED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rs in Lakhs)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>A</b>	Cash Flow from Operating Activities	3,905.17	(1,945.86)
<b>B</b>	Cash Flow from Investing activities	(3,208.48)	1,744.88
<b>C</b>	Cash Flow from Financing activities	(542.35)	(245.50)
	Net Increase/(decrease) in cash and cash equivalents(A+B+C )	154.34	(446.48)
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2016	143.66	590.14
	Cash & Cash Equivalents (closing Balance) as at 31-3-2017	298.00	143.66
	Net Increase/(decrease) in cash and cash equivalents	154.34	(446.48)
	<b>Details of Cash and Cash equivalents shown below:</b>		
	Cash on Hand	0.34	1.17
	Balance with bank in current accounts	297.66	142.49
	<b>Total</b>	<b>298.00</b>	143.66
<p><b>Note:</b> 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 <a href="http://www.mercantileventures.co.in">www.mercantileventures.co.in</a></p>			

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

**For DPV & Associates**  
Chartered Accountants

For and on behalf of the Board

**CA K.Vairamuthu**  
Partner

**E N Rangaswami**  
Whole-time Director

**AL Chandramouli**  
Director

Place : Chennai  
Date : 18 May 2017

**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 2017

(Rs in Lakhs)

Sl.No	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
i) 1.10	The company operates only in one segment, namely leasing of immovable properties		
ii) 12	Book Value of quoted investments Market value of quoted Investments	376.31 658.06	424.26 756.12
iii) 32	Contingent liabilities and commitments (to the extent not provided for): i) Contingent liabilities : a) Claims against the company not acknowledged as debt; b) Guarantees; c) Other money for which the company is contingently liable. Disputed tax demand in respect of Assessment Year 2013-14 is under appeal before the CIT (Appeals). 15% amounting to Rs.7.20 lakhs has been paid so far under protest.  ii) Commitments: a) Estimated amount of contracts remaining to be executed on capital account and not provided for; b) Uncalled liability on shares and other investments partly paid; c) Other commitments (specify nature).	NIL NIL 47.86  225.00 NIL NIL	NIL NIL NIL  313.25 NIL NIL
iv) 33	Dividend receivable on preference Shares	460.00	260.00
v) 30	<b>Related party disclosure as per accounting Standard 18</b> <b>Related Parties:</b> <b>Subsidiaries:</b> Oasis Ventures Private Limited i3 Security Private Limited Rayce Electronic Intelligence India Private Limited <b>Associates:</b> National Trust Housing Finance Limited <b>Key Managerial Personnel:</b> Mr. E.N. Rangaswami, Whole-time Director		

The following are transactions and Closing Balances with the related parties during current year			
(Rs.in Lakhs)			
Particulars of Transaction	Relationship	Year ended 31 March 2017	Year ended 31 March 2016
<b>Transaction with related parties during the year 2016-17</b>			
1. Security charges paid to M/s. i3 Security Private Limited	Subsidiary	0.09	0.07
2. Maintenance charges paid to Oasis Ventures Private Ltd	Subsidiary	12.00	28.65
3. Rent collected- Oasis Ventures Private Limited	Subsidiary	1.08	1.08
4. Sale of Products and services-Rayce Electronic Intelligence India Private Ltd	Subsidiary	-	2.02
5. Whole-time Director's remuneration - Mr. E. N. Rangaswami	Key Managerial perosonnel	36.00	36.00
<b>Closing balances:</b>			
Payable to Oasis Ventures Private Ltd	Subsidiary	-	8.56
<b>Investment in Subsidiaries:</b>			
Oasis Ventures Private Limited		214.00	131.00
<b>Investment in Associates:</b>			
Navia Markets Limited (ceased to be an Associate during the year)		60.47	216.70
National Trust Housing Finance Limited		1502.67	923.19

(vi) 31	Disclosure on Specified Bank Notes (SBNs)			
	During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:			
(In Rupees)				
	Particulars	SBNs	Other Denomination Notes	Total
	Closing cash in hand as on 08.11.2016	181500	39600	221100
	(+) Permitted receipts	-	310125	310125
	(-) Permitted payments	-	281582	281582
	(-) Amount deposited in Banks	181500	-	181500
	<b>Closing cash in hand as on 30.12.2016</b>	-	<b>68143</b>	<b>68143</b>

**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 2017**

**Part "A:" Subsidiaries**

(Rs.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	214.00	85.20	50.00
Reserves & surplus	51.18	142.22	(23.93)
Total assets	346.86	454.40	49.90
Total Liabilities( Excluding Share Capital & Reserves)	81.68	226.98	23.83
Investments	198.44	-	-
Turnover	684.21	1461.03	138.75
Profit before taxation	36.78	70.86	1.17
Provision for taxation	11.44	21.90	0.36
Profit after taxation	25.34	48.96	0.81
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100.00	100.00	100.00

**Part "B": Associates Statement**

(Rs.in Lakhs)

Name of the Associate	National Trust Housing Finance Limited
Latest audited Balance Sheet Date	31/3/2017
No. of Shares of Associate held by the company on the year end	5999890
Amount of Investment in Associates	691.76
Extent of Holding	40%
Description of how there is significant influence	by virtue of Shareholding
Reason why the associate is not consolidated	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	2430.46
Profit / Loss for the year	446.39
i. Considered in Consolidation	178.56
ii. Not Considered in Consolidation	267.83

**Note:** The Financial results of National Trust Housing Finance Limited, associate have been consolidated based on the unaudited figures provided by the company.1650000 equity shares purchased during the year at a cost of Rs. 400.95 lakhs has not been transferred in the name of the company and this has not been considered while determining the holding percentage.

For and on behalf of the Board

**E N Rangaswami**  
Whole-time Director

**AL Chandramouli**  
Director

Place : Chennai  
Date : 18 May 2017

**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 **16<sup>th</sup> Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** on **Friday, the 28 July 2017** at **2.00 PM**.

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



# 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 **16<sup>th</sup> Annual General Meeting** of the company, to be held on **Friday, the 28 July 2017** at **2.00 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.....2017

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

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

Affix  
₹ 1  
Revenue Stamp

Note:

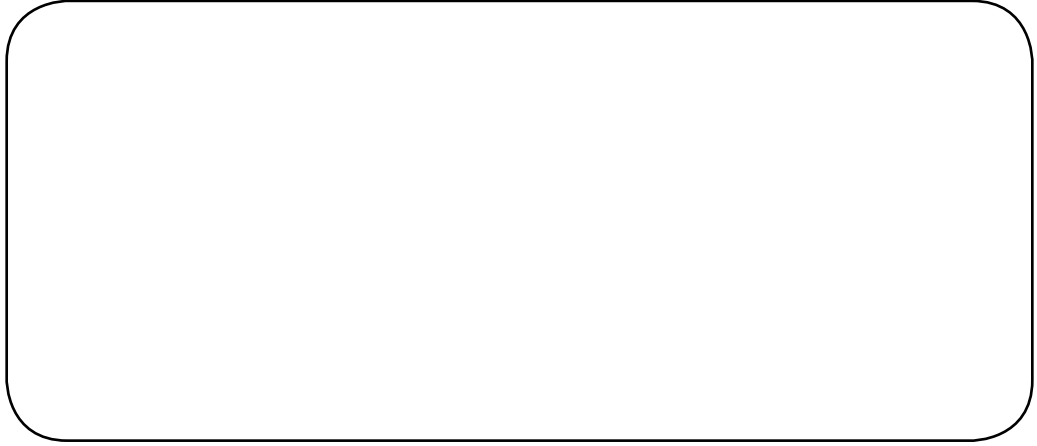
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf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