



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. 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.”

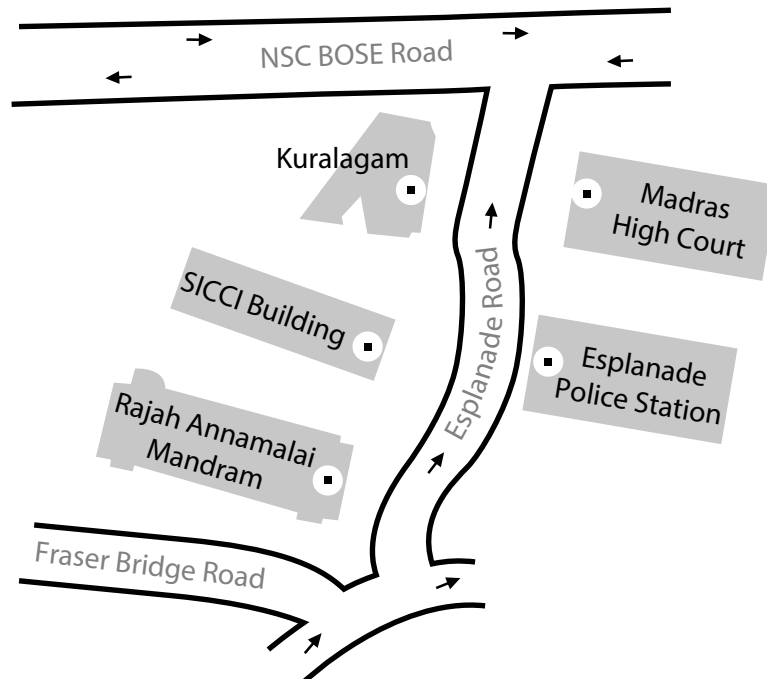
By Order of the Board
For **MERCANTILE VENTURES LIMITED**
E N RANGASWAMI
(DIN: 06463753)
Whole-time Director

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's 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 – Member Stakeholders Relationship Committee – Chairman Nomination and Remuneration Committee – Chairman Corporate Social Responsibility Committee – Member
2.	Sicagen India Ltd	Director	Audit Committee – Chairman Stakeholders Relationship Committee – Chairman Nomination & Remuneration Committee – Member
3.	Greenstar Fertilizers Ltd	Director	Audit Committee – Member Nomination & Remuneration Committee – Chairman Corporate Social Responsibility Committee – Member
4.	Tuticorin Alkali Chemicals & Fertilizers Ltd	Director	Audit Committee – Chairman Stakeholders Relationship Committee – Member Nomination & Remuneration Committee – Member
5.	South India House Estates & Properties Ltd	Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member
6.	India Radiators Limited	Director	Audit Committee – Member Nomination & Remuneration Committee – Chairman

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.



Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. Click on the EVSN for the relevant **Mercantile Ventures limited** on which you choose to vote.

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

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

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

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

Note for Non – Individual Shareholders and Custodians :

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

BOARD'S REPORT

Your Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 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	
A.	Shareholding of Promoter and Promoter Group									
1.	Indian									
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	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(1)	59384305	218732	59603037	53.26	54584305	218502	54802807	48.97	(4.29)
2.	Foreign									
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	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(2)	14244955	-	14244955	12.72	14245185	-	14245185	12.72	-
	Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	73629260	218732	73847992	65.98	68829490	218502	69047992	61.69	(4.29)
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions / Banks	-	100	100	-	-	100	100	-	-
c.	Central Government/ State Government(S)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Any Other	-	-	-	-	-	-	-	-	-
	Sub - Total (B)(1)	-	100	100	-	-	100	100	-	-

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
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	-	-
	Sub - Total (B)(2)	19783525	18286578	38070103	34.02	24891392	17978711	42870103	38.31	4.29
	Total Public Shareholding (B) = (B)(1)+(B)(2)	19783525	18286678	38070203	34.02	24891392	17978811	42870203	38.31	4.29
	Total (A)+(B)	93412785	18505410	111918195	100.00	93720882	18197313	111918195	100.00	-
C.	Shares Held By Custodians and against Which Depository Receipts Have Been Issued									
	Promoter And Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	Total Custodian (C)	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	93412785	18505410	111918195	100.00	93720882	18197313	111918195	100.00	-

ii) SHARE HOLDING OF PROMOTERS

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Trinity Auto Points Ltd	20956000	18.72	-	20956000	18.72	-	-
2	South India Travels Pvt Ltd	15852500	14.16	-	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):

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
1	SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED				
	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
2	TWINSHIELD CONSULTANTS PRIVATE LIMITED				
	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
3	SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED				
	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
4	SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION				
	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
5	ALYX ENTERPRISES PRIVATE LIMITED				
	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
6	SPIC OFFICERS AND STAFF WELFARE FOUNDATION				
	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
7	ARMENIAN VENTURES LIMITED				
	At the beginning of the year 01-Apr-2016	1100	0.00	1100	0.00
	Purchase during the year	1197636	1.07	1198736	1.07
	At the end of the Year 31-Mar-2017	1198736	1.07	1198736	1.07
8	MANALI PETROCHEMICALS LIMITED				
	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
9	DICK ENTERPRISES PRIVATE LTD				
	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
10	AJARA VENTURES LTD				
	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
1	Mr. AL Chandramouli				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
2	Mr.M Rajamani				
	At the beginning of the year 01-Apr-2016	900	-	900	-
	At the end of the Year 31-Mar-2017	900	-	900	-
3	Ms.Sashikala Srikanth				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
4	Mr. B Narendran				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
5	Mr. E N Rangaswami				
	At the beginning of the year 01-Apr-2016	-	-	-	-
	At the end of the Year 31-Mar-2017	-	-	-	-
6	Mr. V Padmanabha Sarma				
	At the beginning of the year 01-Apr-2016	10	-	10	-
	At the end of the Year 31-Mar-2017	10	-	10	-
7	Mr.N Prasanna Varadan				
	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
Indebtness as at 01.04.2016				
i) Principal Amount			-	1,066.30
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	1,024.30	42.00	-	1,066.30
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	652.84	6.00	-	658.84
Net Change			-	-
Indebtedness as at 31.03.2017				
i) Principal Amount	371.46	36.00	-	407.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	371.46	36.00	-	407.46

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	-
	Total (A)	36.00
	Ceiling as per the Act	60.00

B. Remuneration to other Directors:

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

C. Remuneration to Key Managerial Personnel other than 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	-	-	-
	Total (C)	10.50	4.62	15.12

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 and http://www.mercantileventures.co.in/files/CODE_OF_CONDUCT_SENIORMANAGEMENT.pdf.

COMMITTEES OF THE BOARD

4. AUDIT COMMITTEE

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

The role of the audit committee shall include the following:

1. Oversee the company's financial reporting process and review its financial statements.
2. In addition to the normal overall review of the financial performance, Audit Committee will also recommend the quarterly results, appointment of auditors, recommendation of dividend, application of accounting standards, discussion on financial audit reports, etc.
3. Recommend the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of their fees.
4. Review of internal control and internal audit system.

5. Review of risk management policies and practices and also include the following:
- 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
	Total	3,50,000



6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference to the Stakeholders' Relationship Committee are related to transfer, transmission, demat, remat, split/consolidation of shares and issue of duplicate share certificates, etc and also to oversee the redressal of investors' complaints. The committee met 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. 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: cameo@cameoindia.com
11.	Compliance Officer & address for communication	N Prasanna Varadan Company Secretary Mercantile Ventures Limited 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 044 – 4043 2209 Email: cs@mercantileventures.co.in
12.	Website	www.mercantileventures.co.in



DISTRIBUTION OF HOLDINGS

Share holding of nominal value of Rs.10/- 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
TOTAL	53549	100.00	111918195	100.00

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 Standalone Financial Statements

We have audited the accompanying Financial Statements of Mercantile Ventures Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the year ended on that date along with the Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India by the Institute Of Chartered Accountants Of India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company for the year ended as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on the date



Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of these standalone financial statements.
 - d) In our opinion, aforesaid standalone financial statements comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) With respect to the adequacy of the financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
 - f) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of Section (2) of section 164 of the Companies Act, 2013.
 - g) With respect to the other matters to be included in the Independent Auditor's Report in accordance with the Rule 11 of the company (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements vide Note No: 28 in the notes to accounts.
 - ii. The company doesn't require any provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection fund by the company.
 - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note No: 27)

For DPV & Associates
Chartered Accountants
F.R.No.0011688S

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.
2. Since the company is a service company there is no stock of raw material
3. a) The Company has not granted loans to the parties covered in the register maintained under section 189 of the Companies act of 2013.
- b) In the light of (a) we do not comment on the interest or other conditions or security of loans.
- c) In the light of (a) we do not comment on the payment of principal or interest.
4. In respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted any deposits in the current year and hence the provision of sections 73 to 76 does not apply.
6. The Central Government has not prescribed for the Company maintenance of the Cost Records under subsection (1) of section 148 of the Act.
7. a) According to the records of the Company, the company is regular in depositing undisputed statutory dues relating to Income Tax, and Service Tax and other statutory dues applicable to it with the appropriate authorities.
- b) According to the records of the Company and according to the information and explanations given to us, there are no dues of Income tax and Service Tax except as mentioned below:

S No	Case No	Amount (Rs in Lakhs)	Status
1	In CIT Appeals A.Y – 2013-14	47.86	Pending before CIT Appeals, 15% tax demand amounting to Rs.7.20 Lakhs has been paid so far.

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. According to the records of the company and the information and explanation given to us, the company has not availed any new term loan during the year and hence we have no comments to offer on the utilization of term loan.
10. We had not noticed any fraud by the company or any fraud on the Company by its officers or employees to be reported during the year.
11. According to the records of the company provided to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a nidhi company and hence question of compliances relating to nidhi company does not apply to the company.
13. In our opinion the company has complied with the provisions of sections 177 and 188 of Companies Act 2013 for all transactions with the related parties and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares of fully or partly convertible debenture during the year.
15. According to information and explanations furnished to us, the company has not entered in to any non – cash transactions with directors or persons connected with them.
16. The company is not required to be registered under sec 45-IA of the Reserve Bank of India Act, 1934.

For DPV & Associates
Chartered Accountants
F.R.No.0011688S

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May 2017



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (e) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of MERCANTILE VENTURES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For DPV & Associates
Chartered Accountants
F.R.No.0011688S

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May 2017

BALANCE SHEET AS AT 31 MARCH 2017

(Rs.in Lakhs)

S. No.	Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	2	11269.67	11269.67
	(b) Reserves & Surplus	3	13075.45	15373.20
			24345.12	26642.87
2	Non-Current Liabilities			
	(a) Long Term Borrowings	4	333.17	938.99
	(b) Deferred Tax Liabilities	5	86.37	77.08
	(c) Other Long Term Liabilities	6	334.36	282.04
			753.90	1298.11
3	Current Liabilities			
	(a) Other Current Liabilities	7	129.08	206.68
	(b) Short Term Provisions	8	1190.70	1290.00
			1319.78	1496.68
	Total - Equity & Liabilities		26418.80	29437.66
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets - Tangible Assets	9	4325.85	4356.28
	(b) Non Current Investments	10	4798.92	4453.59
	(c) Long Term Loans and Advances	11	4360.00	4369.90
	(d) Other Non Current Assets	12	7525.59	11544.57
			21010.36	24724.34
2	Current Assets			
	(a) Trade Receivables	13	152.94	55.68
	(b) Current Investments	14	7.08	-
	(c) Cash and cash equivalents	15	101.98	36.00
	(d) Other Loans and Advances	16	3998.50	3371.91
	(e) Other Current Assets	17	1147.94	1249.73
			5408.44	4713.32
	Total - Assets		26418.80	29437.66

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

This is the 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

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

(Rs in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
	Revenue:			
I	Income from Operations	18	468.74	424.51
	Other Income	19	468.20	718.02
	Total Revenue	(A)	936.94	1142.53
	Expenses:			
II	Employee Benefit Expense	20	62.68	63.08
	Finance Costs	21	172.05	224.40
	Depreciation and Amortization Expense	9	31.32	40.33
	Other Expenses	22	242.18	250.14
	Total Expenses	(B)	508.23	577.95
III	Profit before exceptional and extraordinary items and tax	(A-B)	428.71	564.58
IV	Exceptional items	23	(2,591.14)	-
V	Profit before tax		(2,162.43)	564.58
VI	Tax Expense:			
	Current Income Tax		122.90	103.79
	Tax relating to previous year		3.13	13.47
	Deferred tax liability / (Asset)		9.29	43.27
VII	Profit/(Loss) for the year from continuing operations		(2,297.75)	404.05
VIII	Profit/(Loss) for the year		(2,297.75)	404.05
IX	Earning per equity share(in Rs)			
	Basic		(2.05)	0.36
	Diluted		(2.03)	0.36
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss.				

This is the Statement of Profit and Loss referred to in our report of even date.

For DPV & Associates
Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu
Partner

E N Rangaswami
Whole-time Director

AL Chandramouli
Director

Place : Chennai
Date : 18 May 2017

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rs.in Lakhs)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
A	Cash Flow from Operating Activities		
	Profit for the year after Exceptional items and before Tax	(2,162.43)	564.58
	Adjustments for:		
	Depreciation	31.32	40.33
	Dividend Income	(28.70)	(286.79)
	Short term gain on liquid funds	(1.57)	(7.16)
	Interest Income	(392.97)	(396.45)
	Investments written off	-	31.70
	Loss on sale of investments	3116.31	-
	Profit on sale of fixed assets	-	(18.66)
	Profit on sale of investments	(525.17)	(8.40)
	Operating Profit before Working Capital changes	36.79	(80.85)
	Adjustments for:		
	Long Term Liabilities	52.32	(8.64)
	Current liabilities & Provisions	(39.31)	110.59
	Long term Loans & Advances	9.90	(1,356.73)
	Non-Current Assets	4,018.98	-
	Trade Receivables	(97.26)	43.28
	Other Current Assets	(86.34)	(82.12)
		3,858.29	(1,293.62)
	Tax paid	37.20	(562.24)
	Net Cash from Operating activities	3,857.88	(1,936.71)
B	Cash Flow from Investing activities		
	Proceeds from sale of shares	1,703.56	14.92
	Proceeds from sale of Fixed Assets	-	22.00
	Addition to Fixed Assets	(0.90)	(130.67)
	Investments	(4,640.03)	(224.89)
	Current Investments	(7.08)	-
	Income from Investments	423.24	690.40
	Loans and Advances	(626.58)	1408.94
		(3,147.79)	1780.70
C	Cash Flow from Financing activities		
	Long term Borrowings	(644.11)	(300.50)
	Net Cash used in Financing Activities	(644.11)	(300.50)
	Net Cash Flows during the year (A) + (B) + (C)	65.98	(456.51)
	Cash & Cash Equivalents (Opening Balance) as at 31-3-2016	36.00	492.51
	Cash & Cash Equivalents (Closing Balance) as at 31-3-2017	101.98	36.00

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement.

This is the 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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared on accrual basis under the historical cost convention and applicable accounting standards.

2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3 Cash and cash equivalents(for Cash Flow Statement)

Cash on hand comprises Cash on hand and balance in Current account with Bank and other liquid funds.

4 Cash Flow Statement

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

5 Fixed Assets

The Fixed Assets are stated at cost less accumulated Depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

6 Depreciation

- a) Depreciation is provided on the basis of straight Line Method adopting the rates and the manner as provided in Schedule II of the Companies Act, 2013 as amended.
- b) Depreciation for additions to/deductions from Fixed Assets is calculated pro rata from/to the month of additions/deletions
- c) Fixed Assets individually costing Rs.5000 or less are depreciated in full in the year of additions."

7 Investments (Long Term)

- a) Investments in shares and units are stated at cost, net of permanent diminution in value wherever necessary.
- b) Dividends are accounted for when the right to receive the payment is established.

8 Impairment of assets

The company recognizes impairment of assets other than the assets which are specially excluded under the Accounting Standard 28 on impairment assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying cost in the books. In case carrying amounts exceeds recoverable value impairment losses are provided for.

9 Revenue recognition

- a) Revenue is recognized on accrual basis and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
- b) Dividend income is recognized when the company's right to receive the dividend is established by the reporting date.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

10 Segment reporting

The main business of the company is that of lease of immovable properties which is the only business segment for the current period.

11 Provision for current tax and deferred tax

Provision for current tax is made after taking into consideration admissible benefits under the provisions of the Income Tax 1961. Deferred taxes are recognized when considered prudent for all timing differences between taxable and accounting income.

12 Retirement Benefits

The company has presently no post-employment and other long term benefits.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Share Capital

(Rs in Lakhs)

Particulars		Year ended 31 March 2017		Year ended 31 March 2016	
Authorised Capital					
11,50,00,000 Equity Shares of Rs.10/- each			11500.00		11500.00
1,50,00,000 Preference Shares of Rs.10/- each			1500.00		1500.00
Total			13000.00		13000.00
Issued, Subscribed & Paid-up Capital					
11,19,18,195 Equity Shares of Rs.10/- each fully paid up (Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)	11191.82			11,191.82	
7,50,000 Five year Zero % optionally Convertible Preference Shares of Rs.10/- each fully paid up	75.00	11266.82	75.00		11266.82
Add: Forfeited shares		2.85			2.85
Total		11269.67			11269.67

The Preference Shares issued during the year 2014-15 are convertible into equity shares at par or redeemable at par at the option of the shareholders at the end of five years from the date of allotment.

2.1. Number of Equity Shares at the beginning and end of the reporting year

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	111918195	11191.82	111918195	11191.82
Shares issued during the year	-	-	-	-
Shares outstanding at the close of the year	111918195	11191.82	111918195	11191.82

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% of Holding	No. of shares	% of Holding
Trinity Auto Points Limited	20956000	18.72	20956000	18.72
Golden Star Assets Consultants Private Limited	14396000	12.86	14396000	12.86
South India Travels Private Limited	11052500	9.87	15852500	14.16
Southern Petrochemical Industries Corporation Limited	9220000	8.24	9220000	8.24
Ranford Investments Limited	7807955	6.98	7807955	6.98
Dornolly Investments Limited	6437000	5.75	6437000	5.75
Gold Nest Trading Company Limited	5808000	5.19	5808000	5.19

3. Reserves & Surplus

(Rs.in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital Reserve		
Opening balance	292.43	292.43
Add: Addition during the year	-	-
	292.43	292.43
Less: Deduction during the year	-	-
Closing Balance (A)	292.43	292.43
General Reserve		
Opening balance	375.60	375.60
Add: Addition during the year	-	-
	375.60	375.60
Less: Deduction during the year	-	-
Closing Balance (B)	375.60	375.60
Securities Premium Account		
Opening balance	12,250.20	12,250.20
Add: Premium credited on securities issued in pursuance of a Scheme of Arrangement (Refer Note 2)	-	-
	12,250.20	12,250.20
Less: Premium utilised during the year	-	-
Closing Balance (C)	12,250.20	12,250.20
Profit & Loss Account		
Surplus from Profit & Loss Account	2,454.97	2,050.92
Add: Profit/(Loss) for the year	(2,297.75)	404.05
	157.22	2454.97
Less: Deduction during the year	-	-
Closing Balance (D)	157.22	2454.97
Total (A to D)	13,075.45	15,373.20

4. Long Term Borrowings

Secured :		
Term Loan-from Others	333.17	938.99
Total	333.17	938.99

4.1 Term Loan has been availed against hypothecation charge on rental receivables from tenants occupying company's office space and mortgage on 46,118 sq. ft. office space of the company in Chennai.

5. Deferred Tax Liability

Related to Fixed Assets-timing difference	86.37	77.08
Total	86.37	77.08

6. Other Long-term Liabilities:

Rent Deposit	334.36	282.04
Total	334.36	282.04

7. Other Current Liabilities:

Other Payables		
a) Duties & Taxes	5.84	7.27
b) Outstanding Expenses payable	30.91	72.06
c) Other payables	92.33	127.35
Total	129.08	206.68

7.1. Other payables include unpaid Zero interest Convertible Bonds of Rs 36.00 lakhs.

8. Short Term Provisions

Provision for Taxation	1190.70	1290.00
Total	1190.70	1290.00

9. Fixed Assets

(Rs in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As At 31/3/2016	Additions	Deletions	As At 31/3/2017	As At 31/3/2016	Deletions	For The Year	As At 31/3/2017	As At 31/3/2017	As At 31/3/2016
Tangible Assets										
Freehold Land	3622.66	-	-	3622.66	-	-	-	-	3622.66	3622.66
Buildings	586.17	-	-	586.17	72.79	-	9.55	82.34	503.83	513.38
Computers	1.23	0.89	-	2.12	1.18	-	0.51	1.69	0.43	0.05
Plant & Machinery, Airconditioners, etc	120.11	-	-	120.11	7.40	-	7.60	15.00	105.11	112.71
Furniture and Fixtures	137.49	-	-	137.49	31.86	-	13.06	44.92	92.57	105.63
Office Equipments	3.14	-	-	3.14	1.29	-	0.60	1.89	1.25	1.85
Total	4470.80	0.89	-	4471.69	114.52	-	31.32	145.84	4325.85	4356.28
Previous year	4344.60	130.67	4.47	4470.80	75.33	1.14	40.33	114.52	4356.28	4269.27

10 Details of Non-Trade Investments

Non-Current Investments

(Rs. in Lakhs)

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Quoted:						
Investments in Equity instruments-fully paid up						
Adarsh Chemicals Ltd	Others	10	7000	2.09	7000	2.09
Autopal Industries Ltd	Others	10	300	0.12	300	0.12
Chitra Durga Spintex Ltd	Others	10	3650	3.65	3650	3.65
Crescent Finstock Ltd	Others	10	14	0.01	14	0.01
Dev Fasteners Ltd	Others	10	2800	1.25	2800	1.25
Easar Port Ltd	Others	10	-	-	2	-
Essar Shipping Ltd	Others	10	-	-	1	-
Haryana Leather Chemicals Ltd	Others	10	21800	2.18	-	-
ICICI Bank Ltd	Others	2	75	0.01	-	-
Integrated Digital Info services Ltd	Others	10	200	0.02	200	0.02
ISPL Industries Ltd	Others	10	37000	22.01	37000	22.01
Kumbat Financial Services Ltd	Others	10	10100	1.01	10100	1.01
Manali Petrochemicals Limited	Others	10	300	0.03	300	0.03
Reliance Industries Ltd	Others	10	1160	0.12	-	-
Ritish International Ltd	Others	10	12900	4.03	12900	4.03
S & S Power Switch Gears Ltd	Others	10	77	0.01	77	0.01
S&S Industries Ltd	Others	10	560	0.01	560	0.01
Sai Industries Ltd	Others	10	4400	0.44	4400	0.44
Saptharishi Agro Industries Ltd	Others	10	3700	0.80	3700	0.80
Sharp industries Ltd	Others	10	40	0.06	40	0.06
Sicagen India Ltd	Others	10	497923	8.28	465423	0.05
Sical Logistics Ltd	Others	10	105817	127.78	474469	308.16
Southern Petrochemical Industries Corporation Ltd	Others	10	680260	152.53	289250	73.75
Tebma Shipyards Ltd	Others	10	3400	3.68	3400	3.68
TN Jayabharat Mills Ltd	Others	10	2000	0.83	2000	0.83
Tamilnadu petroproducts Ltd	Others	10	201000	43.12	-	-
Tribology India Ltd	Others	10	2150	2.25	2350	2.25
Sub Total - (A)				376.31		424.26

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Unquoted						
Absolute Aromatics Ltd	Others	10	27200	17.68	27200	17.68
Agrimarine Exports Ltd	Others	10	8000	1.00	8000	1.00
Albaraka Finance House Ltd	Others	10	13500	2.10	13500	2.10
AM Corporate Social Responsibility Foundation Ltd	Others	10	1200	0.12	1200	0.12
Ananthi Constructions Ltd	Others	10	3900	0.21	3900	0.21
Armenian Ventures Ltd	Others	10	-	-	19600	1.96
Balaji Hotels and Enterprises Ltd	Others	10	1000	0.84	1000	0.84
Carrier Airconditioning & Refrigeration Ltd	Others	10	132	0.02	132	0.02
Claro India Ltd	Others	10	600	0.12	600	0.12
Ajara Ventures Ltd	Others	10	-	-	5000	0.50
Dick Enterprises Pvt Ltd	Others	10	-	-	120000	12.00
Harrington Ventures Ltd	Others	10	-	-	20000	2.00
Gangadharam Appliances Ltd	Others	10	700	0.17	700	0.17
Gil Hospitals Ltd	Others	10	12500	2.19	12500	2.19
HMG Industries Ltd	Others	10	2000	1.21	6900	4.06
Iggi Resorts Ltd	Others	10	5300	1.82	5300	1.82
Jain Farms Palm Oil Ltd	Others	10	50000	5.00	50000	5.00
Kailash Structurals Ltd	Others	10	1000	0.19	1000	0.19
Karthik Alloys Ltd	Others	10	3890	2.74	3890	2.74
Konmgarar Textiles Ltd	Others	10	2600	1.17	2600	1.17
Modi Threads Ltd	Others	10	200	0.03	200	0.03
National Trust Housing Finance Ltd (refer Note 2)	Associate	10	7649890	1092.68	5999890	691.76
Navia Markets Limited	Others	10	537410	60.47	1289410	145.06
Oasis Ventures Private Ltd	Subsidiary	10	2140000	214.00	1310000	131.00
PA Cotton & Spinning Mills Ltd	Others	10	1400	2.10	1400	2.10
Pacific Granites Ltd	Others	10	6300	3.73	6300	3.73
Panteon Ventures Ltd	Others	10	-	-	8800	0.88
Pioneer Cashew Industries Ltd	Others	10	4300	0.44	4300	0.44
Raymond Synthetics Ltd	Others	10	100	0.01	100	0.01
Reed Relays & Electronics Ltd	Others	10	50	0.07	50	0.07
Alyx Enterprises Private Ltd	Others	10	-	-	38000	3.80
Shamrao Vithal Co-operative Bank Ltd	Others	10	500	0.01	500	0.01

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Sholingar Textiles Ltd	Others	10	12300	9.47	12300	9.47
Eka Enterprises Ltd	Others	10	-	-	37800	3.78
Tamarai Mills Ltd	Others	10	4250	3.96	4250	3.96
Tri Star Soya Ltd	Others	10	5450	4.23	5450	4.23
Unmaj Enterprises Ltd	Others	10	-	-	7800	0.78
Woolworth India Ltd	Others	10	50	0.03	50	0.03
XS Financial Services Ltd	Others	10	42800	3.56	42800	3.56
Zen Global Finance Ltd	Others	10	400	0.07	400	0.07
Sub Total - (B)				1431.44		1060.66
Total (a) : (A) + (B)				1807.75		1484.92
Investments in Preference Shares						
EDAC Engineering Ltd		10	20000000	2000.00	20000000	2000.00
Total (b)				2000.00		2000.00
Share Capital Advance						
India Radiators Ltd		10	10320000	1032.00	10095000	1009.50
Total (c)				1032.00		1009.50
Aggregate amount of Investments (a) + (b) + (c)				4839.75		4494.42
Less: Provision for diminution in value of investments				40.83		40.83
Net Value of Investments				4798.92		4453.59

1 Allotment of shares by India Radiators Limited is subject to approval of the shareholders of that company and other statutory approvals

2 1650000 equity shares of National Trust Finance Company Ltd purchased during the year have not been transferred in the name of the Company.

Aggregate amount of Non-Current quoted investments	376.31	424.26
Market value of Non-current quoted investments	658.06	756.12

11. Long-Term Loans and Advances

Others - Unsecured considered good		
Capital Advances	4360.00	4369.90
Total	4360.00	4369.90

Capital Advances represent advances made towards purchase of immovable properties.

12. Other Non-Current Assets:

(Rs in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Unsecured, considered good		
Other Advances	7525.59	11544.57
Total	7525.59	11544.57

The Non-Current assets relate to the balances of old NBFC business.

13. Trade Receivables:

Sundry Debtors- outstanding for a period exceeding six months from the date they were due for payment unsecured, considered good	10.57	-
Other Debtors-unsecured, considered good	142.37	55.68
Total	152.94	55.68

14. Current Investments:

SBI Premier Liquid Fund (705900 units , NAV -Rs 1.003)	7.08	-
Total	7.08	-

15. Cash & Cash Equivalents:

Balances with Bank on Current Account [includes cheques on hand- Rs.49.31 lakhs-(previous year-nil)]	101.93	35.81
Cash on Hand	0.05	0.19
Total	101.98	36.00

16. Other Loans and Advances-Unsecured:

Loans and Advances - Inter Corporate Deposits	3026.19	2114.38
Other Advances	972.31	1257.53
Total	3998.50	3371.91

Details of Inter corporate Deposits disclosed pursuant to Section 186(4) of the Companies Act, 2013:

EDAC Engineering Ltd	2880.77	2114.38
Chitharanjan Developers LLP	145.42	-

The above Inter Corporate Deposits are given for the business purposes of the recipient entities

17. Other Current Assets:

Income Tax Advance	1147.94	1249.73
Total	1147.94	1249.73

18. Income from Operations:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Rent of immovable properties	468.74	424.51
Total	468.74	424.51

19. Other Income:
(Rs in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Dividend received	28.70	286.79
Interest received	392.97	396.45
Short term Gain on Liquid Funds	1.57	7.16
Profit on sale of investments	-	8.40
Profit on sale of fixed assets	-	18.66
Bad debts recovered	-	0.53
Miscellaneous income	44.96	0.03
Total	468.20	718.02

20. Employment Benefit Expenses:

Salaries	61.47	61.80
Staff Welfare	1.21	1.28
Total	62.68	63.08

21. Finance Cost:

Interest on secured loan	85.06	127.93
Interest on Inter corporate deposit	86.99	96.47
Total	172.05	224.40

22. Other Expenses:

Rates & Taxes		43.76		44.80
Repairs & Maintenance		121.23		79.15
Postage, Telephone & Courier charges		8.38		19.70
Travelling Expenses		0.79		1.95
Loss on sale of investments		-		4.18
Professional & Consultancy charges		18.14		10.50
Auditors Remuneration - Statutory Audit	2.75		2.75	
- Taxation	3.50		2.76	
- Out of pocket expenses	-	6.25	0.14	5.65
Miscellaneous Expenses		5.75		4.27
Advertisement Charges		0.84		2.35
Director Sitting Fees		3.50		3.40
Electricity and Fuel charges		27.26		31.70
Filing Fees		0.27		1.48
Printing & Stationery		4.87		6.97
Investments written off		-	110.16	
Less: provision for dimunition in value of investments		-	78.46	31.70
Interest on Income Tax		0.50		1.88
Insurance Expenses		0.64		0.46
Total		242.18		250.14



23. Exceptional Items:

(Rs in lakhs)

Profit on sale of investments	525.17	-
Loss on sale of investments	(3,116.31)	-
Total	(2,591.14)	-

24. Expenditure in foreign currency during the current period **NIL** **NIL**

25. Earnings in Foreign Exchange received during the current period **NIL** **NIL**

26. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Related Parties:

Subsidiaries:

Oasis Ventures Private Limited

i3 Security Private Limited

Rayce Electronic Intelligence India Private Limited

Associates:

National Trust Housing Finance Limited

Key Managerial Personnel:

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

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

Particulars of transaction	Relationship	Year ended 31 March 2017	Year ended 31 March 2016
Transaction with related parties			
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 Personnel	36.00	36.00
Closing balances:			
Payable to Oasis Ventures Private Limited	Subsidiary	-	8.56
Investment in Subsidiaries:			
Oasis Ventures Private Limited		214.00	131.00
Investment in Associates:			
Navia Markets Limited(ceased to be an Associate during the year)		60.47	145.06
National Trust Housing Finance Limited		1092.68	691.76

27. 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 from 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	5000	4898	9898
(+) Permitted receipts	-	45000	45000
(-) Permitted payments	-	36957	36957
(-) Amount deposited in Banks	5000	-	5000
Closing cash in hand as on 30.12.2016	-	12941	12941

28. Contingent liabilities and commitments (to the extent not provided for): (Rs in lakhs)

	As at March 2017	As at March 2016
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

29. Dividend receivable on Preference Shares 460.00 260.00

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



Consolidated Financial Statements 2016-17

INDEPENDENT AUDITOR'S REPORTS

To
The Members of
Mercantile Ventures Limited

Report on Consolidated Financial Statements

We have audited the accompanying Financial Statements of Mercantile Ventures Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate comprising of the Consolidated Balance Sheet for the year ended as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of

- a) The consolidated state of affairs of the Group and its associates as at 31/03/2017;
- b) The consolidated profit/ loss statement; and
- c) The consolidated cash flow statement for the year ended on the date.

Other Matters

We did not audit the financial statements of the subsidiaries namely M/s. Oasis Ventures Private limited, M/s. Rayce Electronics Intelligence Private Limited, M/s.i3 Security Private Limited, whose consolidated financial statements reflect total assets of Rs. 683.29 Lakhs as at 31st March, 2017, total revenue of Rs.2250.55 Lakhs and net cash flows amounting to Rs. 88.35 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

We did not audit the financial statements of the associates namely M/s. National Trust Housing Finance Limited whose unaudited financial statements reflect total assets of Rs. 30,847.23 Lakhs as at 31st March, 2017, total revenue of Rs.4,937.06 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and in our opinion the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely upon the report of the other auditors and management representations.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements given below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements:-

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the report of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company and its subsidiary companies incorporated in India.
 - f) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company are disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.



- g) With respect to the matter to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Group has disclosed the impact of pending litigations on its financial position in its financial statements vide Note No:32 in the notes to accounts.
 2. The Group and its associate do not have any material foreseeable losses in long-term contracts including derivative contracts.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate company incorporated in India.
 4. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures adopted in respect of those company's audited by us and relying on the report of the respective auditors of the subsidiaries and associates and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For DPV & Associates
Chartered Accountants
F.R.No.0011688S

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May 2017



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph (e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of MERCANTILE VENTURES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiaries companies incorporated in India, in all material respects have an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matter:

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over the financial reporting insofar as it relates to 3 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For DPV & Associates
Chartered Accountants
F.R.No.0011688S

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(Rs.in Lakhs)

S. No.	Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	11269.67	11269.67
	(b) Reserves & Surplus	4	13613.62	15734.86
			24883.29	27004.53
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	333.17	938.99
	(b) Deferred Tax Liabilities	6	76.94	76.87
	(c) Other Long-Term Liabilities	7	334.36	307.44
			744.47	1323.30
3	Current Liabilities			
	(a) Trade Payables	8	20.43	10.48
	(b) Other Current Liabilities	9	286.19	298.12
	(c) Short-Term Provisions	10	1345.65	1433.83
			1652.27	1742.43
	Total - Equity & Liabilities		27280.03	30070.26
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets - Tangible Assets	11	4333.57	4360.43
	(b) Goodwill-Intangible Assets		21.55	12.85
	(c) Non Current Investments	12	4995.34	4625.66
	(d) Long Term Loans and Advances	13	4360.00	4369.90
	(e) Other Non Current Assets	14	7526.48	11545.47
			21236.94	24914.31
2	Current Assets			
	(a) Inventories	15	3.72	19.33
	(b) Trade Receivables	16	523.82	303.10
	(c) Current Investments	17	7.08	-
	(d) Cash and cash equivalents	18	298.00	143.66
	(e) Other Loans and Advances	19	4035.47	3433.05
	(f) Other Current Assets	20	1175.00	1256.81
			6043.09	5155.95
	Total - Assets		27280.03	30070.26

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

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

For DPV & Associates

Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu
Partner

Place : Chennai
Date : 18 May 2017

E N Rangaswami
Whole-time Director

V.Padmanabha Sarma
Chief Financial Officer

AL Chandramouli
Director

N. Prasanna Varadan
Company Secretary

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

(Rs in Lakhs)

S.No.	Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
	Revenue:			
I	Income from Operations	21	2701.01	1813.34
	Other Income	22	473.39	721.77
	Total Revenue	(A)	3174.40	2535.11
	Expenses:			
II	Cost of Services	23	703.36	30.58
	Employee Benefit Expense	24	1397.99	1277.32
	Finance Costs	25	172.37	224.91
	Depreciation and Amortization Expense	11	33.65	43.40
	Other Expenses	26	334.92	342.44
	Total Expenses	(B)	2642.29	1918.65
III	Profit before exceptional and extraordinary items and tax	(A - B)	532.11	616.46
IV	Exceptional items (Net)	27	(2,591.14)	-
V	Profit before tax		(2,059.03)	616.46
VI	Tax Expense:			
	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	Profit/(Loss) for the year from continuing operations		(2,228.04)	431.17
VIII	Profit/(Loss) for the year		(2,228.04)	431.17
IX	Minority interest		-	5.63
X	Pre-acquisition profit (capital reserve)		0.12	1.59
XI	Consolidated profit for the year attributable to the group(VIII-IX-X)		(2,228.16)	423.95
IX	(a) Basic earnings per equity share		(1.99)	0.38
	(b) Diluted earnings per equity share		(1.97)	0.37
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss.				
This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.				

For DPV & Associates
Chartered Accountants

For and on behalf of the Board

CA K.Vairamuthu
Partner

E N Rangaswami
Whole-time Director

AL Chandramouli
Director

Place : Chennai
Date : 18 May 2017

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

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
A	Cash Flow from Operating Activities		
	Profit for the year after Exceptional items and before Tax	(2,059.03)	616.46
	Adjustments for:		
	Depreciation	33.65	43.48
	Dividend Income	(30.38)	(286.79)
	Short term gain on liquid funds	(1.57)	(7.16)
	Interest Income	(395.32)	(396.15)
	Investments written off	-	31.70
	Profit on sale of fixed assets	-	(18.66)
	Loss on sale of investments	3116.31	-
	Profit on sale of investments	(525.17)	(641.98)
	Operating Profit before Working Capital changes	138.49	(25.52)
	Adjustments for:		
	Goodwill	5.40	3.21
	Long Term Liabilities	52.32	(8.64)
	Current liabilities & Provisions	31.43	175.93
	Loans & Advances	9.90	(1,356.75)
	Non-Current Assets	4018.98	-
	Trade Receivables	(97.26)	43.28
	Other Current Assets	(189.00)	(212.87)
	Net Cash from operations	3,970.26	(1,381.36)
	Tax (Paid)/ refund	(65.09)	(564.50)
	Net Cash from Operating activities	3,905.17	(1,945.86)
B	Cash Flow from Investing activities		
	Proceeds from sale of shares	1703.56	14.92
	Proceeds from sale of Fixed Assets	-	22.00
	Addition to Fixed Assets	(6.81)	(134.43)
	Investments	(4,699.06)	(256.96)
	Current investments	(7.08)	-
	Income from Investments	427.49	690.41
	Loans and Advances	(626.58)	1408.94
	Net Cash from Investing activities	(3,208.48)	1744.88
C	Cash Flow from Financing activities		
	Proceeds of issue of Securities	102.00	55.00
	Long Term borrowings	(644.35)	(300.50)
	Net Cash used in Financing Activities	(542.35)	(245.50)
	Net Cash Flows during the year (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

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement.

This is the 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

2. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2.1 Basis of preparation

The consolidated financial statements relate to M/s. Mercantile Ventures Limited (the company) and its subsidiary companies. The company and its subsidiary companies constitute the group. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified accounting standards under the companies accounting standards under the companies accounting standard Rules 2006 as amended, the relevant provisions of the companies act, 2013. The financial statement have been prepared under the historical cost convention on an accrual basis.

2.2 Basis of consolidation

- i The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company ie year ended 31 March 2017 and are prepared based on the accounting policies consistent with those used by the company.
- ii The financial statements of the group have been prepared in accordance with the AS 21 - Consolidated financial statements and other generally accepted accounting principles in India.

2.3 The consolidated financial statements have been prepared on the following basis:

- i The consolidated financial statements of the company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities income and expenses. The intra group balances and transactions have been fully eliminated.
- ii The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made being an asset is recognised as "Goodwill" in the consolidated financial statements.
- iii Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

2.4 Rayce Electronic Intelligence India Private Limited became an wholly owned subsidiary of Oasis Ventures Private Limited on its incorporation on 13.02.2015.

3 Share Capital

(Rs in Lakhs)

Particulars		As at 31 March 2017		As at 31 March 2016
Authorised Capital				
11,50,00,000 Equity Shares of Rs.10/- each		11,500.00		11500.00
1,50,00,000 Preference Shares of Rs.10/- each		1,500.00		1500.00
Total		13,000.00		13000.00
Issued, Subscribed & Paid-up Capital				
11,19,18,195 Equity Shares of Rs.10/- each fully paid up (Of the total issued Capital, 8,16,68,000 Equity Shares of Rs.10/- each were issued at a premium of Rs.15/- per share in pursuance of the Scheme of Arrangement with the Creditors approved by the Hon'ble Madras High Court)	11,191.82		11191.82	
7,50,000 Five year Zero % optionally Convertible Preference Shares of Rs.10/- each fully paid up	75.00	11,266.82	75.00	11266.82
Add: Forfeited shares		2.85		2.85
Total		11,269.67		11269.67

The Preference Shares issued during the year 2014-15 are convertible in to equity shares at par or redeembale at par at the option of the shareholder at the end of five years from the date of allotment.

3.1. Number of Equity Shares at the beginning and end of the reporting year

(Rs in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	111918195	11191.82	111918195	11191.82
Shares outstanding at the close of the year	111918195	11191.82	111918195	11191.82

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% of Holding	No. of shares	% of Holding
Trinity Auto Points Limited	20956000	18.72	20956000	18.72
Golden Star Assets Consultants Private Limited	14396000	12.86	14396000	12.86
South India Travels Private Limited	11052500	9.87	15852500	14.16
Southern Petrochemical Industries Corporation Limited	9220000	8.24	9220000	8.24
Ranford Investments Limited	7807955	6.98	7807955	6.98
Dornolly Investments Limited	6437000	5.75	6437000	5.75
Gold Nest Trading Company Limited	5808000	5.19	5808000	5.19

4. Reserves & Surplus

Particulars	As at 31 March 2017	As at 31 March 2016
Capital Reserve		
Opening balance	292.43	292.43
Add: Addition during the year	-	-
	292.43	292.43
Less: Deduction during the year	-	-
Closing Balance (A)	292.43	292.43
General Reserve		
Opening balance	375.60	375.60
Add: Addition during the year	-	-
	375.60	375.60
Less: Deduction during the year	-	-
Closing Balance (B)	375.60	375.60
Securities Premium Account		
Opening balance	12252.47	12,252.47
Add: Premium credited on securities issued in pursuance of a Scheme of Arrangement (Refer Note 3)	-	-
	12252.47	12,252.47
Less: Premium utilised during the year	-	-
Closing Balance (C)	12252.47	12,252.47
Profit & Loss Account		
Surplus from Profit & Loss Account	2,814.36	2,156.62
Add: Profit/(Loss) for the year	(2,228.16)	423.95
Transfer of Profits of Associate(Refer Note below)	106.92	240.91
	693.12	2,821.48
Less: Deduction during the year	-	7.12
Closing Balance (D)	693.12	2,814.36
Total (A to D)	13,613.62	15,734.86

Transfer of profit of an Associate is net of deletion of profits of Navia Markets Ltd which ceased to be an associate during the year.

5. Long Term Borrowings

(Rs in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Secured :		
Term Loan-from Others	333.17	938.99
Total	333.17	938.99

5.1 Term Loan has been availed against hypothecation charge on rental receivables from tenants occupying company's office space and mortgage on 46118 sq. ft. of office space of the company in Chennai.

6. Deferred Tax Liability

Related to Fixed Assets-timing difference	76.94	76.87
Total	76.94	76.87

7. Other Long-term Liabilities:

Rent Deposit	334.36	282.04
Minority interest	-	25.40
Total	334.36	307.44

8. Trade Payables:

Trade Payables	20.43	10.48
Total	20.43	10.48

9. Other Current Liabilities:

Other Payables		
a) Duties & Taxes	28.09	7.79
b) Outstanding Expenses payable	59.73	72.06
c) Other payables	198.37	218.27
Total	286.19	298.12

9.1. Other payables include unpaid Zero interest Convertible Bonds of Rs 42.00 lakhs.

10. Short Term Provisions

Short term Provisions	100.48	93.08
Provision for Taxation	1245.17	1340.75
Total	1345.65	1433.83

(Rs in Lakhs)

Particulars	Gross Block				Depreciation				Net Block		
	As At 3/31/2016	Additions	Deletions	As At 3/31/2017	As At 3/31/2016	Deletions	For The Year	As At 3/31/2017	As At 3/31/2016	As At 3/31/2017	As At 3/31/2016
Tangible Assets											
Freehold Land	3622.66	-	-	3622.66	-	-	-	-	-	3,622.66	3622.66
Buildings	586.17	-	-	586.17	72.79	-	9.55	82.34	-	503.83	513.38
Computers	7.07	1.43	-	8.50	5.64	-	1.59	7.23	-	1.27	1.43
Plant & Machinery, Aircon- ditioners, etc	120.11	-	-	120.11	7.40	-	7.60	15.00	-	105.11	112.71
Furniture and Fixtures	140.18	0.23	-	140.41	33.34	-	13.43	46.77	-	93.64	106.84
Office Equipments	5.37	5.14	-	10.51	1.97	-	1.48	3.45	-	7.06	3.40
Total	4481.56	6.80	-	4488.36	121.14	-	33.65	154.79	-	4333.57	4360.43
Previous year	4351.60	134.43	4.47	4481.56	78.87	1.14	43.40	121.13	-	4360.43	4272.73

12. Details of Non-Trade Investments

Non-Current Investments

(Rs. in Lakhs)

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Quoted:						
Investments in Equity instruments-fully paid up						
Adarsh Chemicals Ltd	Others	10	7000	2.09	7000	2.09
Autopal Industries Ltd	Others	10	300	0.12	300	0.12
Chitra Durga Spintex Ltd	Others	10	3650	3.65	3650	3.65
Crescent Finstock Ltd	Others	10	14	0.01	14	0.01
Dev Fasteners Ltd	Others	10	2800	1.25	2800	1.25
Easar Port Ltd	Others	10	-	-	2	-
Essar Shipping Ltd	Others	10	-	-	1	-
Haryana Leather Chemicals Ltd	Others	10	21800	2.18	-	-
ICICI Bank Ltd	Others	2	75	0.01	-	-
Integrated Digital Info services Ltd	Others	10	200	0.02	200	0.02
ISPL Industries Ltd	Others	10	37000	22.01	37000	22.01
Kumbat Financial Services Ltd	Others	10	10100	1.01	10100	1.01
Manali Petrochemicals Limited	Others	10	300	0.03	300	0.03
Reliance Industries Ltd	Others	10	1160	0.12	-	-
Ritish International Ltd	Others	10	12900	4.03	12900	4.03
S & S Power Switch Gears Ltd	Others	10	77	0.01	77	0.01
S&S Industries Ltd	Others	10	560	0.01	560	0.01
Sai Industries Ltd	Others	10	4400	0.44	4400	0.44
Saptharishi Agro Industries Ltd	Others	10	3700	0.80	3700	0.80
Sharp industries Ltd	Others	10	40	0.06	40	0.06
Sicagen India Ltd	Others	10	497923	8.28	465423	0.05
Sical Logistics Ltd	Others	10	105817	127.78	474469	308.16
Southern Petrochemical Industries Corporation Ltd	Others	10	680260	152.53	289250	73.75
Tebma Shipyards Ltd	Others	10	3400	3.68	3400	3.68
TN Jayabharat Mills Ltd	Others	10	2000	0.83	2000	0.83
Tamilnadu petroproducts Ltd	Others	10	201000	43.12	-	-
Tribology India Ltd	Others	10	2150	2.25	2350	2.25
Sub Total - (A)				376.31		424.26

(Rs. in Lakhs)

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Unquoted						
Absolute Aromatics Ltd	Others	10	27200	17.68	27200	17.68
Agrimarine Exports Ltd	Others	10	8000	1.00	8000	1.00
Albaraka Finance House Ltd	Others	10	13500	2.10	13500	2.10
AM Corporate Social Responsibility Foundation Ltd	Others	10	1200	0.12	1200	0.12
Ananthi Constructions Ltd	Others	10	3900	0.21	3900	0.21
Armenian Ventures Ltd	Others	10	-	-	19600	1.96
Balaji Hotels and Enterprises Ltd	Others	10	1000	0.84	1000	0.84
Carrier Airconditioning & Refrigeration Ltd	Others	10	132	0.02	132	0.02
Claro India Ltd	Others	10	600	0.12	600	0.12
Ajara Ventures Ltd	Others	10	-	-	5000	0.50
Dick Enterprises Pvt Ltd	Others	10	-	-	120000	12.00
Harrington Ventures Ltd	Others	10	-	-	20000	2.00
Gangadharam Appliances Ltd	Others	10	700	0.17	700	0.17
Gil Hospitals Ltd	Others	10	12500	2.19	12500	2.19
HMG Industries Ltd	Others	10	2000	1.21	6900	4.06
Iggi Resorts Ltd	Others	10	5300	1.82	5300	1.82
Jain Farms Palm Oil Ltd	Others	10	50000	5.00	50000	5.00
Kailash Structural Ltd	Others	10	1000	0.19	1000	0.19
Karthik Alloys Ltd	Others	10	3890	2.74	3890	2.74
Konmgarar Textiles Ltd	Others	10	2600	1.17	2600	1.17
Modi Threads Ltd	Others	10	200	0.03	200	0.03
National Trust Housing Finance Ltd (refer Note 2)	Associate	10	7649890	1502.67	5999890	923.19
Navia Markets Limited	Others	10	537410	60.47	1289410	216.70
PA Cotton & Spinning Mills Ltd	Others	10	1400	2.10	1400	2.10
Pacific Granites Ltd	Others	10	6300	3.73	6300	3.73
Panteon Ventures Ltd	Others	10	-	-	8800	0.88
Pioneer Cashew Industries Ltd	Others	10	4300	0.44	4300	0.44
Raymond Synthetics Ltd	Others	10	100	0.01	100	0.01
Reed Relays & Electronics Ltd	Others	10	50	0.07	50	0.07
Alyx enterprises Private Ltd	Others	10	-	-	38000	3.80
Shamrao Vithal Co-operative Bank Ltd	Others	10	500	0.01	500	0.01
Sholingar Textiles Ltd	Others	10	12300	9.47	12300	9.47
Eka Enterprises Ltd	Others	10	-	-	37800	3.78

Name of Company	Subsidiary / Associate / JV/Controlled Entity /Others	Face value per share Rs.	No. of Shares/ Units	As at 31 March 2017	No. of Shares/ Units	As at 31 March 2016
Tamarai Mills Ltd	Others	10	4250	3.96	4250	3.96
Tri Star Soya Ltd	Others	10	5450	4.23	5450	4.23
Unmaj Enterprises Ltd	Others	10	-	-	7800	0.78
Woolworth India Ltd	Others	10	50	0.03	50	0.03
XS Financial Services Ltd	Others	10	42800	3.56	42800	3.56
Zen Global Finance Ltd	Others	10	400	0.07	400	0.07
Sub Total - (B)				1627.43		1232.73
Total (a) : (A) + (B)				2003.74		1656.99
Investments in Preference Shares						
EDAC Engineering Ltd		10	20000000	2000.00	20000000	2000.00
Total (b)				2000.00		2000.00
Share Capital Advance						
India Radiators Ltd		10	10320000	1032.00	10095000	1009.50
Total (c)				1032.00		1009.50
National savings Certificate (d)				0.43		-
Aggregate amount of Investments (a)+(b)+(c)+(d)				5036.17		4666.49
Less: Provision for diminution in value of investments				40.83		40.83
Net Value of Investments				4995.34		4625.66

- Allotment of shares by India Radiators Limited is subject to approval of the shareholders of that company and other statutory approvals
- 1650000 equity shares of National Trust Finance Company Ltd purchased during the year have not been transferred in the name of the Company
- Goodwill on consolidation on shares of National Trust Housing Finance Ltd is valued at Rs 90.00 lakhs in accordance with AS 23. These investments are carried in the books at cost plus the investor's share of profits of the investment in the associate

Aggregate amount of Non-Current quoted investments	376.31	424.26
Market value of Non-current quoted investments	658.06	756.12



13. Long-Term Loans and Advances

(Rs in lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Others - Unsecured considered good		
Capital Advances	4360.00	4369.90
Total	4360.00	4369.90

13.1 Capital Advances represent advances made towards purchase of immovable properties and fixed assets

14. Other Non-Current Assets:

Unsecured, considered good		
Other Advances	7526.48	11545.47
Total	7526.48	11545.47

14.1 The Non-Current assets relate to the balances of old NBFC business.

15. Inventories:

Inventories	3.25	13.39
Work-in-progress	0.47	5.94
Total	3.72	19.33

16. Trade Receivable:

Trade receivable outstanding for less than six months	129.35	300.99
Trade receivable outstanding for more than six months	394.47	2.11
Total	523.82	303.10

17. Current Investments:

SBI Premier Liquid Fund	7.08	-
Total	7.08	-

18. Cash & Cash Equivalents:

Balances with Bank on Current Account	297.66	142.49
Cash, cheques on Hand	0.34	1.17
Total	298.00	143.66

19. Other Loans and Advances:

Loans and Advances - Inter Corporate Deposits	3026.19	2114.38
Other Advances	1009.28	1318.67
Total	4035.47	3433.05

19.1 Details of Inter corporate Deposits disclosed pursuant to Section 186(4) of the Companies Act, 2013:

Edac Engineering Ltd	2880.77	2114.38
Chitharanjan Developers LLP	145.42	-

The above Inter Corporate Deposits are for the business purposes of the recipient companies

20. Other Current Assets:

(Rs in lakhs)

Income Tax Advance	1174.74	1256.63
Other advances	0.26	0.19
Total	1175.00	1256.81

21. Income from Operations:

(Rs in lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Rent of immovable properties	467.66	424.51
Sale of services	2120.27	1376.94
Sale of Products	113.08	11.89
Total	2701.01	1813.34

22. Other Income:

Dividend received	30.38	286.79
Interest received	395.54	399.39
Short term Gain on Liquid Funds	1.57	7.16
Profit on sale of investments	-	8.40
Profit on sale of fixed assets	-	18.66
Bad debts recovered	-	0.53
Miscellaneous income	45.90	0.84
Total	473.39	721.77

23. Cost of services:

Cost of services	703.36	30.58
Total	703.36	30.58

24. Employment Benefit Expenses:

Salaries	1396.78	1276.04
Staff Welfare	1.21	1.28
Total	1397.99	1277.32

25. Finance Cost:

Interest	172.37	224.71
Bank Charges	-	0.20
Total	172.37	224.91

26. Other Expenses:

Rates & Taxes		45.27		46.47
Repairs & Maintenance		113.67		56.48
Director's Remuneration		36.24		29.40
Postage, Telephone & Courier charges		9.90		21.48
Travelling Expenses		7.48		23.21
Professional & Consultancy charges		41.40		48.28
Auditors Remuneration - Statutory Audit	6.75		4.75	
- Taxation	3.50		2.76	
- Out of pocket expenses	-	10.25	0.14	7.65
Miscellaneous Expenses		8.38		6.96
Advertisement Charges		0.87		2.35
Director Sitting Fees		3.50		3.40

(Rs. in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Security expenses	0.16	0.00
Rent	14.63	11.96
Electricity and Fuel charges	28.00	32.55
Filing Fees	0.78	2.33
Printing & Stationery	6.67	8.41
Bad Debts written off	1.16	0.00
Interest on Income Tax	0.50	1.88
Investments written off:	-	110.16
Less: Provision for diminution in value of investments	-	78.46
Preliminary Expenses	-	0.08
Insurance Expenses	0.67	0.46
Legal expenses	-	4.18
Goodwill written off	5.39	3.21
Total	334.92	342.44

27. Exceptional Items:

Profit on sale of investments	525.17	-
Loss on sale of investments	(3,116.31)	-
Total	(2,591.14)	-

27.1. The profit on sale of fixed assets represents profit arising from sale of immovable properties belonging to the company.

28. Expenditure in foreign currency during the current period **NIL** **NIL**

29. Earnings in Foreign Exchange received during the current period **NIL** **NIL**

30. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Related Parties:

Subsidiaries:

Oasis Ventures Private Limited

i3 Security Private Limited

Rayce Electronic Intelligence India Private Limited

Associates:

National Trust Housing Finance Limited

Key Managerial Personnel:

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

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

Particulars of transaction	Relationship	Year ended 31 March 2017	Year ended 31 March 2016
Transaction with related parties			
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 Personnel	36.00	36.00
Closing balances:			
Payable to Oasis Ventures Private Limited	Subsidiary	-	8.56
Investment in Subsidiaries:			
Oasis Ventures Private Limited		214.00	131.00
Investment in Associates:			
Navia Markets Limited (ceased to be an associate during the year)		60.47	216.70
National Trust Housing Finance Limited		1502.67	923.19

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 from November 8, 2016 to December 30, 2016, the denomination wise SBNsd 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
Closing cash in hand as on 30.12.2016	-	68143	68143

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

	As at March 2017	As at March 2016
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

33. Dividend receivable on Preference Shares
460.00

260.00

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



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 **16th 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	
Note: No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.	



MERCANTILE VENTURES LIMITED

CIN L65191TN1985PLC037309

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

**PROXY
FORM**

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

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

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

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the **16th 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)

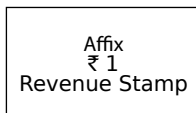
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(Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this.....day of.....2017

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

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



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.

To:

A large, empty rounded rectangular box, likely intended for a recipient's name or address.



If undelivered, please return to:

MERCANTILE VENTURES LIMITED

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