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10 August 2018

To
The Manager
Listing Department
Bombay Stock Exchange Limited
Floor 25, Phiroze jeejeebhoy towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 538942

Sub: Submission of Annual Report for the year 2017-18

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we submit herewith the Annual Report for the year 2017-18.

We request you to kindly take above on record.

Thanking you.

Yours faithfully,
For **Mercantile Ventures Ltd**


N Prasanna Varadan
Company Secretary



Encl: a/a

Mercantile Ventures Limited

(CIN-L65191TN1985PLC037309)

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



ANNUAL REPORT

2017 – 18

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

Registrars and Share Transfer Agent

Cameo Corporate Services Limited

Subramanian Building,

1, Club House Road,

Chennai – 600 002.

Registered Office

88, Mount Road,

Guindy,

Chennai – 600 032.

CIN: L65191TN1985PLC037309

E-mail: admin@mercantileventures.co.in

Website: www.mercantileventures.co.in

Auditors

M/s.DPV & Associates

“Sri Ranga”, First Floor,

New No.151, Mambalam High Road,

T.Nagar,

Chennai – 600 017.

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MERCANTILE VENTURES LIMITED

CIN: L65191TN1985PLC037309

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

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of **MERCANTILE VENTURES LIMITED** will be held on **Friday the 10th day of August 2018 at 10.00 AM at Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2018 by passing the following as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2018 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted”.
2. To appoint a Director in the place of Mr. E N Rangaswami (DIN:06463753), who retires by rotation and being eligible offers himself for re-appointment, by passing the following as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant section 152 and other applicable provisions, if any, of the Companies Act,2013, the Rules made thereunder and the Articles of Association of the company Mr. E N Rangaswami (DIN: 06463753), a director retiring by rotation, being eligible and offering himself for re-election, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS

3. Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act,2013

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any person(s) or other body corporate(s);(b) give any guarantee or provide security in connection with a loan to any other body corporate(s) or person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate; from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem fit for an amount not exceeding Rs.300,00,00,000/- (Rupees three hundred crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution”.

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

E N RANGASWAMI

(DIN: 06463753)

Whole-time Director

Place: Chennai
Date : 18 May 2018

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 **04 August 2018 to 10 August 2018** 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 **03 August 2018** for the purpose of E-voting
8. Shareholders are aware that, the Ministry of Corporate Affairs has allowed Companies to send notices for meetings and other shareholders correspondences in electronic form. Hence the shareholders are requested to register their E-mail ID's with the Registrars of the Company by submitting EARF(E-mail address Registration Form).

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

ITEM NO. 3

Approval of the limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013.

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

The members of the Company at the annual general meeting held on 25 September 2015 have approved to make investments, giving loans or guarantees upto Rs. 200 crores. Against the said limit, the company as on 31 March 2018 already has investments/loans/guarantees amounting to Rs. 107.79 crores. Since the company may be required to make further investments or giving loans or guarantees it is proposed to seek the approval of the members for increased limits of Rs. 300 Crores.

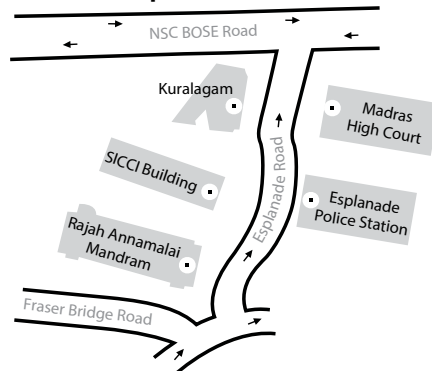
None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

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

By Order of the Board
For **Mercantile Ventures Limited**
E N Rangaswami
(DIN: 06463753)
Whole-time Director

Place : Chennai
Date : 18 May 2018

Route Map and Land Mark



The instructions for shareholders voting electronically are as under:

The voting period begins on **07 August 2018, 9.00 am** and ends on **09 August 2018, 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 **03 August 2018** 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 | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

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

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

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

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

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

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

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

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

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

Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 2018.

REVIEW OF OPERATIONS

The financial results for the year ended 31 March 2018 have been prepared in accordance with Indian Accounting Standards for the first time and the previous year figures have also been restated as per Indian Accounting Standards.

During the year the company has reported a profit before tax and exceptional items of Rs.660.28 lakhs (previous year Rs. 328.93 lakhs) and total comprehensive income of Rs.715.59 lakhs (previous year Rs. (2323.78) lakhs).

FINANCIAL RESULTS

(Rs.Lakhs)

| Description | 2017-18 | 2016-17 |
|--|----------------|-----------|
| Profit/(Loss) Before Interest & Depreciation | 835.48 | 632.08 |
| Interest | 63.27 | 191.31 |
| Depreciation | 111.93 | 111.84 |
| Profit/(Loss) Before Tax & Exceptional items | 660.28 | 328.93 |
| Exceptional items | (98.26) | (3081.43) |
| Profit/(Loss) Before Tax | 562.02 | (2752.50) |
| Provision for Taxation | | |
| Current Tax | 189.16 | 126.03 |
| Deferred tax | 295.53 | (15.73) |
| Profit/(Loss) After Tax | 77.33 | (2862.80) |
| Other Comprehensive Income | 638.26 | 539.02 |
| Total Comprehensive Income for the year | 715.59 | (2323.78) |

DIVIDEND

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

FIXED DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with related parties during the financial year 2017-18 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, Secretarial Auditor.

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

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

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

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

The Remuneration Policy also forms part of the Corporate Governance Report

MEETINGS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Scenario

The real estate market continues to be sluggish during the year. This trend is expected to improve in the ensuing years also.

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 in the real estate industry may get balanced due to introduction of Real Estate regulation and thus the economic outlook is likely to stimulate growth in real estate and create a positive environment in attracting further investments into the real estate sector.

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 the 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, Director as Chairperson of the committee and the other members are Mr. E N Rangaswami, Whole-time Director and Mr. Padmanabha Sarma, Chief Financial officer. Risk Management Committee ensures that the Company has an appropriate and effective risk management system which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals. 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:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year ended 31 March 2018;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively. Internal financial control means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES

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

- a) The Company has two material unlisted Indian subsidiaries, and hence, compliance requirements as SEBI (LODR) Regulations, 2015 has been ensured.
- b) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- c) Our 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 section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies [Accounts] Rules, 2014. Also a separate statement containing the salient feature of the financial statements of the subsidiaries and associate is attached to the financial statements.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

The financial highlights of the subsidiaries and associate company as on 31 March 2018 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 | 877.49 | 1477.53 | 129.56 | 4230.50 |
| Profit before tax | 55.44 | 36.80 | (16.92) | 623.58 |
| Provision for Taxation | 17.48 | 8.80 | (0.16) | 185.32 |
| Deferred tax | (1.66) | (0.37) | (0.11) | 31.41 |
| Profit after tax | 39.62 | 28.37 | (16.65) | 406.85 |

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

DIRECTORS

The Company's Board comprises of the following directors:

- Mr. AL Chandramouli
- Mr. B Narendran
- Ms. Sashikala Srikanth
- Mr. E N Rangaswami

KEY MANAGERIAL PERSONNEL

The Key Managerial personnel of the Company are:

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

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

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.

EXPLANATION TO SECRETARIAL AUDIT REPORT

The Company shall initiate the process for transfer of unclaimed shares to Unclaimed Suspense Account as per the requirements of Regulation 39(4) read with Schedule VI of SEBI LODR, 2015 during the FY 2018-19.

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(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| | | | |
|---|---|-------------------|--------------------------------------|
| The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year – 2017-18 | Mr. E N Rangaswami, Whole-time Director | 6.07 | |
| The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2017-18. | Mr. E N Rangaswami, Whole-Time Director | 11.11 | |
| | Mr. V Padmanabha Sarma, Chief Financial Officer | 13.05 | |
| | Mr. N Prasanna Varadan, Company Secretary | 43.94 | |
| The percentage increase in the median remuneration of employees in the financial Year – 2017-18. | | 12.71 | |
| The number of permanent employees on the rolls of Company as on 31.03.2018 | | 2 | |
| The explanation on the relationship between average increase in remuneration and Company performance. | Total Comprehensive Income (after tax) (Rs. in lakhs) | 715.59 | |
| | Average increase in remuneration | 13.69% | |
| Comparison of the remuneration of the Key managerial personnel against the performance of the Company | Total Comprehensive Income (after tax) (Rs. in lakhs) | 715.59 | |
| | Remuneration of key managerial personnel (Rs. in lakhs) | 58.52 | |
| 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.) | Market Capitalisation (Rs. in lakhs) |
| | Mar. '18 | 10.45 | 11695.45 |
| Price Earnings Ratio | | | 20.27 |
| 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 2017-18 | | 9.70% |
| | Average percentage increase already made in the salaries of the key managerial personnel in the FY 2017-18 | | 14.48% |

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 | 40.00 | B.Sc., ACA | 39 Years | 05/12/2012 | Manali Petrochemicals Ltd, General Manager (Finance) |
| V Padmanabha Sarma | Chief Financial Officer | 11.87 | B.Com., ACA | 42 Years | 01/12/2012 | MCC Finance Ltd, Senior Vice President |
| N Prasanna Varadan | Company Secretary | 6.65 | B.Com., MBA, ACS | 6 Years | 13/07/2015 | S V Global Ltd, Secretarial Executive |
| V M Arunchalam | Assistant Manager (Accounts) | 6.52 | B.Com., | 30 Years | 12/06/2013 | SPIC SMO, Accounts manager |
| L S Venkataraman | Executive (Co-ordination) | 4.56 | BA., | 41 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 2018

ANNEXURE

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2018

**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% held by Oasis ventures Pvt Ltd |
| 3 | Rayce Electronic Intelligence India Private Limited | U74900TN2015PTC099223 | Subsidiary | 100% held by Oasis ventures Pvt Ltd |
| 4 | 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 | - | 41252 | 41252 | 0.04 | - | 41252 | 41252 | 0.04 | - |
| b. | Central Government/ State Government(S) | - | - | - | - | - | - | - | - | - |
| c. | Bodies Corporate | 54584305 | 177250 | 54761555 | 48.93 | 56232305 | 177250 | 56409555 | 50.40 | 1.47 |
| d. | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| e. | Any Other | - | - | - | - | - | - | - | - | - |
| | Sub - Total (A)(1) | 54584305 | 218502 | 54802807 | 48.97 | 56232305 | 218502 | 56450807 | 50.44 | 1.47 |
| 2. | Foreign | | | | | | | | | |
| a. | Individuals (Non- Resident Individuals / Foreign Individuals) | 230 | - | 230 | - | 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) | 14245185 | - | 14245185 | 12.72 | 14245185 | - | 14245185 | 12.72 | - |
| | Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2) | 68829490 | 218502 | 69047992 | 61.69 | 70477490 | 218502 | 70695992 | 63.16 | 1.47 |
| 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 | 24011791 | 7806351 | 31818142 | 28.43 | 22364196 | 8116999 | 30481195 | 27.24 | (1.19) |
| b. | Individuals - | | | | | | | | | |
| | I Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh | 775983 | 9651880 | 10427863 | 9.32 | 839612 | 9464946 | 10304558 | 9.21 | (0.11) |
| | II Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh | 84965 | 508848 | 593813 | 0.53 | 225336 | 177250 | 402586 | 0.36 | (0.17) |
| c. | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| d. | Any Other | | | | | | | | | |
| | Clearing Members | 3230 | - | 3230 | 0.01 | 202 | - | 202 | - | (0.01) |
| | Hindu Undivided Families | 11943 | - | 11943 | 0.01 | 17830 | 100 | 17930 | 0.02 | 0.01 |
| | Non Resident Indians | 3430 | 10932 | 14362 | 0.01 | 3950 | 10932 | 14882 | 0.01 | - |
| | Trusts | 50 | 700 | 750 | - | 750 | - | 750 | - | - |
| | | 18653 | 11632 | 30285 | 0.03 | 22732 | 11032 | 33764 | 0.03 | - |
| | | | | | | | | | | |
| | Sub - Total (B)(2) | 24891392 | 17978711 | 42870103 | 38.31 | 23451876 | 17770227 | 41222103 | 36.84 | (1.47) |
| | | | | | | | | | | |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 24891392 | 17978811 | 42870203 | 38.31 | 23451876 | 17770327 | 41222203 | 36.84 | (1.47) |
| | | | | | | | | | | |
| | Total (A)+(B) | 93720882 | 18197313 | 111918195 | 100.00 | 93929366 | 17988829 | 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) | 93720882 | 18197313 | 111918195 | 100.00 | 93929366 | 17988829 | 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 | 11052500 | 9.87 | - | 11052500 | 9.87 | - | - |
| 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 | - | 4008205 | 3.58 | - | 1.47 |
| 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 | 8144 | 0.01 | - | 8144 | 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 | Sicagen India Limited | 2360205 | 2.11 | 30/6/2017 | Purchase of Shares to regularise their books of accounts as required under IND AS | 1648000 | 1.47 | 4008205 | 3.58 |

(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-2017 | 9220000 | 8.24 | 9220000 | 8.24 |
| | At the end of the Year 31-Mar-2018 | 9220000 | 8.24 | 9220000 | 8.24 |
| 2 | TWINSHIELD CONSULTANTS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 5039365 | 4.50 | 5039365 | 4.50 |
| | At the end of the Year 31-Mar-2018 | 5039365 | 4.50 | 5039365 | 4.50 |
| 3 | SOUTH INDIA HOUSE ESTATES AND PROPERTIES LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 3711000 | 3.32 | 3711000 | 3.32 |
| | Dematted on 11-Aug-2017 | 3800 | - | 3714800 | 3.32 |
| | At the end of the Year 31-Mar-2017 | 3714800 | 3.32 | 3714800 | 3.32 |
| 4 | SPIC GROUP COMPANIES EMPLOYEES WELFARE FOUNDATION | | | | |
| | At the beginning of the year 01-Apr-2017 | 2276000 | 2.03 | 2276000 | 2.03 |
| | At the end of the Year 31-Mar-2018 | 2276000 | 2.03 | 2276000 | 2.03 |
| 5 | ALYX ENTERPRISES PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 2092300 | 1.87 | 2092300 | 1.87 |
| | At the end of the Year 31-Mar-2018 | 2092300 | 1.87 | 2092300 | 1.87 |
| 6 | SPIC OFFICERS AND STAFF WELFARE FOUNDATION | | | | |
| | At the beginning of the year 01-Apr-2017 | 2064000 | 1.84 | 2064000 | 1.84 |
| | At the end of the Year 31-Mar-2018 | 2064000 | 1.84 | 2064000 | 1.84 |
| 7 | ARMENIAN VENTURES LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 1198736 | 1.07 | 1198736 | 1.07 |
| | Purchase 26-May-2017 | 314448 | 0.28 | 1513184 | 1.35 |
| | At the end of the Year 31-Mar-2018 | 1513184 | 1.35 | 1513184 | 1.35 |
| 8 | MANALI PETROCHEMICALS LIMITED | | | | |
| | At the beginning of the year 01-Apr-2017 | 1648000 | 1.47 | 1648000 | 1.47 |
| | Sale 30-Jun-2017 | (1648000) | (1.47) | - | - |
| | At the end of the Year 31-Mar-2018 | 0 | 0.00 | - | - |
| 9 | DICK ENTERPRISES PRIVATE LTD | | | | |
| | At the beginning of the year 01-Apr-2017 | 958350 | 0.86 | 958350 | 0.86 |
| | At the end of the Year 31-Mar-2018 | 958350 | 0.86 | 958350 | 0.86 |
| 10 | AJARA VENTURES LTD | | | | |
| | At the beginning of the year 01-Apr-2017 | 631550 | 0.56 | 631550 | 0.56 |
| | At the end of the Year 31-Mar-2018 | 631550 | 0.56 | 631550 | 0.56 |
| 11 | UNMAJ ENTERPRISES LTD | | | | |
| | At the beginning of the year 01-Apr-2017 | 484400 | 0.43 | 484400 | 0.43 |
| | At the end of the Year 31-Mar-2018 | 484400 | 0.43 | 484400 | 0.43 |

(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-2017 | - | - | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 2 | Ms.Sashikala Srikanth | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 3 | Mr. B Narendran | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 4 | Mr. E N Rangaswami | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |
| 5 | Mr. V Padmanabha Sarma | | | | |
| | At the beginning of the year 01-Apr-2017 | 10 | - | 10 | - |
| | At the end of the Year 31-Mar-2018 | 10 | - | 10 | - |
| 6 | Mr.N Prasanna Varadan | | | | |
| | At the beginning of the year 01-Apr-2017 | - | - | - | - |
| | At the end of the Year 31-Mar-2018 | - | - | - | - |

(VI) INDEBTEDNESS

(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 |
| Indebtedness as at 01.04.2017 | | | | |
| i) Principal Amount | 371.46 | 94.71 | - | 466.17 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 371.46 | 94.71 | - | 466.17 |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | 10.90 | - | 10.90 |
| Reduction | 38.42 | 36.00 | - | 74.42 |
| Net Change | 38.42 | 25.10 | - | 63.52 |
| Indebtedness as at 31.03.2018 | | | | |
| i) Principal Amount | 333.04 | 69.61 | - | 402.65 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 5.28 | - | - |
| Total (i+ii+iii) | 333.04 | 74.89 | - | 407.93 |

Note: Additions under unsecured loans represent the change in present value of Compound Financial Instruments (Convertible Preference Shares)

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Whole-time Director

(Rs.Lakhs)

| Sl. No. | Particulars of Remuneration | |
|---------|---|---------------------|
| | Name | Mr. E N Rangaswami |
| | Designation | Whole-time Director |
| 1 | Gross Salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax, 1961 | 40.00 |
| | (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) | 40.00 |
| | 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 | 11.87 | 6.65 | 18.52 |
| | (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) | 11.87 | 6.65 | 18.52 |

(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, 2018

[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 **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, 2018** 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 as at **March 31, 2018** 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) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999
 - f) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 2015;

The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement)

- (vi) The other laws as may be applicable specifically to the Company are:-
 - a) Transfer of Property Act , 1882
 - b) Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as 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 Obligations and Disclosure Requirements) Regulations, 2015 entered into by BSE Limited.

III. The company has initiated the process for transfer of unclaimed shares to Unclaimed Suspense Account as per the requirements of Regulation 39(4) read with Schedule VI of Listing Regulations, 2015

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.

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 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 designated professionals.

Place : Chennai
Date : 02 May 2018

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

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CODE OF GOVERNANCE:

The Company strives to conduct business with sound corporate governance practices which reflect fairness, integrity, accountability and transparency in our dealings with stakeholders and regulatory authorities. Your company's principles of Corporate Governance are based on the philosophy of empowerment and responsibility. It feels the management must be empowered to drive the organization forward in the best interest of all the stakeholders. This meets with all statutory and regulatory 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, 2018, 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, six meetings of the Board of Directors were held on 18 May 2017, 25 July 2017, 08 September 2017, 07 December 2017, 02 February 2018 & 26 March 2018.

| Date of the Board meeting | Strength of the Board | No. of Directors present |
|---------------------------|-----------------------|--------------------------|
| 18/05/2017 | 4 | 4 |
| 25/07/2017 | 4 | 4 |
| 08/09/2017 | 4 | 4 |
| 07/12/2017 | 4 | 4 |
| 02/02/2018 | 4 | 4 |
| 26/03/2018 | 4 | 3 |

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, 2018 are given below:

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

3. CODE OF CONDUCT

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

COMMITTEES OF THE BOARD

4. AUDIT COMMITTEE

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

The role of the audit committee shall include the following:

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

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

During the year under review the committee met four times during the year ended 31.03.2018 viz., on 18 May 2017, 08 September 2017, 07 December 2017 and 02 February 2018. The composition and attendance of the committee meetings are as follows:

| Names of directors | No. of meetings attended |
|----------------------------------|--------------------------|
| Mr. AL Chandramouli, Chairperson | 4 |
| Mr. B Narendran | 4 |
| Ms. Sashikala Srikanth | 4 |

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 31.03.2018 viz., on 18 May 2017 and 08 September 2017. The composition and attendance of the committee meetings are as follows:

| Names of directors | No. of meetings attended |
|-----------------------------|--------------------------|
| Mr. B Narendran Chairperson | 2 |
| Mr. AL Chandramouli | 2 |
| Ms. Sashikala Srikanth | 2 |

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.40.00 lakhs per annum effective from 01 April 2017.

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, 2018 are as follows:

| (in Rupees) | | |
|-------------|------------------------|-----------------|
| Sl.No. | Name of the Director | Sitting fees |
| 1. | Mr. AL Chandramouli | 1,50,000 |
| 2. | Mr. B Narendran | 1,50,000 |
| 3. | Ms. Sashikala Srikanth | 1,25,000 |
| | Total | 4,25,000 |

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 15 times during the year ended 31.03.2018. The composition and attendance of the committee meetings are as follows:

| Names of directors | No. of meetings attended |
|----------------------------------|--------------------------|
| Mr. AL Chandramouli, Chairperson | 15 |
| Mr.E N Rangaswami | 15 |

Details of the Compliance Officer:

N Prasanna Varadan- Company Secretary & Compliance Officer

Details of Shareholders Complaints:

Number of complaints received during the year : 10

Number of complaints solved during the year : 10

The Company had no pending documents for transfer as on 31st March, 2018

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 2017-18. 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 |
|------------------------|--|------------------------------|
| 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 |
| 16th AGM – 2016 – 2017 | Rajah Annamalai Mandram, 5, Esplanade Road (Near High Court), Chennai-600 108. | 28 July 2017 2.00PM |

10. Disclosures

During the year ended 31st March, 2018, 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 2017-18.

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). The said results and other communication would be sent to the registered email address of the Members.

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 | 10 August 2018 10.00 am Rajah Annamalai Hall, Esplanade, Chennai – 600 108. |
| 2. | Financial calendar April 2018 – March 2019 | First quarter results - Second week of August, 2018 Half-yearly results -Second week of November, 2018 Third quarter results - Second week of February, 2019 Annual results 31 March 2019 - Last week of May, 2019 |
| 3. | Record date Book closure date | 03 August 2018 04 August 2018 to 10 August 2018 |
| 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 | 83.29 % equivalent to 93929366 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 | 31179 | 58.87 | 2183376 | 1.95 |
| 101 – 500 | 18661 | 35.23 | 4890794 | 4.37 |
| 501 – 1000 | 2294 | 4.33 | 1756005 | 1.57 |
| 1001 – 2000 | 562 | 1.06 | 796717 | 0.71 |
| 2001 – 3000 | 107 | 0.20 | 272743 | 0.24 |
| 3001 – 4000 | 39 | 0.07 | 146409 | 0.13 |
| 4001 – 5,000 | 30 | 0.06 | 141791 | 0.13 |
| 5,001 – 10,000 | 40 | 0.08 | 285727 | 0.26 |
| 10,001 – And Above | 52 | 0.10 | 101444633 | 90.64 |
| TOTAL | 52964 | 100.00 | 111918195 | 100.00 |



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

| Month | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2017 | 21.07 | 12.27 |
| May 2017 | 18.75 | 14.70 |
| June 2017 | 14.80 | 9.17 |
| July 2017 | 14.00 | 10.50 |
| August 2017 | 14.30 | 10.71 |
| September 2017 | 15.15 | 11.25 |
| October 2017 | 14.14 | 11.17 |
| November 2017 | 14.30 | 11.23 |
| December 2017 | 14.88 | 9.95 |
| January 2018 | 17.65 | 11.15 |
| February 2018 | 12.74 | 10.05 |
| March 2018 | 12.15 | 10.07 |

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

Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to declare that the Members of the Board and Senior Management Personnel have affirmed compliance with the respective Codes of Conduct.

For Mercantile Ventures Limited

E N Rangaswami

(DIN: 06463753)

Whole-time Director

Place : Chennai

Date : 18 May 2018

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, 2018 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 Stakeholders Relationship 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.

R Kannan

Practicing Company Secretary

FCS No: 6718

C P No: 3363

Place : Chennai

Date : 18 May 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of M/s.Mercantile Ventures Limited

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MERCANTILE VENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date:

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

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

Place : Chennai
Date : 18 May, 2018

CA Vaira Mutthu K
M.NO. 218791
Partner

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mercantile Ventures Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Mercantile Ventures Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Vaira Mutthu K
M.NO. 218791
Partner

Place : Chennai
Date : 18 May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mercantile Ventures Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- ii. Since the company is a Service company there is no stock of Raw Material.
- iii. (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.
- iv. In respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material 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 | Assessment Year | Demand Amount (Rs in Lakhs) | Status |
|------|---------------------------|-----------------------------|--|
| 1 | In CIT Appeals AY 2013-14 | 47.86 | Appeal filed by the company was ruled in favour of the company with NIL demand and the department had filed appeal with the ITAT against the order of CIT (Appeals). |
| 2 | In CIT Appeals AY 2015-16 | 44.25 | Pending before CIT Appeals, 20% tax demand amounting to Rs. 8.86 Lakhs has been paid so far. |

- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

- x. 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.
- xi. 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.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Chennai
Date : 18 May, 2018

CA Vaira Mutthu K
M.NO. 218791
Partner

STANDALONE BALANCE SHEET AS AT 31 MARCH 2018

(Rs.in Lakhs)

| S. No. | Particulars | Note No. | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|----------|---|----------|------------------------|------------------------|-----------------------|
| A | ASSETS | | | | |
| 1 | Non-Current Assets | | | | |
| | (a) Property, Plant and Equipment | 2 | 8399.46 | 8515.91 | 8626.83 |
| | (b) Capital work-in progress | 2 | 4401.62 | - | - |
| | Financial Assets: | | | | |
| | (a) Investments | 3 | 5733.87 | 6238.41 | 6044.34 |
| | (b) Deferred tax assets (Net) | 4 | 963.54 | 1259.06 | 1243.33 |
| | | | 19498.49 | 16013.38 | 15914.50 |
| 2 | Current Assets | | | | |
| | (a) Financial Assets | | | | |
| | (i) Investments | 5 | 567.44 | 7.08 | - |
| | (ii) Trade receivables | 6 | 138.10 | 152.94 | 55.68 |
| | (iii) Cash and cash equivalents | 7 | 69.89 | 101.98 | 36.00 |
| | (iv) Other current financial assets | 8 | 5045.60 | 8823.05 | 12025.36 |
| | (b) Current Tax Assets (Net) | 9 | 639.87 | 1147.94 | 1249.73 |
| | | | 6460.90 | 10232.99 | 13366.77 |
| | Total - Assets | | 25959.39 | 26246.37 | 29281.27 |
| B | EQUITY AND LIABILITIES | | | | |
| 1 | Equity | | | | |
| | (a) Equity Share Capital | 10 | 11191.82 | 11191.82 | 11191.82 |
| | (b) Other Equity | 11 | 13447.56 | 13182.30 | 15478.36 |
| | | | 24639.38 | 24374.12 | 26670.18 |
| | Liabilities | | | | |
| 2 | Non-Current Liabilities | | | | |
| | Financial Liabilities | | | | |
| | (i) Borrowings | 12 | 365.02 | 391.88 | 992.85 |
| | (ii) Other financial liabilities | 13 | 235.00 | 192.84 | 153.82 |
| | | | 600.02 | 584.72 | 1146.67 |
| 3 | Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Trade payables | 14 | 19.10 | 30.91 | 72.06 |
| | (ii) Other financial liabilities | 15 | 46.99 | 98.18 | 134.62 |
| | (b) Provisions | 16 | 653.90 | 1158.44 | 1257.74 |
| | | | 719.99 | 1287.53 | 1464.42 |
| | Total - Equity & Liabilities | | 25959.39 | 26246.37 | 29281.27 |

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 Vaira Mutthu
Partner
M.No.218791

For and on behalf of the Board

E N Rangaswami
Whole-time Director
DIN: 06463753

AL Chandramouli
Director
DIN: 02299091

Place : Chennai
Date : 18 May, 2018

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Rs in Lakhs)

| S.No. | Particulars | Note No. | Year ended 31 March 2018 | Year ended 31 March 2017 |
|-------------|--|----------------|-----------------------------|-----------------------------|
| I | Revenue: | | | |
| | Revenue from operations | 17 | 514.89 | 468.74 |
| | Other income | 18 | 618.00 | 468.20 |
| | Total Revenue | (A) | 1132.89 | 936.94 |
| II | Expenses: | | | |
| | Employee benefits expense | 19 | 72.60 | 62.68 |
| | Finance costs | 20 | 63.27 | 191.31 |
| | Depreciation and amortisation expense | 2 | 111.93 | 111.84 |
| | Other expenses | 21 | 224.81 | 242.18 |
| | Total Expenses | (B) | 472.61 | 608.01 |
| III | Profit/(loss) before exceptional items and tax | (A)-(B) | 660.28 | 328.93 |
| IV | Exceptional items | 22 | (98.26) | (3,081.43) |
| V | Profit/(loss) before tax | | 562.02 | (2,752.50) |
| VI | Tax Expense: | | | |
| | 1) Current tax | | 189.16 | 126.03 |
| | 2) Deferred tax | | 295.53 | (15.73) |
| VII | Profit/(loss) for the period from continuing operations | | 77.33 | (2,862.80) |
| VIII | Other Comprehensive Income | | 638.26 | 539.02 |
| IX | Total Comprehensive Income for the period (Comprising Profit/(loss) and other comprehensive income) | | 715.59 | (2,323.78) |
| | Attributable to: | | | |
| | Owners of the company | | 715.59 | (2,323.78) |
| | Non-controlling interests | | - | - |
| X | Earnings per equity share(in Rs) | | | |
| | (1) Basic | | 0.64 | (2.08) |
| | (2) Diluted | | 0.64 | (2.08) |

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 Vaira Mutthu
Partner
M.No.218791

E N Rangaswami
Whole-time Director
DIN: 06463753

AL Chandramouli
Director
DIN: 02299091

Place : Chennai
Date : 18 May 2018

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Lakhs)

| | Particulars | | Year ended 31 March 2018 | | Year ended 31 March 2017 |
|----------|--|-----------------|-----------------------------|----------|-----------------------------|
| A | Cash Flow from Operating Activities | | | | |
| | Profit for the year after Exceptional items and before Tax | | 1,200.28 | | (2,213.48) |
| | Adjustments for: | | | | |
| | Depreciation | 111.93 | | 111.84 | |
| | Dividend Income | (51.75) | | (30.27) | |
| | Interest Income | (312.57) | | (392.97) | |
| | Other equity adjustments | (450.33) | | 27.72 | |
| | Loss on sale of investments | 206.34 | | - | |
| | Profit on sale of fixed assets | (107.94) | | - | |
| | | | (604.32) | | (283.68) |
| | Operating Profit before Working Capital changes | | 595.96 | | (2,497.16) |
| | Adjustments for: | | | | |
| | Long Term Liabilities | 42.17 | | 39.01 | |
| | Current liabilities & Provisions | (756.71) | | (77.59) | |
| | Trade Receivables | 14.84 | | (97.26) | |
| | Other Current Assets | 608.88 | | (86.34) | (222.18) |
| | | | (90.82) | | |
| | | | 505.14 | | (2,719.34) |
| | Tax paid | | (100.81) | | (37.20) |
| | Net Cash from Operating activities (A) | | 404.33 | | (2,756.54) |
| B | Cash Flow from Investing activities | | | | |
| | Proceeds from sale of shares | 471.79 | | - | |
| | Proceeds from sale of Fixed Assets | 116.54 | | - | |
| | Addition to Fixed Assets | (4.08) | | (0.93) | |
| | Investments | (173.61) | | (201.15) | |
| | Current Investments | (560.35) | | - | |
| | Income from Investments | 364.32 | | 423.24 | |
| | Loans and Advances | (624.17) | | 3202.33 | 3423.49 |
| | Cash Flow from investing activities (B) | | (409.56) | | 3423.49 |
| C | Cash Flow from Financing activities | | | | |
| | Long term Borrowings | | (26.86) | | (600.97) |
| | Net Cash used in Financing Activities (C) | | (26.86) | | (600.97) |
| | Net Cash Flows during the year (A) + (B) + (C) | | (32.09) | | 65.98 |
| | Cash & Cash Equivalents (Opening Balance) as at 31-3-2017 | | 101.98 | | 36.00 |
| | Cash & Cash Equivalents (Closing Balance) as at 31-3-2018 | | 69.89 | | 101.98 |

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 Vaira Mutthu
Partner
M.No.218791

E N Rangaswami
Whole-time Director
DIN: 06463753

AL Chandramouli
Director
DIN: 02299091

Place : Chennai
Date : 18 May 2018

V.Padmanabha Sarma
Chief Financial Officer

N. Prasanna Varadan
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1.1 Company Overview

Mercantile Ventures Limited (MVL) is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu India. The Company has its primary listing on the BSE Limited in India.

1.2 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Effective April 1, 2018, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The year end figures are taken from the source and rounded to the nearest digits.

1.3 Use of Estimates

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

1.4 Cash Flow Statement

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

1.5 Critical Accounting Estimates

A) Revenue recognition

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

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

B) Expenditure

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

- C) Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life on straight line method. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

1.6 Property, Plant and Equipment

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

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

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

1.7 Impairment

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

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

1.8 Financial Instruments

1 Initial recognition

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

2. (i) Financial assets carried at at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) They are presented as current assets except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method less any impairment loss.
- (iii) Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.
- (iv) Cash and cash equivalents comprise cash on hand and in banks.

3. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

4. Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

5. Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9 Employee benefit

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

Compensated absences: The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at the end of each financial year.

1.10 Foreign Currency Transactions

There are no such transactions in the current financial year.

1.11 Segment Reporting

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

1.12. Income tax

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

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

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

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

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

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

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

1.13. Rounding of amounts

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

1.14. First-time adoption of Indian Accounting Standard (Ind AS)

The company's financial statements for the year ended 31 March 2018 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Financial Statements for the year ended 31 March 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in other equity at the transition date.

In preparing these financial statements, the company has availed itself of certain exemptions and exceptions in accordance with Ind AS and not required by previous GAAP.

Exceptions from full retrospective application:

Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

1.15. a) Reconciliation:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from the Indian GAAP in accordance with IND AS 101

- Equity as at 01 April 2016
- Equity as at 31 March 2017
- Total comprehensive income for the year ended 31 March 2017 and Explanation of material adjustments to cash flow statements.

b) Reconciliation of Equity:

(Rs. In Lakhs)

| Particulars | As at 31-03-2017 | | | As at 01-04-2016 | | |
|---------------------------------------|-----------------------------|--------------------------------|------------------|-----------------------------|--------------------------------|------------------|
| | Previous reclassified IGAAP | Effect of transition to IND AS | IND AS | Previous reclassified IGAAP | Effect of transition to IND AS | IND AS |
| ASSETS | | | | | | |
| Non- Current Assets | | | | | | |
| Property, Plant and Equipment | 4325.85 | 4,190.06 | 8,515.91 | 4356.28 | 4270.55 | 8,626.83 |
| Financial Assets | | | | | | |
| (i) Investments | 4798.92 | 1,439.49 | 6,238.41 | 4453.59 | 1590.75 | 6,044.34 |
| Deferred Tax Assets(net) | - | 1,259.06 | 1,259.06 | - | 1243.33 | 1,243.33 |
| Current Assets | | | | | | |
| Financial Assets | | | | | | |
| (i) Investments | 7.08 | - | 7.08 | - | - | - |
| (i) Trade Receivables | 152.94 | - | 152.94 | 55.68 | - | 55.68 |
| (ii) Cash and Cash equivalents | 101.98 | - | 101.98 | 36.00 | - | 36.00 |
| (iii) Loans and advances | 15884.09 | (7,061.04) | 8823.05 | 19286.38 | (7,261.02) | 12,025.36 |
| Other Current Assets | 1147.94 | - | 1147.94 | 1249.73 | - | 1,249.73 |
| Total Assets | 26,418.80 | (172.43) | 26,246.37 | 29,437.66 | (156.39) | 29,281.27 |
| EQUITY & LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity Share Capital | 11269.67 | (77.85) | 11,191.82 | 11,269.67 | (77.85) | 11,191.82 |
| Other Equity | 13075.45 | 106.85 | 13,182.30 | 15,373.20 | 105.16 | 15,478.36 |
| Liabilities | | | | | | |
| Non- Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| (i) Borrowings | 333.17 | 58.71 | 391.88 | 938.99 | 53.86 | 992.85 |
| (ii) Other financial liabilities | 334.36 | (141.52) | 192.84 | 282.04 | (128.22) | 153.82 |
| Deferred tax liabilities (Net) | 86.37 | (86.37) | - | 77.08 | (77.08) | - |
| Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| (i) Trade Payables | 30.91 | - | 30.91 | 72.06 | - | 72.06 |
| (ii) Other Financial Liabilities | 98.17 | 0.01 | 98.18 | 134.62 | - | 134.62 |
| Other current Liabilities | | | | | | |
| Provisions | 1190.70 | (32.26) | 1,158.44 | 1,290.00 | (32.26) | 1,257.74 |
| Total Equity & Liabilities | 26418.80 | (172.43) | 26246.37 | 29437.66 | (156.39) | 29281.27 |

C) Equity Reconciliation:
(Rs. In Lakhs)

| Particulars | As at 1 April 2016 |
|---|--------------------|
| Equity as per previous IGAAP | 15373.20 |
| Adjustments on account of transition to Ind AS - Credits to Equity | |
| Fair valuation of Fixed Assets | 4270.56 |
| Fair valuation of Equity Investments | 1590.75 |
| Discounting of Rental Deposits to Present Value | 128.21 |
| Recognition of Equity Component of financial instruments | 40.96 |
| Forfeited shares | 2.85 |
| Advances provided for | (7,521.02) |
| Amortisation of Preference Shares, convertible Bonfs | (19.82) |
| Reversal of Provision for taxation | 32.26 |
| Recognition of preference Dividend income | 260.00 |
| Tax impact on the above adjustments | 1320.41 |
| Total Other Equity as per IND AS as at 01-04-2016 | 15,478.36 |

- a) The fair value of property have been used as deemed cost as on the date of transition as per IND AS101
b) The fair value of investments have been used as deemed cost as on the date of transition as per IND AS101
c) Discounting of long term liabilities under IND AS resulted in reversal of liabilities. Interest expenses is recognised on the liability component over the tenure of the liability
d) Under IND AS 109 Convertible Preference Shares are treated as Compound Financial Instruments. The discounted value is treated as financial liability forming part of borrowings while the Equity component forms part of other equity.

d). Total comprehensive income reconciliation:

| Particulars | For year ended 31 March 2017 |
|---|------------------------------|
| Total comprehensive income as per previous IGAAP | (2,297.75) |
| IND AS adjustments: | |
| Finance cost - Notional interest on rental deposits | (14.41) |
| Interest on liability component of Convertible Preference Shares | (4.85) |
| Additional depreciation after Ind AS fair valuation | (80.52) |
| Reduction in profit on sale of investments on account of fair valuation | (490.29) |
| Other Comprehensive Income-Fair value of investments | 539.02 |
| Tax impact on the above adjustments | 25.02 |
| Total Comprehensive Income as per Ind AS | (2,323.78) |

Note: The following adjustments have been made to arrive at the comprehensive income under IND AS:

- a) Discounting of long term liabilities resulted in reduction of liabilities. Interest expenses is recognised on the liability component of convertible preference shares over the tenure of the liability.
Interest expense is recognised on the liability component of Convertible Preference Shares treated as compound Financial Instruments
b) The fair value of property have been used as deemed cost which resulted in change of depreciation on such assets
c) The investment in equity instruments have been fair valued
d) The preference Dividend income has been recognised based on contractual entitlement

Cash Flow statement:

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under IND AS

2. Property Plant and Equipment 2016-17

(Rs. In Lakhs)

| Particulars | GROSS BLOCK | | | DEPREICATION | | | NET BLOCK | | |
|--------------------------|---------------------|-------------|---------------------|---------------------|-----------|-----------------|--------------------|---------------------|---------------------|
| | As At 01/04/2016 | Additions | Total 31/03/2017 | As At 31/03/2016 | Deletions | For the year | Total 31/3/2017 | As At 31/03/2017 | As At 01/04/2016 |
| Tangible Assets | | | | | | | | | |
| Freehold Land | 6000.00 | - | 6000.00 | - | - | - | - | 6,000.00 | 6000.00 |
| Buildings | 2479.38 | - | 2479.38 | 72.79 | - | 90.08 | 162.87 | 2316.51 | 2406.59 |
| Computers | 1.23 | 0.92 | 2.15 | 1.18 | - | 0.50 | 1.68 | 0.47 | 0.05 |
| 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 | 8741.35 | 0.92 | 8742.27 | 114.52 | - | 111.84 | 226.36 | 8,515.91 | 8626.83 |
| Capital work-in Progress | | | | | | | | | |
| Total | 8741.35 | 0.92 | 8742.27 | 114.52 | - | 111.84 | 226.36 | 8,515.91 | 8626.83 |

2. Property Plant and Equipment 2017-18

(Rs. In Lakhs)

| Particulars | GROSS BLOCK | | | DEPREICATION | | | NET BLOCK | | |
|--------------------------|---------------------|----------------|---------------------|---------------------|-------------|-----------------|--------------------|---------------------|---------------------|
| | As At 01/04/2017 | Additions | Total 31/03/2018 | As At 31/03/2017 | Deletions | For the year | Total 31/3/2018 | As At 31/03/2018 | As At 31/03/2017 |
| Tangible Assets | | | | | | | | | |
| Freehold Land | 6000.00 | - | 6000.00 | - | - | - | - | 6,000.00 | 6000.00 |
| Buildings | 2479.38 | - | 2467.74 | 162.87 | 3.24 | 89.89 | 249.52 | 2218.22 | 2316.51 |
| Computers | 2.15 | 0.76 | 2.91 | 1.68 | - | 0.70 | 2.38 | 0.53 | 0.47 |
| Airconditioners,etc | 120.11 | 2.70 | 122.81 | 15.00 | - | 7.62 | 22.62 | 100.19 | 105.11 |
| Furniture and Fixtures | 137.49 | - | 137.49 | 44.92 | - | 13.06 | 57.98 | 79.51 | 92.57 |
| Office Equipments | 3.14 | 0.62 | 3.22 | 1.89 | 0.34 | 0.66 | 2.21 | 1.01 | 1.25 |
| Total | 8742.27 | 4.08 | 8734.17 | 226.36 | 3.58 | 111.93 | 334.71 | 8,399.46 | 8515.91 |
| Capital work-in Progress | - | 4,401.62 | 4,401.62 | - | - | - | - | 4401.62 | - |
| Total | 8742.27 | 4405.70 | 13135.79 | 226.36 | 3.58 | 111.93 | 334.71 | 12,801.08 | 8515.91 |

(Rs. in Lakhs)

3. Financial Assets Investment

| Particulars | Face Value (Rs.) | No. of Shares | As at 31 March 2018 | No. of Shares | As at 31 March 2017 | No. of Shares | As at 31 March 2016 |
|---|------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| Quoted | | | | | | | |
| Investments in Equity Instruments-fully paid up | | | | | | | |
| Chitra Durga Spintex Ltd | 10 | 3,650 | 0.43 | 3,650 | 0.43 | 15,695 | 0.16 |
| Sical Logistics Ltd | 10 | - | - | 105,817 | 277.66 | 61,870,758 | 618.71 |
| Stacgen India Ltd | 10 | 697,923 | 263.81 | 497,923 | 128.30 | 7,795,835 | 78.04 |
| Southern Petrochemical Industries Corporation Ltd | 10 | 680,260 | 235.71 | 680,260 | 159.86 | 5,640,735 | 56.41 |
| Haryana Leather Chemicals Ltd | 10 | 21,800 | 8.44 | 21,800 | 9.13 | - | - |
| ICI/CI Bank | 10 | 82 | 0.21 | 150 | 0.42 | - | - |
| Reliance Industries Limited EQ | 10 | 2,320 | 20.72 | 1,160 | 15.30 | - | - |
| Alphageo India Ltd | 10 | 7,600 | 58.54 | - | - | - | - |
| Tamil Nadu Petroproducts Ltd | 10 | 201,000 | 104.32 | 201,000 | 74.27 | - | - |
| Crescent Finstock Ltd | 10 | - | - | - | - | 1,000 | 0.01 |
| Integrated Digital Info Services Ltd | 10 | - | - | - | - | 200 | - |
| ISPL Inudstries Ltd | 10 | - | - | - | - | 37,000 | 0.37 |
| Kumbhat Financial Services Ltd | 10 | - | - | - | - | 10,000 | 0.10 |
| S&S Power Switch Gears Ltd | 10 | - | - | - | - | 77 | - |
| S&S Industries Ltd | 10 | - | - | - | - | 560 | 0.01 |
| Sai Industries Ltd | 10 | - | - | - | - | 220,000 | 2.20 |
| Saptharishi Agro Industries Ltd | 10 | - | - | - | - | 6,068 | 0.06 |
| Sharp Industries Ltd | 10 | - | - | - | - | 200 | - |
| Tebma Shipyards Ltd | 10 | - | - | - | - | 3,400 | 0.03 |
| TN Jayabharat Mills Ltd | 10 | - | - | - | - | 8,800 | 0.09 |
| Tribology India Ltd | 10 | - | - | - | - | 2,150 | 0.02 |
| Manali Petrochemicals | 5 | 2,550 | 1.01 | - | - | - | - |
| Sterlite Technologies Ltd | 2 | 225 | 0.74 | - | - | - | - |
| Sub Total - (A) | | | 693.93 | | 665.36 | | 756.21 |
| Unquoted | | | | | | | |
| National Trust Housing Finance Ltd | 10 | 7,349,890 | 2,603.61 | 7,649,890 | 2,759.33 | 5,999,890 | 2,358.38 |
| Navia Markets Limited | 10 | - | - | 537,410 | 243.78 | 1,289,410 | 584.89 |
| Oasis Ventures Private Ltd | 10 | 2,340,000 | 285.18 | 2,140,000 | 239.84 | 1,310,000 | 156.84 |
| Sub Total - (B) | | | 2,888.79 | | 3,242.95 | | 3,100.11 |
| Investments in Preference Shares | | | | | | | |
| EDAC Engineering Ltd | 10 | 20,000,000 | 1,429.79 | 20,000,000 | 1,298.09 | 20,000,000 | 1,178.52 |
| India Radiators Ltd | 10 | 10,646,000 | 721.36 | - | 1,032.00 | - | 1,009.50 |
| Sub Total - (C) | | | 2151.15 | | 2330.09 | | 2188.02 |
| Net Value of Investments (A) + (B) + (C) | | | 5,733.87 | | 6,238.41 | | 6,044.34 |

4. Deferred Tax Asset (Net)

(Rs. In Lakhs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|-------------------------------------|------------------------|------------------------|-----------------------|
| opening balance | 1259.06 | 1243.33 | - |
| Related to Advances written off | - | - | 2486.67 |
| DTA reversal net | 295.52 | - | - |
| Less: Deferred Tax Liability | | | |
| Fair value of fixed assets | - | (15.73) | 1193.96 |
| Discounting of Rental deposits | - | - | 42.39 |
| Discounting of Preference shares:: | - | - | 6.99 |
| Total | 963.54 | 1259.06 | 1243.33 |

5. Current investments:

| | | | |
|-----------------------------|---------------|-------------|----------|
| Investments in Mutual Funds | 567.44 | 7.08 | - |
| Total | 567.44 | 7.08 | - |

6. Trade Receivables:

| | | | |
|---------------------------|---------------|---------------|--------------|
| Unsecured-considered good | 138.10 | 152.94 | 55.68 |
| Total | 138.10 | 152.94 | 55.68 |

7. Cash & Cash Equivalents

| | | | |
|--|--------------|---------------|--------------|
| Cash on Hand | 0.01 | 0.05 | 0.19 |
| Balance with Banks in Current Accounts | 69.88 | 101.93 | 35.81 |
| Total | 69.89 | 101.98 | 36.00 |

8. Other current financial assets:

| | | | |
|---|-----------------|-----------------|-----------------|
| Capital Advance | - | 4,360.00 | 4369.90 |
| Loans and Advances-Inter Corporate Deposits | 3,418.00 | 3,026.20 | 2114.38 |
| Other Advances | 1,620.54 | 1,429.79 | 5538.12 |
| Security Deposit | 7.06 | 7.06 | 2.96 |
| Total | 5,045.60 | 8,823.05 | 12025.36 |

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

| | | | |
|----------------------------|----------|----------|---------|
| Edac Engineering Limited | 3,032.00 | 2,880.71 | 2114.38 |
| Chitaranjan Developers LLP | 386.00 | 145.43 | - |

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

9. Current Tax assets:

| | | | |
|---|---------------|-----------------|-----------------|
| Advance income tax net of provision for tax | 639.87 | 1,147.94 | 1,249.73 |
| Total | 639.87 | 1,147.94 | 1,249.73 |

10. Share Capital

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Authorised Capital | | | |
| 11,50,00,000 Equity Shares of Rs.10/- each | 11,500.00 | 11,500.00 | 11,500.00 |
| 1,50,00,000 Preference Shares of Rs.10/- each | 1,500.00 | 1,500.00 | 1,500.00 |
| Total | 13,000.00 | 13,000.00 | 13,000.00 |
| 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 | 11,191.82 | 11,191.82 |
| Total | 11,191.82 | 11,191.82 | 11,191.82 |

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.

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

| Particulars | As at 31-03-2018 | | As at 31-03-2017 | | As at 01-04-2016 | |
|---|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | No. of shares | No. of shares | No. of shares | Amount | No. of shares | Amount |
| Shares outstanding at the beginning of the year | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 |
| Shares issued during the year | - | - | - | - | - | - |
| Shares outstanding at the close of the year | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 |

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

| Name of Shareholder | As at 31-03-2018 | | As at 31-03-2017 | | As at 01-04-2016 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding | No. of shares | % of Holding |
| Trinity Auto Points Limited | 20,956,000 | 18.72% | 20,956,000 | 18.72% | 20,956,000 | 18.72% |
| South India Travels Private Limited | 11,052,500 | 9.87% | 11,052,500 | 9.87% | 15,852,500 | 14.16% |
| Golden Star Assets Consultants Private Limited | 14,396,000 | 12.86% | 14,396,000 | 12.86% | 14,396,000 | 12.86% |
| Southern Petrochemical Industries Corporation Ltd | 9,220,000 | 8.24% | 9,220,000 | 8.24% | 9,220,000 | 8.24% |
| Ranford Investments Limited | 7,807,955 | 6.98% | 7,807,955 | 6.98% | 7,807,955 | 6.98% |
| Dornolly Investments Limited | 6,437,000 | 5.75% | 6,437,000 | 5.75% | 6,437,000 | 5.75% |
| Gold Nest Trading Company Limited | 5,808,000 | 5.19% | 5,808,000 | 5.19% | 5,808,000 | 5.19% |

11 Other Equity

(Rs in Lakhs)

| Particulars | Equity component of compound financial instruments | Reserves and Surplus | | | | Total |
|---|--|----------------------|--------------------|-----------------|-------------------|------------------|
| | | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | |
| Balance as at 01-04-2016 | 40.96 | 295.28 | 12,250.20 | 375.60 | 2,454.97 | 15,417.01 |
| Restated balance at the beginning of the reporting period | - | - | - | - | 61.35 | 61.35 |
| Balance as on 01-04-2016 | 40.96 | 295.28 | 12,250.20 | 375.60 | 2,516.32 | 15,478.36 |
| Total comprehensive income for the year | - | - | - | - | (2,323.78) | (2,323.78) |
| Adjustments on account of transition to IND AS | (2.10) | - | - | - | 29.82 | 27.72 |
| Balance as at 31-03-2017 | 38.86 | 295.28 | 12,250.20 | 375.60 | 222.36 | 13,182.30 |
| Total comprehensive income for the year | - | - | - | - | 715.59 | 715.59 |
| Adjustments on account of IND AS | (26.15) | - | - | - | (424.18) | (450.33) |
| Balance as at 31-03-2018 | 12.71 | 295.28 | 12,250.20 | 375.60 | 513.77 | 13,447.56 |

12. Borrowings

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|---------------------|---------------------|--------------------|
| Secured: | | | |
| Term Loan from others | 290.13 | 333.17 | 938.99 |
| Unsecured: | | | |
| Liability Component of Compound Financial Instruments | | | |
| Zero % Convertible Preference Shares | 74.89 | 58.71 | 53.86 |
| Total | 365.02 | 391.88 | 992.85 |

13. Other Financial Liabilities (Non Current)

| | | | |
|--------------|---------------|---------------|---------------|
| Rent Deposit | 235.00 | 192.84 | 153.82 |
| Total | 235.00 | 192.84 | 153.82 |

14. Trade Payables

| | | | |
|------------------|--------------|--------------|--------------|
| Sundry Creditors | 19.10 | 30.91 | 72.06 |
| Total | 19.10 | 30.91 | 72.06 |

15. Other Current Financial Liabilities

| | | | |
|--|--------------|--------------|---------------|
| Duties & Taxes | 4.08 | 5.84 | 7.27 |
| Current Maturity of Long Term Debt | 42.91 | 38.29 | 85.31 |
| Current Liability Component of Compound Financial Instruments | | | |
| Zero % Convertible Bonds | - | 36.00 | 42.00 |
| Other Payables | - | 18.05 | 0.04 |
| Total | 46.99 | 98.18 | 134.62 |

16. Current Provisions

| | | | |
|------------------------|---------------|----------------|-----------------|
| Provision for Gratuity | 1.53 | - | - |
| Provision for Taxation | 652.37 | 1158.44 | 1,257.74 |
| Total | 653.90 | 1158.44 | 1,257.74 |

17. Income from Operations

(Rs in Lakhs)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|------------------------------|-----------------------------|-----------------------------|
| Rent of immovable properties | 514.89 | 468.74 |
| Total | 514.89 | 468.74 |

18. Other Income

| | | |
|---|---------------|---------------|
| Dividend received | 51.75 | 28.70 |
| Amount withdrawn from Court | 210.06 | - |
| Short term capital gain on liquid funds | - | 1.57 |
| Interest received | 312.57 | 392.97 |
| Miscellaneous income | 43.62 | 44.96 |
| Total | 618.00 | 468.20 |

19. Employment Benefit Expenses

| | | |
|---------------|--------------|--------------|
| Salaries | 69.59 | 61.47 |
| Gratuity | 1.53 | - |
| Staff Welfare | 1.48 | 1.21 |
| Total | 72.60 | 62.68 |

20. Finance Cost

| | | |
|--|--------------|---------------|
| Interest on Secured loan | 41.40 | 85.06 |
| Interest on Intercorporate Deposit | - | 86.99 |
| Notional interest on Rent Deposit | 16.59 | 14.41 |
| Notional interest on Convertible Preference Shares | 5.28 | 4.85 |
| Total | 63.27 | 191.31 |

21. Other Expenses

| | | |
|--------------------------------------|---------------|---------------|
| Rates & Taxes | 47.16 | 43.76 |
| Repairs & Maintenance | 100.38 | 121.23 |
| Postage, Telephone & Courier charges | 8.53 | 8.38 |
| Travelling Expenses | 0.51 | 0.79 |
| Legal Expenses | 1.97 | - |
| Professional & Consultancy charges | 14.56 | 18.14 |
| Auditors Remuneration | 5.60 | 6.25 |
| Miscellaneous Expenses | 4.61 | 5.75 |
| Advertisement Charges | 1.55 | 0.84 |
| Director Sitting Fees | 4.25 | 3.50 |
| Brokerage and commission | 2.36 | - |
| Electricity and Fuel charges | 25.73 | 27.26 |
| Filing Fees | 0.10 | 0.27 |
| Printing & Stationery | 4.26 | 4.87 |
| Loss on sale of fixed assets | 0.14 | - |
| Interest on Income Tax | 1.77 | 0.50 |
| Insurance Expenses | 1.33 | 0.64 |
| Total | 224.81 | 242.18 |

22. Exceptional Items

| | | |
|--------------------------------|----------------|-------------------|
| Profit on sale of Fixed Assets | 108.08 | - |
| Profit on sale of Investments | (206.34) | (3,081.43) |
| Total | (98.26) | (3,081.43) |

23. Expenditure in foreign currency during the current period

NIL

NIL

24. Earnings in Foreign Exchange received during the current period

NIL

NIL

25. 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

Associate:

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 (Rs in Lakhs)

| Particulars of transaction | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| Transaction with related parties | | |
| Security charges paid to M/s. i3 Security Private Ltd | 0.08 | 0.09 |
| Maintenance charges paid to Oasis Ventures Private Ltd | 6.00 | 12.00 |
| Rent collected- Oasis Ventures Private Limited | 1.21 | 1.08 |
| Whole-time Director's remuneration - Mr. E. N. Rangaswami | 40.00 | 36.00 |
| Investment in Subsidiaries: | | |
| Oasis Ventures Private Limited | 285.18 | 239.84 |
| Investment in Associate: | | |
| National Trust Housing Finance Limited | 2603.61 | 2,759.33 |

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

| | As at March 2018 | As at March 2017 |
|---|---------------------|---------------------|
| 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. | Nil | 47.86 |
| Disputed tax demand in respect of Assessment Year 2013-14 15% of the disputed demand amounting to Rs.7.20 lakhs has been paid so far under protest. | | |
| Disputed tax demand in respect of Assessment Year 2015-16 is under appeal before the CIT(Appeals).20% of the disputed demand amounting to Rs 8.86 lakhs has been paid under protest | 44.25 | Nil |
| ii) Commitments: | | |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 406.92 | 225.00 |
| b) Uncalled liability on shares and other investments partly paid; | Nil | Nil |
| c) Other commitments (specify nature) | Nil | Nil |

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

Consolidated Financial Statements 2017-18

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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the Consolidated Balance Sheet for the year ended as at March 31, 2018, 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 31/03/2018;
- 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.815.71 Lakhs as at 31st March, 2018, total revenue of Rs.2,484.59 Lakhs and net cash flows amounting to Rs.29.95 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.25,650.51 Lakhs as at 31st March, 2018, total revenue of Rs.4,230.50 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 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, 2018, 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, 2018, 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: 29 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.

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

Place : Chennai
Date : 18 May, 2018

CA Vaira Mutthu K
M.NO. 218791
Partner

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, 2018 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 of the 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 judgment, 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 Holding Company, its subsidiaries companies and its associate companies incorporated in India have 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, 2018, based on the internal controls over financial reporting criteria established by the respective companies 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 the three subsidiary companies and one associate company 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

Place : Chennai
Date : 18 May, 2018

CA Vaira Mutthu K
M.NO. 218791
Partner

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

(Rs.in Lakhs)

| S. No. | Particulars | Note No. | As at 31 March 2018 | As at 31 March 2017 | As at 01 April 2016 |
|----------|---|-----------|------------------------|------------------------|------------------------|
| | ASSETS | | | | |
| 1 | Non-Current Assets | | | | |
| | (a) Property, Plant and Equipment | 2 | 8407.68 | 8523.63 | 8630.97 |
| | (b) Capital work-in progress | 2 | 4401.62 | - | - |
| | (c) Other Intangible Assets | | 58.15 | 47.39 | 38.69 |
| | Financial Assets: | | | | |
| | (a) Investments | 3 | 6021.88 | 6408.97 | 6190.56 |
| | (b) Other Loans and advances | 4 | 1.04 | 0.90 | 0.90 |
| | Deferred tax assets (Net) | 5 | 975.12 | 1268.49 | 1243.54 |
| | | | 19865.49 | 16249.38 | 16104.66 |
| 2 | Current Assets | | | | |
| | Inventories | 6 | 0.53 | 3.72 | 19.33 |
| | (a) Financial Assets | | | | |
| | i) Investments | 7 | 567.44 | 7.08 | - |
| | ii) Trade receivables | 8 | 571.69 | 523.83 | 303.10 |
| | iii) Cash and cash equivalents | 9 | 295.86 | 298.00 | 143.66 |
| | iv) Other current financial assets | 10 | 5067.20 | 8834.35 | 12037.22 |
| | (b) Current Tax Assets | 11 | 722.58 | 1200.68 | 1306.09 |
| | | | 7225.30 | 10867.66 | 13809.40 |
| | Total - Assets | | 27090.79 | 27117.04 | 29914.06 |
| | EQUITY AND LIABILITIES | | | | |
| | Equity | | | | |
| | (a) Equity Share Capital | 12 | 11191.82 | 11191.82 | 11191.82 |
| | (b) Other Equity | 13 | 14185.29 | 13720.48 | 15840.01 |
| | | | 25377.11 | 24912.30 | 27031.83 |
| 1 | Liabilities | | | | |
| | Non-Current Liabilities | | | | |
| | (a) Non Controlling Interest | | - | - | 25.40 |
| | (b) Financial Liabilities | | | | |
| | (i) Borrowings | 14 | 365.02 | 391.88 | 992.85 |
| | (iii) Other financial liabilities | 15 | 235.00 | 192.84 | 153.82 |
| | | | 600.02 | 584.72 | 1172.07 |
| 2 | Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Trade payables | 16 | 42.76 | 51.35 | 82.53 |
| | (ii) Other financial liabilities | 17 | 255.03 | 255.66 | 226.06 |
| | (b) Provisions | 18 | 815.87 | 1313.01 | 1401.57 |
| | | | 1113.66 | 1620.02 | 1710.16 |
| | Total - Equity & Liabilities | | 27090.79 | 27117.04 | 29914.06 |

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 Vaira Mutthu
Partner
M.No.218791

Place : Chennai
Date : 18 May, 2018

For and on behalf of the Board

E N Rangaswami
Whole-time Director
DIN: 06463753

V.Padmanabha Sarma
Chief Financial Officer

AL Chandramouli
Director
DIN: 02299091

N. Prasanna Varadan
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Rs in Lakhs)

| S.No. | Particulars | Note No. | Year ended 31 March 2018 | Year ended 31 March 2017 |
|-------------|--|-----------|-----------------------------|-----------------------------|
| I | Revenue: | | | |
| | Revenue from operations | 19 | 2995.44 | 2714.10 |
| | Other income | 20 | 622.04 | 473.39 |
| | Total Income | | 3617.48 | 3187.49 |
| II | Expenses: | | | |
| | Cost of goods sold | | 4.90 | - |
| | Cost of services / Material consumed | 21 | 903.90 | 706.15 |
| | Employee benefits expense | 22 | 1419.49 | 1377.19 |
| | Finance costs | 23 | 63.92 | 191.63 |
| | Depreciation and amortisation expense | 2 | 116.52 | 114.17 |
| | Other expenses | 24 | 387.68 | 366.01 |
| | Total expenses | | 2896.41 | 2755.15 |
| III | Profit / (loss) before exceptional items and tax | | 721.07 | 432.34 |
| IV | Exceptional Items | 25 | (98.26) | (3,081.43) |
| V | Profit/(loss) before tax | | 622.81 | (2,649.09) |
| VI | Tax Expense: | | | |
| | 1) Current tax | | 215.28 | 168.94 |
| | 2) Deferred tax | | 293.39 | (24.95) |
| VII | Profit/(loss) for the period | | 114.14 | (2,793.08) |
| VIII | Other Comprehensive Income | | 638.26 | 539.02 |
| IX | Total Comprehensive Income for the period (Comprising Profit / (loss) and other comprehensive income) | | 752.40 | (2,254.06) |
| | Attributable to: | | | |
| | Owners of the company | | 752.40 | (2,254.06) |
| | Non-controlling interests | | - | - |
| X | Pre acquisition Profit (capital Reserve) | | - | (0.12) |
| XI | Total Comprehensive Income for the period | | 752.40 | (2,254.18) |
| XII | Earnings per equity share(in Rs) | | | |
| | (1) Basic | | 0.67 | (2.01) |
| | (2) Diluted | | 0.67 | (2.01) |

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

CA K Vaira Mutthu
Partner
M.No.218791

Place : Chennai
Date : 18 May 2018

For and on behalf of the Board

E N Rangaswami
Whole-time Director
DIN: 06463753

V.Padmanabha Sarma
Chief Financial Officer

AL Chandramouli
Director
DIN: 02299091

N. Prasanna Varadan
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Rs.in Lakhs)

| | Particulars | | Year ended 31 March 2018 | | Year ended 31 March 2017 |
|----------|--|----------|-----------------------------|----------|-----------------------------|
| A | Cash Flow from Operating Activities | | | | |
| | Profit for the year after Exceptional items and before Tax | | 1,275.60 | | (2,104.68) |
| | Adjustments for: | | | | |
| | Depreciation | 116.52 | | 114.17 | |
| | Dividend Income | (55.07) | | (30.27) | |
| | Interest Income | (313.22) | | (395.54) | |
| | Other equity adjustments | (450.33) | | 27.72 | |
| | Loss on sale of investments | 206.35 | | - | |
| | Profit on sale of fixed assets (Net) | (107.94) | | - | |
| | Pre acquisition profit | - | | (1.70) | |
| | | | (603.69) | | (285.62) |
| | Operating Profit before Working Capital changes | | 671.91 | | (2,390.30) |
| | Adjustments for: | | | | |
| | Long Term Liabilities | 42.17 | | 39.01 | |
| | Current liabilities & Provisions | (890.49) | | (6.84) | |
| | Trade Receivables | 14.84 | | (97.26) | |
| | Other Current Assets | 686.58 | (146.90) | (189.01) | (254.10) |
| | | | 525.01 | | (2,644.40) |
| | Tax paid | | (109.62) | | (65.09) |
| | Net Cash from Operating activities (A) | | 415.39 | | (2,709.49) |
| B | Cash Flow from Investing activities | | | | |
| | Proceeds from sale of shares | 471.79 | | - | |
| | Proceeds from sale of Fixed Assets | 116.54 | | - | |
| | Addition to Fixed Assets | (9.17) | | (6.84) | |
| | Investments | (173.61) | | (260.17) | |
| | Current Investments | (560.35) | | - | |
| | Income from Investments | 368.29 | | 427.49 | |
| | Loans and Advances | (624.16) | (410.67) | 3202.33 | 3362.81 |
| | Cash Flow from investing activities (B) | | (410.67) | | 3362.81 |
| C | Cash Flow from Financing activities | | | | |
| | Proceeds from issue of equity shares | 20.00 | | 102.00 | |
| | Long term Borrowings | (26.86) | (6.86) | (600.98) | (498.98) |
| | Net Cash used in Financing Activities (C) | | (6.86) | | (498.98) |
| | Net Cash Flows during the year (A) + (B) + (C) | | (2.14) | | 154.34 |
| | Cash & Cash Equivalents (Opening Balance) as at 31-3-2017 | | 298.00 | | 143.66 |
| | Cash & Cash Equivalents (Closing Balance) as at 31-3-2018 | | 295.86 | | 298.00 |

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

CA K Vaira Mutthu
Partner
M.No.218791

Place : Chennai
Date : 18 May 2018

For and on behalf of the Board

E N Rangaswami
Whole-time Director
DIN: 06463753

V.Padmanabha Sarma
Chief Financial Officer

AL Chandramouli
Director
DIN: 02299091

N. Prasanna Varadan
Company Secretary

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

Group Overview and Significant Accounting Policies

1.1. Group Overview

Mercantile Ventures Limited (MVL) is a public limited company incorporated and domiciled in India and has its registered office at Chennai, Tamilnadu India. The Company has its primary listings on the BSE Limited in India.

List of Subsidiaries with percentage Holding:

| Name of the entity | Country of incorporation and other particulars | Holding (%) |
|---|--|-------------|
| Oasis Ventures Pvt Ltd | a subsidiary of the Company incorporated under the laws of India. | 100.00 |
| i3 Security Pvt Ltd | a subsidiary of Oasis Ventures Pvt Ltd incorporated under the laws of India. | 100.00 |
| Rayce Electronic Intelligence India Pvt Ltd | a subsidiary of Oasis Ventures Pvt Ltd incorporated under the laws of India. | 100.00 |

1.2 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('Act') to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These consolidated financial statements are the Group's first Ind AS consolidated financial statements. The Group had adopted all the Ind AS standards and the adoptions were carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (GAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 1.15.

Accounting polices have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards which requires a change in the accounting policy hitherto in use..

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Mercantile Ventures Limited, its subsidiaries and associate. The consolidated financial statements are prepared on the following basis:

- The financial statements of the parent company and the subsidiaries have been combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profit/losses in full in accordance with Ind AS110 for Consolidated Financial Statements. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made being an asset is recognized as "Goodwill" in the consolidated financial statements.
- The proportionate share of the Group's interest in associates is accounted under equity method of accounting in accordance with Ind AS 28 Investments in Associates and Joint Ventures.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence share of movements in equity since the date the parent subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax.

1.4. Use of estimates

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

1.4 Cash Flow Statement

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

1.5 Critical accounting estimates

A) Revenue recognition

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

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

B) Expenditure

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

- ##### C) Property, plant and equipment
- Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life on straight line method. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

1.6. Property, Plant and Equipment

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

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

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

1.7. Impairment

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

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

1.8. Financial Instruments

1. Initial recognition

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

2. (i) Financial assets carried at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) They are presented as current assets except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method less any impairment loss.
- (iii) Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.
- (iv) Cash and cash equivalents comprise cash on hand and in banks.

3. Financial assets at fair value through other comprehensive income :

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

4. Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

5. Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.9. Employee benefit

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the company provides payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

Compensated absences: The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at the end of each financial year.

1.10. Foreign Currency Transactions

There are no such transactions in the current financial year.

1.11. Segment Reporting

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

1.12. Income tax

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

- (a) **Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.
- (b) **Deferred income tax:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

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

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

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

1.13. Rounding of amounts

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

1.14. First-time adoption of Indian Accounting Standard (Ind AS)

The Group's consolidated financial statement for the year ended 31 March 2018 are the first consolidated financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Consolidated Financial Statements for the year ended 31 March 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in other equity at the Transition Date.

In preparing these consolidated financial statements, the Group has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 and not required by previous GAAP.

Exceptions from full retrospective application:

Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

1.15. a) Reconciliation:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from the Indian GAAP in accordance with IND AS 101

- Equity as at 1 April 2016
 - Equity as at 31 March 2017
 - Total comprehensive income for the year ended 31 March 2017 and
- Explanation of material adjustments to cash flow statements.

b) Reconciliation of Equity:

(Rs. In Lakhs)

| Particulars | As at 31-03-2017 | | | As at 01-04-2016 | | |
|---------------------------------------|--------------------|--------------------------------|------------------|--------------------|--------------------------------|------------------|
| | Reclassified IGAAP | Effect of transition to IND AS | IND AS | Reclassified IGAAP | Effect of transition to IND AS | IND AS |
| ASSETS | | | | | | |
| Non- Current Assets | | | | | | |
| Property, Plant and Equipment | 4333.57 | 4,190.06 | 8,523.63 | 4360.43 | 4,270.54 | 8,630.97 |
| Financial Assets | | | | | | |
| Inventories | | | | | | |
| (i) Investments | 4,995.34 | 1,413.63 | 6,408.97 | 4625.66 | 1,564.90 | 6,190.56 |
| (ii) Loans and advances | | | | | | |
| Intangibles - Goodwill | 21.55 | 25.84 | 47.39 | 12.85 | 25.84 | 38.69 |
| Deferred Tax Assets(net) | 9.43 | 1,259.06 | 1,268.49 | 0.21 | 1,243.33 | 1,243.54 |
| Other Non- current assets | 0.90 | - | 0.90 | 0.90 | - | 0.90 |
| Current Assets | | | | | | |
| Inventories | 3.72 | - | 3.72 | 19.33 | | 19.33 |
| Financial Assets | | | | | | |
| (i)Investments | 7.08 | - | 7.08 | - | - | - |
| (i) Trade Receivables | 523.83 | - | 523.83 | 303.10 | - | 303.10 |
| (ii) Cash and Cash equivalents | 298.00 | - | 298.00 | 143.66 | - | 143.66 |
| (iii) Loans and advances | 15,895.38 | (7,061.03) | 8834.35 | 19354.60 | (7,317.38) | 12,037.22 |
| Other Current Assets | 1,200.68 | - | 1,200.68 | 1249.72 | 56.37 | 1,306.09 |
| Total Assets | 27,289.48 | (172.44) | 27,117.04 | 30,070.46 | (156.40) | 29,914.06 |
| EQUITY & LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity Share Capital | 11,269.67 | (77.85) | 11,191.82 | 11,269.67 | (77.85) | 11,191.82 |
| Other Equity | 13,613.62 | 106.86 | 13,720.48 | 15,734.86 | 105.15 | 15,840.01 |
| Non controlling Interests | - | - | - | 25.40 | - | 25.40 |
| Liabilities | | | | | | |
| Non- Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| (i) Borrowings | 333.17 | 58.71 | 391.88 | 938.99 | 53.86 | 992.85 |
| (ii) Other financial liabilities | 334.36 | (141.52) | 192.84 | 282.04 | (128.22) | 153.82 |
| Deferred tax liabilities (Net) | 86.38 | (86.38) | - | 77.08 | (77.08) | - |
| Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| (i) Trade Payables | 51.35 | - | 51.35 | 82.53 | - | 82.53 |
| (ii) Other Financial Liabilities | 255.27 | 0.39 | 255.16 | 226.06 | - | 226.06 |
| Other current Liabilities | | | | | | |
| Provisions | 1,345.66 | (32.65) | 1,313.01 | 1,433.83 | (32.26) | 1,401.57 |
| Total Equity & Liabilities | 27289.48 | (172.44) | 27117.04 | 30070.46 | (156.40) | 29914.06 |

c) **Equity reconciliation:**

(Rs. In Lakhs)

| Particulars | As at 01 April 2016 |
|---|---------------------|
| Equity as per previous IGAAP | 15734.86 |
| Adjustments on account of transition to Ind AS - Credits to Equity | |
| Fair valuation of Fixed Assets | 4270.56 |
| Fair valuation of Equity Investments | 1590.75 |
| Discounting of Rental Deposits to Present Value | 128.21 |
| Recognition of Equity Component of financial instruments | 40.96 |
| Forfeited shares | 2.85 |
| Advances provided for | (7,521.02) |
| Amortisation of Preference Shares , convertible Bonfs | (19.82) |
| Rebersal of Provision for taxation | 32.26 |
| Recognition of preference Dividend income | 260.00 |
| Tax impact on the above adjustments | 1320.40 |
| Total Other Equity as per IND AS as at 01-04-2016 | 15,840.01 |

- a) The fair value of property have been used as deemed cost as on the date of transition as per IND AS101
- b) The fair value of investments have been used as deemed cost as on the date of transition as per IND AS101
- c) Discounting of long term liabilities under IND AS resulted in reversal of liabilities. Interest expenses is recognised as the liability component over the tenure of liability.
- d) Under IND AS 109 Convertible Preference Shares are treated as Compound Financial Instruments .The discounted value is treated as financial liability forming part of borrowings while the Equity component forms part of other equity

d). **Total comprehensive income reconciliation:**

| Particulars | For year ended 31 March 2017 |
|---|---------------------------------|
| Total comprehensive income as per previous IGAAP | (2,228.16) |
| IND AS adjustments: | |
| Finance cost - Notional interest on rental deposits | (14.41) |
| Interest on liability component of Convertible Preference Shares | (4.85) |
| Additional depreciation after Ind AS fair valuation | (80.52) |
| Reduction in profit on sale of investments on account of fair valuation | (490.29) |
| Other Comprehensive Income-Fair value of investments | 539.02 |
| Tax impact on the above adjustments | 25.02 |
| Total Comprehensive Income as per Ind AS | (2,254.18) |

Note:

- a) Discounting of long term liabilities under AS resulted in reversal of liabilities. Interest expenses is recognised on the liability component over the tenure of the liability.
Interest expense is recognised on the liability component of Convertible Preference Shares treated as compound Financial Instruments.
- b) The fair value of property have been used as deemed cost which resulted in change of depreciation on such assets.
- c) The investment in equity instruments have been fair valued.
- d) The preference Dividend income has been recognised based on contractual entitlement.

Cash Flow statement:

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under IND AS

2. Property Plant and Equipment 2016-17 (Rs. In Lakhs)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--------------------------|---------------------|-------------|-----------|---------------------|---------------------|-----------|-----------------|---------------------|---------------------|---------------------|
| | As At 01/04/2016 | Additions | Deletions | Total 31/03/2017 | As At 31/03/2016 | Deletions | For the year | Total 31/03/2017 | As At 31/03/2017 | As At 01/04/2016 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 6000.00 | - | - | 6000.00 | - | - | - | - | 6,000.00 | 6000.00 |
| Buildings | 2479.38 | - | - | 2479.38 | 72.79 | - | 90.08 | 162.87 | 2316.51 | 2406.59 |
| Computers | 7.07 | 1.47 | - | 8.54 | 5.63 | - | 1.59 | 7.22 | 1.32 | 1.44 |
| Airconditioners,etc | 120.11 | - | - | 120.11 | 7.40 | - | 7.60 | 15.00 | 105.11 | 112.71 |
| Furniture and Fixtures | 140.18 | 0.22 | - | 140.40 | 33.34 | - | 13.41 | 46.75 | 93.65 | 106.84 |
| Office Equipments | 5.36 | 5.14 | - | 10.50 | 1.97 | - | 1.49 | 3.46 | 7.04 | 3.39 |
| Total | 8752.10 | 6.83 | - | 8758.93 | 121.13 | - | 114.17 | 235.30 | 8,523.63 | 8630.97 |
| Capital work-in Progress | | | | | | | | | | |
| Total | 8752.10 | 6.83 | - | 8758.93 | 121.13 | - | 114.17 | 235.30 | 8,523.63 | 8630.97 |

2. Property Plant and Equipment 2017-18 (Rs. In Lakhs)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--------------------------|---------------------|----------------|--------------|---------------------|---------------------|-------------|-----------------|---------------------|---------------------|---------------------|
| | As At 01/04/2017 | Additions | Deletions | Total 31/03/2018 | As At 31/03/2017 | Deletions | For the year | Total 31/03/2018 | As At 31/03/2018 | As At 31/03/2017 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 6000.00 | - | - | 6000.00 | - | - | - | - | 6,000.00 | 6000.00 |
| Buildings | 2479.38 | - | 11.64 | 2467.74 | 162.87 | 3.25 | 89.91 | 249.53 | 2218.21 | 2316.51 |
| Computers | 8.54 | 2.30 | - | 10.84 | 7.22 | - | 1.46 | 8.68 | 2.16 | 1.32 |
| Airconditioners,etc | 120.11 | 2.70 | - | 122.81 | 15.00 | - | 7.62 | 22.62 | 100.19 | 105.11 |
| Furniture and Fixtures | 140.40 | 1.12 | - | 141.52 | 46.76 | - | 13.54 | 60.30 | 81.22 | 93.65 |
| Office Equipments | 10.50 | 3.06 | 0.54 | 13.02 | 3.46 | 0.33 | 3.99 | 7.12 | 5.90 | 7.04 |
| Total | 8758.93 | 9.18 | 12.18 | 8755.93 | 235.31 | 3.58 | 116.52 | 348.25 | 8,407.68 | 8523.63 |
| Capital work-in Progress | - | 4,401.62 | - | 4,401.62 | - | - | - | - | 4401.62 | - |
| Total | 8758.93 | 4410.79 | 12.18 | 13157.55 | 235.31 | 3.58 | 116.52 | 348.25 | 12,809.30 | 8523.63 |

3. Financial Assets - Investments

(Rs. In Lakhs)

| Particulars | Face Value (Rs.) | No. of Shares | As at 31 March 2018 | No. of Shares | As at 31 March 2017 | No. of Shares | As at 31 March 2016 |
|---|------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|
| Quoted | | | | | | | |
| Investments in Equity instruments-fully paid up | | | | | | | |
| Chitra Durga Spintex Ltd | 10 | 3,650 | 0.43 | 3,650 | 0.43 | 15,695 | 0.16 |
| Sical Logistics Ltd | 10 | - | - | 105,817 | 277.66 | 61,870,758 | 618.71 |
| Sicagen India Ltd | 10 | 697,923 | 263.81 | 497,923 | 128.30 | 7,795,835 | 78.04 |
| Southern Petrochemical Industries Corporation Ltd | 10 | 680,260 | 235.71 | 680,260 | 159.86 | 5,640,735 | 56.41 |
| Haryana Leather Chemicals Ltd | 10 | 21,800 | 8.44 | 21,800 | 9.13 | - | - |
| ICI/CI Bank | 10 | 82 | 0.21 | 150 | 0.42 | - | - |
| Reliance Industries Limited EQ | 10 | 2,320 | 20.72 | 1,160 | 15.30 | - | - |
| Alphageo India Ltd | 10 | 7,600 | 58.54 | - | - | - | - |
| Tamil Nadu Petroproducts Ltd | 10 | 201,000 | 104.32 | 201,000 | 74.27 | - | - |
| Crescent Finstock Ltd | 10 | - | - | - | - | 1,000 | 0.01 |
| Integrated Digital Info Services Ltd | 10 | - | - | - | - | 200 | - |
| ISPL Industries Ltd | 10 | - | - | - | - | 37,000 | 0.37 |
| Kumbhat Financial Services Ltd | 10 | - | - | - | - | 10,000 | 0.10 |
| S&S Power Switch Gears Ltd | 10 | - | - | - | - | 77 | - |
| S&S Industries Ltd | 10 | - | - | - | - | 560 | 0.01 |
| Sai Industries Ltd | 10 | - | - | - | - | 220,000 | 2.20 |
| Saptharishi Agro Industries Ltd | 10 | - | - | - | - | 6,068 | 0.06 |
| Sharp Industries Ltd | 10 | - | - | - | - | 200 | - |
| Tebma Shipyards Ltd | 10 | - | - | - | - | 3,400 | 0.03 |
| TN Jayabharat Mills Ltd | 10 | - | - | - | - | 8,800 | 0.09 |
| Tribology India Ltd | 10 | - | - | - | - | 2,150 | 0.02 |
| Sub Total - (A) | | | 692.18 | | 665.37 | | 756.21 |
| Manali Petrochemicals | 5 | 2,550 | 1.01 | - | - | - | - |
| Sterilite Technologies Ltd | | 225 | 0.74 | - | - | - | - |
| Unquoted | | | | | | | |
| National Trust Housing Finance Ltd | 10 | 7,349,890 | 3,176.37 | 7,649,890 | 3,178.78 | 5,999,890 | 2,599.28 |
| Navia Markets Limited | 10 | - | - | 537,410 | 234.30 | 1,289,410 | 647.05 |
| Oasis Ventures Private Ltd | 10 | 2,340,000 | - | 2,140,000 | - | 1,310,000 | - |
| Sub Total - (B) | | | 3,178.12 | | 3,413.08 | | 3,246.33 |
| Investments in Preference Shares | | | | | | | |
| EDAC Engineering Ltd | 10 | 20,000,000 | 1,429.79 | 20,000,000 | 1,298.09 | 20,000,000 | 1,178.52 |
| India Radiators Ltd | 10 | 10,646,000 | 721.36 | - | 1,032.00 | 10,095,000 | 1,009.50 |
| National savings Certificate | | | 0.43 | | 0.43 | | - |
| Sub Total - (C) | | | 2151.58 | | 2330.52 | | 2188.02 |
| Net Value of Investments (A) + (B) + (C) | | | 6,021.88 | | 6,408.97 | | 6,190.56 |

4. Loans & Advances - Non Current

(Rs. In Lakhs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 01 April 2016 |
|------------------|------------------------|------------------------|------------------------|
| Security Deposit | 1.04 | 0.90 | 0.90 |
| Total | 1.04 | 0.90 | 0.90 |

5. Deferred Tax Asset (Net)

| | | | |
|-------------------------------------|----------------|----------------|----------------|
| opening balance | 1268.49 | 1243.54 | - |
| Related to Advances written off | - | - | 2,486.67 |
| Bonus payable | 1.09 | 8.91 | - |
| Depreciation | 0.81 | 0.11 | 0.22 |
| Gratuity payable | 0.25 | 0.20 | - |
| DTA reversal net | (295.52) | - | - |
| Less: Deferred Tax Liability | - | - | - |
| Fair value of fixed assets | - | (15.73) | 1193.96 |
| Discounting of Rental deposits | - | - | 42.40 |
| Discounting of Preference shares | - | - | 6.99 |
| Total | 975.12 | 1268.49 | 1243.54 |

6. Inventories:

| | | | |
|--------------|-------------|-------------|--------------|
| Inventories | 0.53 | 3.72 | 19.33 |
| Total | 0.53 | 3.72 | 19.33 |

7. Current investments:

| | | | |
|-----------------------------|---------------|-------------|----------|
| Investments in Mutual Funds | 567.44 | 7.08 | - |
| Total | 567.44 | 7.08 | - |

8. Trade Receivables:

| | | | |
|---------------------------|---------------|---------------|---------------|
| Unsecured-considered good | 571.69 | 523.83 | 303.10 |
| Total | 571.69 | 523.83 | 303.10 |

9. Cash & Cash Equivalents

| | | | |
|--|---------------|---------------|---------------|
| Cash on Hand | 0.42 | 7.75 | 1.16 |
| Balance with Banks in Current Accounts | 295.44 | 290.25 | 142.50 |
| Total | 295.86 | 298.00 | 143.66 |

10. Other current financial assets:

| | | | |
|---|-----------------|-----------------|-----------------|
| Capital Advance | - | 4,360.00 | 4369.90 |
| Loans and Advances-Inter Corporate Deposits | 3,418.00 | 3,026.20 | 2114.38 |
| Other Advances | 1,642.14 | 1,441.09 | 5,549.98 |
| Security Deposit | 7.06 | 7.06 | 2.96 |
| Total | 5,067.20 | 8,834.35 | 12037.22 |

11. Current Tax assets(net):

| | | | |
|--------------------|---------------|-----------------|-----------------|
| Advance income tax | 722.58 | 1,200.68 | 1,306.09 |
| Total | 722.58 | 1,200.68 | 1,306.09 |

12. Share Capital

(Rs in Lakhs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Authorised Capital | | | |
| 11,50,00,000 Equity Shares of Rs.10/- each | 11,500.00 | 11,500.00 | 11,500.00 |
| 1,50,00,000 Preference Shares of Rs.10/- each | 1,500.00 | 1,500.00 | 1,500.00 |
| Total | 13,000.00 | 13,000.00 | 13,000.00 |
| 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 | 11,191.82 | 11,191.82 |
| Total | 11,191.82 | 11,191.82 | 11,191.82 |

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.

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

| Particulars | As at 31-03-2018 | | As at 31-03-2017 | | As at 01-04-2016 | |
|---|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Shares outstanding at the beginning of the year | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 |
| Shares issued during the year | - | - | - | - | - | - |
| Shares outstanding at the close of the year | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 | 111,918,195 | 11,191.82 |

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

| Name of Shareholder | As at 31-03-2018 | | As at 31-03-2017 | | As at 01-04-2016 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding | No. of shares | % of Holding |
| Trinity Auto Points Limited | 20,956,000 | 18.72% | 20,956,000 | 18.72% | 20,956,000 | 18.72% |
| South India Travels Private Limited | 11,052,500 | 9.87% | 11,052,500 | 9.87% | 15,852,500 | 14.16% |
| Golden Star Assets Consultants Private Limited | 14,396,000 | 12.86% | 14,396,000 | 12.86% | 14,396,000 | 12.86% |
| Southern Petrochemical Industries Corporation Limited | 9,220,000 | 8.24% | 9,220,000 | 8.24% | 9,220,000 | 8.24% |
| Ranford Investments Limited | 7,807,955 | 6.98% | 7,807,955 | 6.98% | 7,807,955 | 6.98% |
| Dornolly Investments Limited | 6,437,000 | 5.75% | 6,437,000 | 5.75% | 6,437,000 | 5.75% |
| Gold Nest Trading Company Limited | 5,808,000 | 5.19% | 5,808,000 | 5.19% | 5,808,000 | 5.19% |

13 Other Equity

(Rs in Lakhs)

| Particulars | Equity component of compound financial instruments | Reserves and Surplus | | | | Total |
|---|--|----------------------|--------------------|-----------------|-------------------|------------------|
| | | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | |
| Balance as at 01-04-2016 | 40.96 | 292.43 | 12,252.47 | 375.60 | 2,814.36 | 15,775.82 |
| Restated balance at the beginning of the reporting period | - | 2.85 | - | - | 61.34 | 64.19 |
| Balance as on 01-04-2016 | 40.96 | 295.28 | 12,252.47 | 375.60 | 2,875.70 | 15,840.01 |
| Total comprehensive income for the year | - | - | - | - | (2,254.18) | (2,254.18) |
| Profit of associate | - | - | - | - | 106.93 | 106.93 |
| Adjustments on account of transition to IND AS | (2.10) | - | - | - | 29.82 | 27.72 |
| Balance as at 31-03-2017 | 38.86 | 295.28 | 12,252.47 | 375.60 | 758.27 | 13,720.48 |
| Total comprehensive income for the year | - | - | - | - | 752.40 | 752.40 |
| Profit of associate | - | - | - | - | 162.74 | 162.74 |
| Adjustments on account of IND AS | (26.15) | - | - | - | (424.18) | (450.33) |
| Balance as at 31-03-2018 | 12.71 | 295.28 | 12,252.47 | 375.60 | 1,249.23 | 14,185.29 |

14. Borrowings

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|---------------------|---------------------|--------------------|
| Secured: | | | |
| Term Loan from others | 290.13 | 333.17 | 938.99 |
| Unsecured: | | | |
| Liability Component of Compound Financial Instruments | | | |
| Zero % Convertible Preference Shares | 74.89 | 58.71 | 53.86 |
| Total | 365.02 | 391.88 | 992.85 |

15. Other Financial Liabilities (Non Current)

| | | | |
|--------------|---------------|---------------|---------------|
| Rent Deposit | 235.00 | 192.84 | 153.82 |
| Total | 235.00 | 192.84 | 153.82 |

16. Trade Payables

| | | | |
|------------------|--------------|--------------|--------------|
| Sundry Creditors | 42.76 | 51.35 | 82.53 |
| Total | 42.76 | 51.35 | 82.53 |

17. Other Current Financial Liabilities

| | | | |
|--|---------------|---------------|---------------|
| Duties & Taxes | 4.08 | 5.84 | 7.27 |
| Current Maturity of Long Term Debt | 42.91 | 38.29 | 85.31 |
| Current Liability Component of Compound Financial Instruments | | | |
| Zero % Convertible Bonds | - | 36.00 | 42.00 |
| Zero % Convertible Bonds | 76.35 | 22.25 | 10.60 |
| Zero % Convertible Bonds | 105.26 | 97.68 | 44.40 |
| Other Payables | 26.43 | 55.60 | 36.48 |
| Total | 255.03 | 255.66 | 226.06 |

18. Current Provisions

(Rs in Lakhs)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---------------------------|------------------------|------------------------|-----------------------|
| Provision for Gratuity | 1.53 | - | - |
| Provision for Taxation | 710.76 | 1,212.53 | 1,308.49 |
| Provision for Liabilities | 103.58 | 100.48 | 93.08 |
| Total | 815.87 | 1,313.01 | 1,401.57 |

19. Income from Operations

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|------------------------------|-----------------------------|-----------------------------|
| Rent of immovable properties | 514.89 | 468.74 |
| Sale of Services | 2365.73 | 2,132.28 |
| Sale of Products | 114.82 | 113.08 |
| Total | 2995.44 | 2714.10 |

20. Other Income

| | | |
|---|---------------|---------------|
| Dividend received | 55.08 | 30.38 |
| Amount withdrawn from Court | 210.06 | - |
| Short term capital gain on liquid funds | - | 1.57 |
| Interest received | 313.22 | 395.54 |
| Miscellaneous income | 43.68 | 45.90 |
| Total | 622.04 | 473.39 |

21. Cost of Services/ Material Consumed

| | | |
|--|---------------|---------------|
| Charges for Facility Management Services | 80.71 | 75.82 |
| Cost of Material Consumed | 100.77 | 107.60 |
| Cost of Manpower Supply services | 722.42 | 522.73 |
| Total | 903.90 | 706.15 |

22. Employment Benefit Expenses

| | | |
|---------------|----------------|----------------|
| Salaries | 1416.48 | 1375.98 |
| Gratuity | 1.53 | - |
| Staff Welfare | 1.48 | 1.21 |
| Total | 1419.49 | 1377.19 |

23. Finance Cost

| | | |
|--|--------------|---------------|
| Interest on Secured loan | 41.40 | 85.06 |
| Interest on Intercorporate Deposit | - | 86.99 |
| Notional interest on Rent Deposit | 16.59 | 14.41 |
| Notional interest on Convertible Preference Shares | 5.28 | 4.85 |
| Interest Expense / Bank Charges | 0.65 | 0.32 |
| Total | 63.92 | 191.63 |

24. Other Expenses

(Rs in Lakhs)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------------------------------------|-----------------------------|-----------------------------|
| Rates & Taxes | 48.09 | 45.27 |
| Repairs & Maintenance | 103.56 | 125.67 |
| Postage, Telephone & Courier charges | 10.09 | 9.90 |
| Travelling Expenses | 9.87 | 7.49 |
| Legal Expenses | 1.97 | - |
| Professional & Consultancy charges | 51.94 | 41.40 |
| Auditors Remuneration | 9.35 | 10.25 |
| Miscellaneous Expenses | 11.03 | 8.42 |
| Advertisement Charges | 1.55 | 0.87 |
| Director Sitting Fees | 4.25 | 3.50 |
| Brokerage and commission | 2.36 | - |
| Electricity and Fuel charges | 25.77 | 27.26 |
| Filing Fees | 0.28 | 0.78 |
| Printing & Stationery | 5.94 | 6.67 |
| Loss on sale of fixed assets | 0.14 | - |
| Interest on Income Tax | 1.77 | 0.50 |
| Insurance Expenses | 1.33 | 0.64 |
| Electricity Charges | 0.60 | 0.74 |
| Rent | 17.16 | 15.71 |
| Director Remuneration | 65.93 | 54.38 |
| Swachh Bharat Cess @ 0.5% Expenses | 0.05 | 1.16 |
| Goodwill written off | 14.54 | 5.39 |
| Power and Fuel | 0.11 | - |
| Total | 387.68 | 366.01 |

25. Exceptional Items

| | | |
|--------------------------------|-----------------|------------|
| Profit on sale of Fixed Assets | 108.08 | - |
| Profit on sale of Investments | (206.34) | (3,081.43) |
| Total | (98.26) | (3,081.43) |

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

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

28. 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

Associate:

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 (Rs.in Lakhs)

| Particulars of transaction | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| Transaction with related parties | | |
| Security charges paid to M/s. i3 Security Private Ltd | 0.08 | 0.09 |
| Maintenance charges paid to Oasis Ventures Private Ltd | 6.00 | 12.00 |
| Rent collected- Oasis Ventures Private Limited | 1.21 | 1.08 |
| Whole-time Director's remuneration - Mr. E. N. Rangaswami | 40.00 | 36.00 |
| Investment in Associate: | | |
| National Trust Housing Finance Limited | 3176.37 | 3,178.78 |

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

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| 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 | | |
| Disputed tax demand in respect of Assessment Year 2013-14 | Nil | 47.86 |
| Disputed tax demand in respect of Assessment Year 2015-16 is under appeal before the CIT(Appeals).20% of the disputed demand amounting to Rs 8.86 lakhs has been paid under protest | 44.25 | Nil |
| ii) Commitments: | | |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 406.92 | 225.00 |
| b) Uncalled liability on shares and other investments partly paid; | Nil | Nil |
| c) Other commitments (specify nature) | Nil | Nil |

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

Additional information pertaining to subsidiary companies as at 31 March 2018

| Name of the entity in the Group | Net Assets, ie. Total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|-----------------|-------------------------------------|---------------|---|---------------|-------------------------------------|---------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Mercantile Ventures Limited | 97.55 | 24757.10 | 55.02 | 62.80 | 100.00 | 638.26 | 95.10 | 701.06 |
| wholly owned Indian Subsidiaries | | | | | | | | |
| 1. Oasis Ventures Private Limited | 1.28 | 324.80 | 34.71 | 39.62 | - | - | 5.27 | 39.62 |
| 2. i3 Security Private Limited | 1.01 | 255.79 | 20.91 | 28.37 | - | - | 3.77 | 28.37 |
| 3. Rayce Electronic Intelligence India Private Limited | 0.16 | 39.42 | (10.64) | (16.65) | - | - | (4.14) | (16.65) |
| Non-controlling interests in all subsidiaries | - | - | - | - | - | - | - | - |
| Total | 100.00 | 25377.11 | 100.00 | 114.14 | 100.00 | 638.26 | 100.00 | 752.40 |
| Associate-Indian | | | | | | | | |
| National trust Housing Finance Limited | - | 6090.42 | - | 406.85 | - | - | - | 406.85 |

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 2018

Part "A:" Subsidiaries

(Rs.in Lakhs)

| Particulars | Oasis Ventures Private Limited | i3 Security Private Limited | Rayce Electronic 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 | 234.00 | 85.20 | 80.00 |
| Other Equity | 90.80 | 170.59 | (40.58) |
| Total assets | 461.78 | 493.63 | 61.78 |
| Total Liabilities(Excluding Share Capital & Reserves) | 136.98 | 237.84 | 22.36 |
| Investments | 228.44 | - | - |
| Turnover | 877.49 | 1473.49 | 129.56 |
| Profit before taxation | 55.44 | 36.80 | (16.92) |
| Provision for taxation | 15.82 | 8.43 | (0.27) |
| Profit after taxation | 39.62 | 28.37 | (16.65) |
| Other Comprehensive Income | - | - | - |
| Total Comprehensive Income | 39.62 | 28.37 | (16.65) |
| 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 | 31/03/2018 |
| No. of Shares of Associate held by the company on the year end | 5999890 |
| Amount of Investment in Associates | 2125.44 |
| 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 | 2436.17 |
| Profit / Loss for the year | 406.85 |
| i. Considered in Consolidation | 162.74 |
| ii. Not Considered in Consolidation | 244.11 |

Note: The Financial results of National Trust Housing Finance Limited, Associate have been consolidated based on the unaudited figures provided by the company.1350000 equity shares have not been transferred in the name of the company and these shares have not been considered while determining the holding percentage.

The investments have been stated at fair value.

For and on behalf of the Board

E N Rangaswami
DIN: 06463753
Whole-time Director

AL Chandramouli
DIN: 02299091
Director

Place : Chennai
Date : 18 May, 2018

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 **17th Annual General Meeting** of the Company at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** on **Friday, the 10 August 2018** at **10.00 AM**.

| | |
|---|--|
| 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

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**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 **17th Annual General Meeting** of the company, to be held on **Friday, the 10 August 2018** at **10.00 AM**. at **Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108** and at any adjournment thereof.

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

| | | |
|---|---|---|
| 1 | 2 | 3 |
|---|---|---|

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

Signed this.....day of.....2018

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

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

Affix
₹ 1
Revenue Stamp

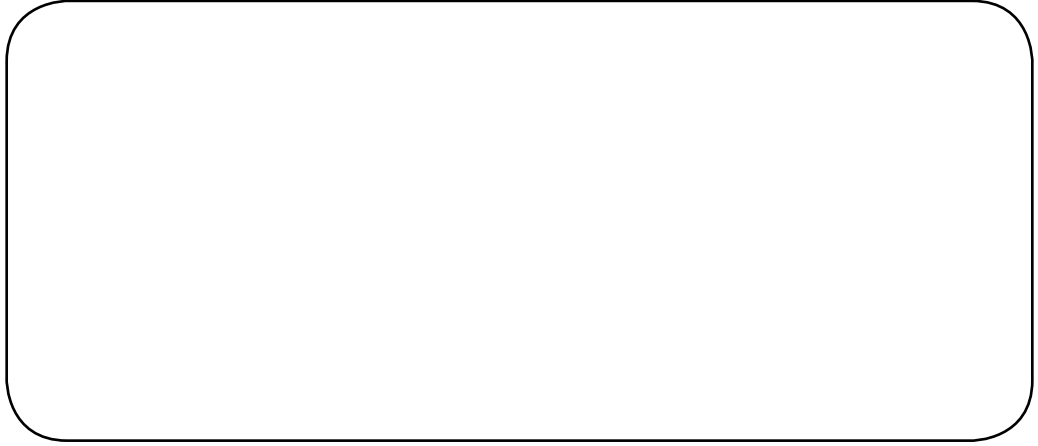
Note:

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

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

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To:



If undelivered, please return to:

MERCANTILE VENTURES LIMITED

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