

MERLIN REAL ESTATE LLP

AUDIT REPORT  
&  
STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015



**Auditor:**

**B. JAIN & CO.**

Chartered Accountants

2, Ashutosh Mukherjee Road,

4<sup>th</sup> Floor, Kolkata – 700 020

Ph Nos.: 89810 10996/30996/40996

E - Mail: [info@bjaingroup.com](mailto:info@bjaingroup.com)

## Independent Auditor's Report

To, the Partners of **MERLIN REAL ESTATE LLP**

### Report on the Financial Statements

We have audited (Income Tax purpose) the accompanying financial statements of **MERLIN REAL ESTATE LLP**, which comprise the Balance Sheet as at March 31, 2015, and the Profit and Loss Account and for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the firm's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the firm's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared, in all material aspects, in conformity with the conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the firm as at March 31, 2015; and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

For **B. JAIN & CO.**  
Chartered Accountants  
FRN - 307100E

*Kamal Mall*  
**Kamal Mall**  
Partner

Membership No. - 304698

Place: Kolkata

Date: 26<sup>th</sup> August, 2015



**MERLIN REAL ESTATE LLP**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note	31.03.2015
		₹
<b>I. CONTRIBUTION AND LIABILITIES</b>		
<b>1 Partners' Funds</b>	<b>3</b>	
Contribution		1,000,000
Current Account		98,015,748
<b>2 Current Liabilities</b>		
Trade Payables		6,660,219
Other Current Liabilities	<b>4</b>	44,336,058
Short Term Provision	<b>5</b>	90
		<b>150,012,114</b>
<b>II. APPLICATION OF FUNDS</b>		
<b>1 Current Assets</b>		
Inventories	<b>6</b>	91,541,378
Cash and Cash Equivalents	<b>7</b>	4,051,555
Short-Term Loans and Advances	<b>8</b>	54,419,181
		<b>150,012,114</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>	
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>2</b>	

The annexed reports form an integral part of the Financial Statements.

As per my reports of even date and annexed.

For **B. Jain & Co.**  
Chartered Accountants  
Firm Registration No. 307100E

*Kamal Mall*  
**Kamal Mall**  
Partner

Membership No. : 304698

Place: Kolkata

Date: 26th August, 2015

For and on behalf of the Board of  
**MERLIN REAL ESTATE LLP**

1) *Jitendra*  
**PARTNER**

2) *Rajesh*  
**PARTNER**



**MERLIN REAL ESTATE LLP**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015

Particulars	Note	31.03.2015
		₹
<b>I. Income:</b>		
Other Income	9	6,500
<b>Total Revenue</b>		6,500
<b>II. Expenses:</b>		
Cost of Development	10	91,541,378
Change-in-Inventories	11	(91,541,378)
Other Expenses	12	6,200
<b>Total Expenses</b>		6,200
<b>III. Profit before tax</b>		300
<b>IV. Tax Expenses:</b>		
- Current Tax		90
<b>V. Profit (Loss) for the Year</b>		210
Transferred to Partners' Capital Account		

The annexed reports form an integral part of the Financial Statements.

As per my reports of even date and annexed.

For **B. Jain & Co.**

Chartered Accountants

Firm Registration No. 307100E

*Kamal Mall*

**Kamal Mall**

Partner

Membership No. : 304698

Place: Kolkata

Date: 26th August, 2015

For and on behalf of the Board of  
**MERLIN REAL ESTATE LLP**

1) *Jitendra Kumar*  
PARTNER

2) *Arjun*  
PARTNER



## **MERLIN REAL ESTATE LLP**

(Annexed to and forming part of the statement of accounts for the year ended 31<sup>st</sup> March, 2015)

### **NOTE "1" - SIGNIFICANT ACCOUNTING POLICIES**

a. **Accounting convention**

The accounts are prepared on accrual basis under the historical cost convention.

b. **Revenue Recognition**

Items of income and expenditure are recognized on Accrual basis except rates & taxes and filing fees, which are accounted for on cash basis.

c. **Provisions, Contingent Liabilities and Contingent Assets**

A provision is held in respect of an obligation if and only if

- a) the company has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- c) reliable estimate can be made of the amount of obligation.

Provisions including substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes, if any. Contingent assets are neither recognized nor disclosed in the financial statements.

d. **Development Work - in - Progress**

Development Work-in-Progress is stated at accumulated cost that includes payments made against agreement to purchase the land, development costs, direct and attributable towards the real estate development and borrowing cost on secured and unsecured loans for the real estate activities.

e. **Taxation**

Provision for Income Tax has been computed as per Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

f. **Borrowing Cost**

Borrowing cost that is attributable to the Work in Progress are added and capitalized to the cost of the property.



## MERLIN REAL ESTATE LLP

(Annexed to and forming part of the statement of accounts for the year ended 31<sup>st</sup> March, 2015)

### NOTE "2" – NOTES TO FINANCIAL STATEMENTS

- 1) Previous year figures have been re-arranged or re-grouped wherever deemed necessary to confirm to current year figures.
- 2) In accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" as issued by the Institute of Chartered Accountants of India, the deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as at the balance sheet date. However there is no timing difference between the book profit and tax profit, so the deferred tax is Nil.
- 3) In absence of adequate documents/information, the small scale and ancillary undertakings, if any, included under sundry creditors, could not be identified and amount due to them cannot be specifically ascertained and disclosed in the financial statements.

#### 4) **Related Party disclosure**

Information given in accordance with Accounting Standard – 18 as issued by "The Institute of Chartered Accountant of India":

##### a) Key Management Personnel & Their Relatives:

Name	Designation / Relationship
SATYENKUMAR ASHOKKUMAR SANGHVI	Designated Partner
DILIP KUMAR CHOUDHARY	Designated Partner
DINESH KUMAR G SANGHVI	Designated Partner

##### b) **Transaction with Related Parties**

Nature of Transaction	Amount
Capital Introduction	750000/-

**Note:** No amount has been written off during the year in relation to related party.



**MERLIN REAL ESTATE LLP**  
**NOTE - 3 "PARTNERS' FUNDS"**

Amt in (₹)

(Annexed to and forming part of the Balance Sheet as at 31st March, 2015)

Name of the Partner	Ratio of Profit / Loss (%)	(a) Opening Amount	(b) Amount Introduced	(c) Profit/(Loss) during year	(d) Amount Withdrawn	(e) (e=a+b+c-d) Closing Capital as on 31-03-15
<b>Capital Contribution</b>						
Merlin Projects Ltd	65%	250,000	400,000	-	-	650,000
Dinesh Kumar Sanghvi	25%	-	250,000	-	-	250,000
Satyen Kumar Sanghvi	10%	-	100,000	-	-	100,000
Daga Damani Developers Pvt. Ltd.*	-	250,000	-	-	250,000	-
MPL Agencies Pvt. Ltd.*	-	250,000	-	-	250,000	-
Sushil Kumar Mohta*	-	250,000	-	-	250,000	-
		<b>1,000,000</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>	<b>1,000,000</b>
<b>Current Account</b>						
Merlin Projects Ltd	65%	(154,370)	118,899,057	136.50	20,739,521	98,005,302
Dinesh Kumar Sanghvi	25%	-	7,479	52.50	-	7,532
Satyen Kumar Sanghvi	10%	-	2,893	21.00	-	2,914
Daga Damani Developers Pvt. Ltd.*	-	(254,370)	254,370	-	-	-
MPL Agencies Pvt. Ltd.*	-	(254,370)	254,370	-	-	-
Sushil Kumar Mohta*	-	(254,370)	254,370	-	-	-
		<b>(917,481)</b>	<b>119,672,540</b>	<b>210</b>	<b>20,739,521</b>	<b>98,015,748</b>



# MERLIN REAL ESTATE LLP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

## Note 4

Other Current Liabilities	31.03.2015
	₹
Advance Against Booking	43,295,034
Security Deposit Payable	978,378
Other Payables	21,810
Statutory Laibilities	40,836
	<b>44,336,058</b>

## Note 5

Short Term Provision	31.03.2015
	₹
Provision for Income Tax	90
	<b>90</b>

## Note 6

Inventories	31.03.2015
	₹
Work-in-progress	91,541,378
	<b>91,541,378</b>

## Note 7

Cash and Cash Equivalents	31.03.2015
	₹
i) Cash in hand (As Certified by the Management)	145
ii) Balances with banks - in Current Account	4,051,410
	<b>4,051,555</b>

## Note 8

Short-Term Loans and Advances	31.03.2015
	₹
Advances	4,370
Income Tax (subject to adjustment)	209,452
Receivable from Customer	724,117
Balance with Revenue Authorities	481,242
Security Deposit	53,000,000
	<b>54,419,181</b>





**MERLIN REAL ESTATE LLP**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

**Note 9**

Other Income	31.03.2015
	₹
Misc. Income	6,500
	<b>6,500</b>

**Note 10**

Cost of Development	31.03.2015
	₹
Land & Land Development Expenses	91,541,378
	<b>91,541,378</b>

**Note 11**

Change-in-Inventories	31.03.2015
	₹
Opeing Work-In-Progress	-
<b>Less:</b> Closing Work-In-Progress	91,541,378
	<b>(91,541,378)</b>

**Note 12**

Other Expenses	31.03.2015
	₹
Audit Fees	5,700
Filling Fees	500
	<b>6,200</b>

The annexed reports form an integral part of the Financial Statements.

As per my reports of even date and annexed.

For **B. Jain & Co.**

Chartered Accountants

Firm Registration No. 307100E

*Kamal Mall*

**Kamal Mall**

Partner

Membership No. : 304698

Place: Kolkata

Date: 26th August, 2015

For and on behalf of the Board of  
**MERLIN REAL ESTATE LLP**

1) *[Signature]*

**PARTNER**

2) *[Signature]*

**PARTNER**

