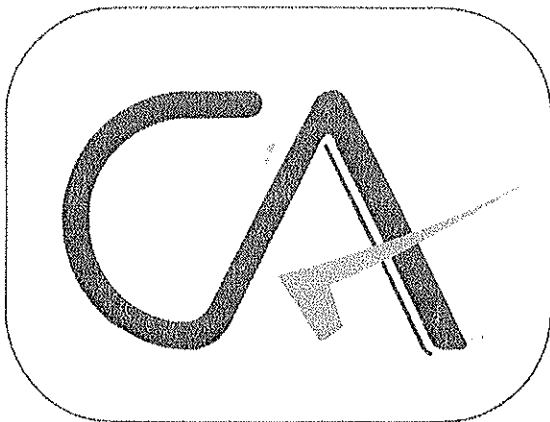


# **BENGAL MERLIN HOUSING LIMITED**

**AUDIT REPORT  
&  
STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**



**Auditor:**  
**PASSARY & ASSOCIATES**  
Chartered Accountant  
10, Gurusday road  
8A, Ajanta Apartments  
Kolkata-700019

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF BENGAL MERLIN HOUSING LIMITED,

**Report on the Financial Statements**

I have audited the accompanying financial statements of BENGAL MERLIN HOUSING LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

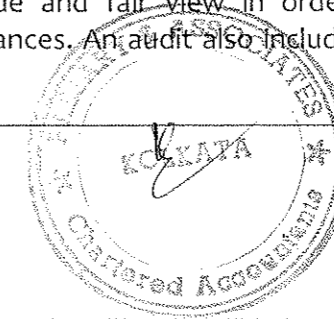
**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit.

I 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 there under.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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 the 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 financial control relevant to the Company's preparation of the 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 financial statements.

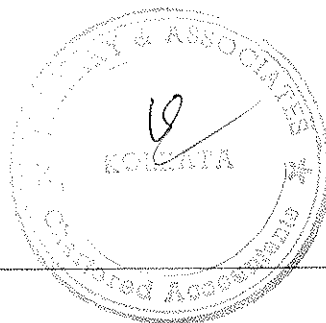
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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 31st March, 2016, and its Profit and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

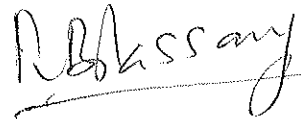
1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, I report that:
  - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 my separate report in 'Annexure B'.



(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, in my opinion and to the best of my information and according to the explanations given to me:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

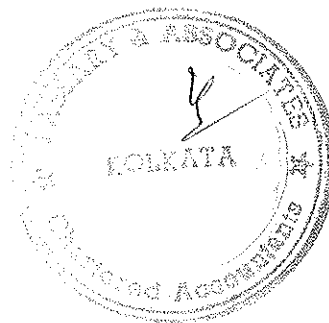
For **Passary & Associates**  
Chartered Accountant  
Firm Registration No. 326506E



**P.B. Passary**  
Proprietor  
Membership No.012451

Place: Kolkata

Date: ~~20th~~ Day of ~~Aug~~, 2016



ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in My Independent Auditors' Report to the member of the Company on the financial statement of the year ended 31<sup>st</sup> March 2016, we report that:

I. In respect of its Fixed Assets:

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.

II. In respect of Inventories:

Physical verification has been conducted by the management at reasonable intervals in respect of goods. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

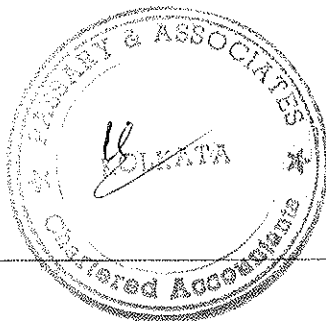
III. In respect of any loan granted:

The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013; hence clause 3(III) of the Order is not applicable to the Company.

IV. In my opinion and according to the information and explanation given to me, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

V. According to the information and explanations given to me, the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.



VII. In respect of Statutory Dues:

- a. According to information and explanation given to me, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, and Employees' State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities. Further, as per the records of the Company, there were no undisputed amounts of arrears payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- b. According to information and explanation given to me, there were no disputed amounts payable in respect of Income Tax, Service Tax, Custom Duty and Cess.

VIII. The Company does not have any loans or borrowings from any financial institutions, banks, government or debentures holders during the year(except car loan). Accordingly paragraph 3(VIII) of the Order is not applicable to the Company.

IX. According to the information and explanation given me, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(IX) of the Order is not applicable to the Company.

X. According to the information and explanations given to me, no material fraud by the Company or on the Company has been noticed or reported during the course of my audit.

XI. During the year the Company has paid/provided Managerial Remuneration as per the provisions of section 197 read with schedule V to Companies Act, 2013. The remuneration paid to the Director has been transferred to Development Work In Progress.

XII. In my opinion and according to the information and explanations given to me the Company is not a Nidhi Company. Accordingly paragraph 3(XII) of the Order is not applicable to the Company.

XIII. According to the information and explanations given to me and on the basis of my examination of the records of the Company, transactions with the related parties are in compliance with section 188 and 177 of the Companies act, 2013 where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.



**PASSARY & ASSOCIATES**  
Chartered Accountant

**8A, Ajanta Apartments**  
**10, Gurusaday Road**  
**Kolkata - 700 019**

- XIV. According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made any preferential Allotment/ private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not entered into any Non cash transactions with the directors or persons connected with him.
- XVI. The Company is not a Non-Banking Finance Company, and hence not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Passary & Associates  
Chartered Accountant  
Firm Regn. No. 326506E

Place: Kolkata

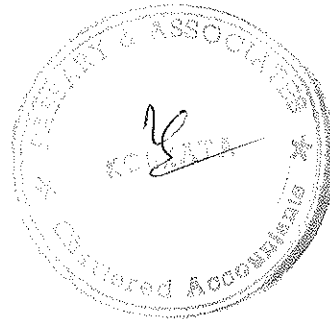
Date: 26<sup>th</sup> Day of Aug, 2016

*P.B. Passary*

P.B. Passary

Proprietor

Membership No.: 012451



**ANNEXURE B TO THE AUDITORS' REPORT**

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

I have audited the internal financial controls over financial reporting of **BENGAL MERLIN HOUSING LIMITED**, ('the Company') as of 31st March, 2016 in conjunction with my audit of the financial statements of the Company for the year ended on that date. "

**Management's Responsibility for Internal Financial Controls**

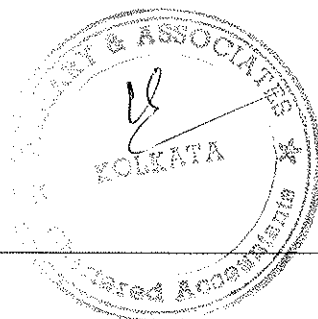
The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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.

**Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit.

I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

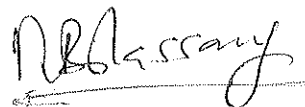
### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 my opinion, 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 31-Mar-2016.

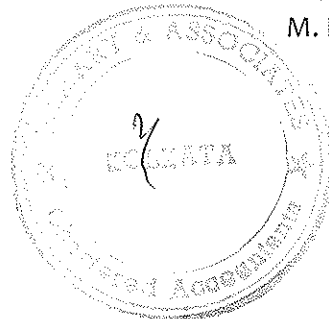
For **Passary & Associates**  
Chartered Accountant  
FRN: 326506E



**P.B. Passary**  
Proprietor  
M. No: 012451

Place: Kolkata

Date: 26<sup>th</sup> Day of Aug 2016



**BENGAL MERLIN HOUSING LIMITED**

BALANCE SHEET AS ON 31ST MARCH, 2016

PARTICULARS	Note	31.03.2016	31.03.2015
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	2000000	2000000
Reserve & Surplus	4	10386724	9116076
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	369519044	272570775
<b>Current Liabilities</b>			
Trade Payables		8052257	47550
Other Current Liabilities	6	28422326	17019059
Short-Term Provisions	7	1737540	1131294
		<b>420117892</b>	<b>301884754</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Asset	8	4420934	4643710
Deferred Tax Assets (Net)	9	173190	155930
<b>Current Assets</b>			
Inventories	10	389111573	281515250
Trade Receivables	11	1810534	2967784
Cash and Bank Balances	12	19079534	10334239
Short-Term Loans and Advances	13	5522126	2267840
		<b>420117892</b>	<b>301884754</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2		

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

As per my reports of even date and annexed.

For **Passary & Associates**

Chartered Accountant

Firm Regn. No: 326506E

*P.B. Passary*  
**P.B. Passary**

Proprietor

Membership No. : 012451

Place :Kolkata

Date: 26<sup>th</sup> day of Aug. 2016For and on behalf of the Board of  
**BENGAL MERLIN HOUSING LIMITED**

*[Signature]*

Director

*[Signature]*

Director



# BENGAL MERLIN HOUSING LIMITED

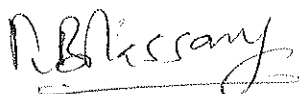
## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note	31.03.2016	31.03.2015
<b>I. Income:</b>			
Revenue from Operation	14	4832500	9780000
Other Income	15	866879	425691
<b>Total Income</b>		<b>5699379</b>	<b>10205691</b>
<b>II. Expenses:</b>			
Cost of Development		110675341	40080201
Change in Inventories	16	(107596323)	(31424921)
Employee Benefit Expenses	17	100000	325120
Finance Cost	18	44637	77759
Depreciation	8	222776	351742
Other Expenses	19	334299	152857
<b>Total Expenses</b>		<b>3780730</b>	<b>9562758</b>
<b>III. Profit Before Tax (I-II)</b>		<b>1918649</b>	<b>642933</b>
<b>IV. Tax Expenses</b>			
- Current Tax		665260	368660
- Deferred Tax		(17260)	(48020)
- Income Tax For Earlier Years		-	(262405)
<b>Profit for the year (III-IV)</b>		<b>1270649</b>	<b>584698</b>
<b>Earnings per equity share:</b>			
- Basic & Diluted		6.35	2.92
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2		

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

As per my reports of even date and annexed.

For **Passary & Associates**  
Chartered Accountant  
Firm Regn. No: 326506E



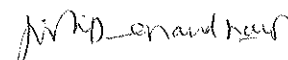
**P.B. Passary**  
Proprietor  
Membership No. : 012451

Place :Kolkata  
Date: 26th day of Aug 2016

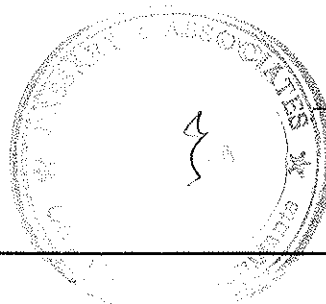
For and on behalf of the Board of  
**BENGAL MERLIN HOUSING LIMITED**



Director



Director

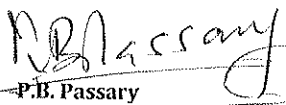


**BENGAL MERLIN HOUSING LIMITED**  
**Cash Flow Statement for the year ended 31st March 2016**

PARTICULARS	31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	1918649	642933
Adjustment		
Add: Depreciation	222776	351742
Add: Interest Paid	44637	77759
Less: Interest Received	866879	404915
Operating Profit before tax working capital charges	<u>1319183</u>	<u>667519</u>
Adjustment for :		
Trade Payables	8004707	(7023)
Other Current Liabilities	11403268	(48570772)
Inventories	(107596323)	(31424921)
Trade Receivables	1157250	(21501)
Short Term Loans & Advances	(2893586)	(370004)
Short Term Provisions	(59014)	(11025709)
	(89983698)	(91419931)
Cash generated from operations	(88664515)	(90752412)
Direct Taxes Received / (Paid)	360700	(10865853)
(Net of refund received)		
<b>Net cash from operating activities (A)</b>	<u>(89025215)</u>	<u>(79886559)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	866879	404915
	866879	404915
<b>Net Cash received from Investing Activities (B)</b>	<u>866879</u>	<u>404915</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	96948269	84270821
Interest Paid	(44637)	(77759)
<b>Net Cash received from financing Activities (C)</b>	<u>96903631</u>	<u>84193063</u>
<b>Net increase in Cash and Cash Equivalents (D)</b>	<u>8745295</u>	<u>4711419</u>
	(A+B+C)	(A+B+C)
Cash and Cash Equivalents - Opening Balance (E)	10334239	5622821
<b>Cash and Cash Equivalents - Closing Balance (D+E)</b>	<u>19079534</u>	<u>10334239</u>

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

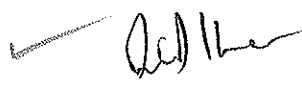
As per my reports of even date and annexed.  
 For Passary & Associates.  
 Chartered Accountant  
 Firm Regn. No: 326506E

  
 P.B. Passary

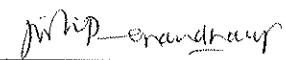
Proprietor  
 Membership No. : 012451

Place :Kolkata  
 Date: 26 day of Aug 2016

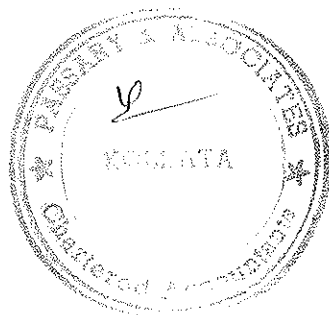
For and on behalf of the Board of  
 Bengal Merlin Housing Limited



Director



Director



**BENGAL MERLIN HOUSING LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2016**

**Note 1: SIGNIFICANT ACCOUNTING POLICIES**

**Accounting convention**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**Revenue Recognition**

Items of Income and Expenditure are recognized on accrual basis except rates and taxes and filing fees, which are accounted for on cash basis.

**Cash Flow Statement**

Cash Flow Statement is prepared by the Company using Indirect Method as per the revised Accounting Standard – 3, issued by The Institute of Chartered Accountants of India. Cash and Bank Balances for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits made with bank.

**Segment Reporting Policies**

The Company is primarily engaged in the business of Real Estate Development, which as per Accounting Standard – 17 on “Segment Reporting” notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended) is considered to be the only reportable business segment. The Company is primarily operating in India which is considered as a single geographical segment.

**Work – in – Progress**

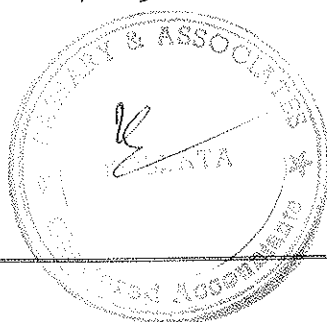
Development Work-in-Progress is stated at accumulated cost that includes payments made against agreement to purchase the land, development costs, direct and attributable towards the real estate development.

**Changes in Accounting Policies**

On following the conservative view of accounting as per the Accounting Standard – 5 - Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies, the management has decided to debit interest, Salary & Motor Car Expenses in the ratio of the total expenses incurred on various sites. During the year Interest amounting ₹ 39338503/- (P.Y. ₹ 26640852/-) Salary amounting ₹ 8437070 /- (P.Y. ₹ 6669604/-) and Motor Car expenses amounting to ₹ 153637/- (P.Y. ₹ 190562/-) has been debited to various sites which are under development work in progress.

**Fixed Assets and Depreciation**

- a) Fixed Assets are stated at cost less accumulated depreciation.
- b) Depreciation on fixed assets is provided on written down value method at the rates as specified in schedule II of the Companies Act, 2013.



**BENGAL MERLIN HOUSING LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2016**

**Provision and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

**Taxation**

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively Provision for current taxation is ascertained on the basis of assessable profits as computed in accordance with the provisions of the Income Tax Act, 1961.

**Employee benefits**

Management has accounted for provision for Gratuity based on provisions of Gratuity Act which is not accordance Accounting Standard 15 "Employee Benefits" issued by ICAI.

**Earnings per Share**

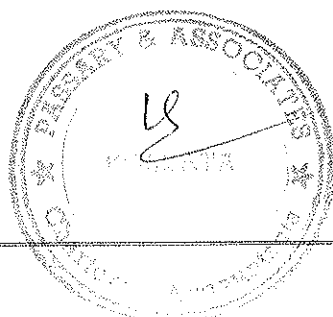
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders.

**Impairment of Asset**

An Impairment loss is recognized wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the asset's net selling price and value in use, Hence no impairment in current year.

**Borrowing Cost**

Borrowing cost attributable to the acquisition of land and till the site is ready and put on sale are added and capitalized to the cost of the property. Other borrowing costs, if any, are recognized as an expense in the period in which they are incurred. The interest incurred amounting to ₹ 3, 93, 38,503/- (P.Y ₹ 2, 66, 40,852/-) has been added with cost of respective property.



**BENGAL MERLIN HOUSING LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2016**

**Note 2: NOTES TO FINANCIAL STATEMENTS**

(i) Previous year figures have been re-arranged or re-grouped wherever deemed necessary to conform to current year figures.

(ii) Details Regarding Audit Fees:

Auditors' Remuneration:

For Statutory Audit (including Tax Audit) ` 18,000/- (P.Y. ` 18,000/-)

(iii) Related Party disclosures, required by AS -18 as issued by The Institute of Chartered Accountant of India are as follows:

➤ Key Management Personnel & Their Relatives :

Name	Designation / Relationship
SUSHIL KUMAR MOHTA	Director
DINESH KUMAR G SANGHVI	Director
DILIP KUMAR CHOUDHARY	Director
SAKET MOHTA	Director
ASOK KUMAR ROY CHOWDHURY	Director
SATYAJIT BASU	Director
SUNIL G. SANGHVI	Relative
RACHIT SANGHVI	Relative

➤ Merlin Project Limited is the holding company of Bengal Merlin Housing Limited from the date of incorporation of the company as the former company is holding 128000 equity shares in the latter Company, which account for 64% of issued, subscribed and paid up capital of Bengal Merlin Housing Limited.



**BENGAL MERLIN HOUSING LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2016**

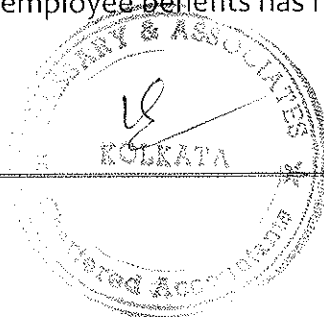
- Enterprises over which the Key Management Personnel & Their Relatives have significant influence :

Name	Relationship
Bengal Merlin Infrastructure Limited	Common Director in the said Company.
Merlin Projects Limited	Holding Company

**Transaction with related parties:**

Name of the Party	Nature of Transaction	Amount (₹) 31.03.2016	Amount (₹) 31.03.2015
Bengal Merlin Infrastructure Limited	Avances taken & Repaid	65912/-	105165/-
Dilip Kumar Choudhary	Salary	36,00,000/-	54,00,000/-
Asok Kumar Roy Chowdhury	Director Sitting Fees	100,000/-	60,000/-

- v) In absence of adequate documents/information, the Micro, Small or Medium Enterprises under Micro, Small or Medium Enterprises Act, 2006, 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.
- \*) As per AS – 15, “Employee Benefits”, provision for Gratuity liability should be provided for in the books of accounts. The management has created provision for Gratuity amounting to `NIL/- (P.Y. `2,65,120/-) based on method prescribed under the provisions of Gratuity Act but the same is not accordance with Accounting Standard 15 “Employee Benefits” issued by ICAI.
- i) As per AS – 22, “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. During the year Deferred Tax Assets amounting to `17,260/- (P.Y. `48,020/-) has been created on difference between WDV of fixed assets as per Companies Act and as per Income Tax Act. Deferred tax on employee benefits has not been considered.

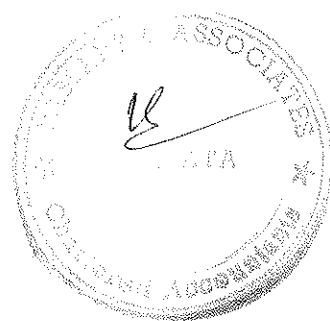




**BENGAL MERLIN HOUSING LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2016****(vii) Earnings Per Share**

The earnings per share has been disclosed as per the Accounting Standard – 20, Earnings per Share as issued by the Institute of Chartered Accountants of India, by the weighted average method of the fully paid up equity shares which is as follows:

Particulars	31.03.2016	31.03.2015
Net Profit after tax available for Equity shareholders (Numerator used for calculation) (₹)	12,70,649/-	5,84,698/-
Weighted average number of Equity Shares used as denominator for calculating EPS	2,00,000	2,00,000
Basic earnings per share (₹)	6.35	2.92



# BENGAL MERLIN HOUSING LIMITED

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

## Note 3

Share Capital	31.03.2016		31.03.2015	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 10 each	2000000	20000000	2000000	20000000
	2000000	20000000	2000000	20000000
<b>Issued, Subscribed &amp; fully Paid up</b>				
Equity Shares of ₹ 10 each	200000	2000000	200000	2000000
	200000	2000000	200000	2000000

Details of rights, preferences and restrictions attaching to each class of shares.

### Equity shares:

The par value of Equity shares is ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity shares are entitled to receive dividends as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

### Note 3(i)

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	2015-2016		2014-2015	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	200000	2000000	200000	2000000
Changes during the year	-	-	-	-
Outstanding at the end of the year	200000	2000000	200000	2000000

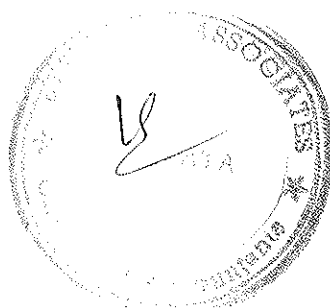
### Note 3(ii)

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

Name of Shareholders	Equity Shares			
	31.03.2016		31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Merlin Projects Ltd.	128000	64.00%	128000	64.00%
West Bengal Housing Board	22000	11.00%	22000	11.00%
Sushil Kumar Mohta	-	-	17940	8.97%
Dilip Kumar Chowdhury	20010	10.01%	-	-
Merlin's (Sushil Kr. Mohta)	-	-	16000	8.00%
Seema Mohta	-	-	16000	8.00%

### Note 4

Reserves & Surplus	31.03.2016		31.03.2015	
	₹	₹	₹	₹
<b>i) General Reserve</b>				
Balance at the beginning of the year	3104864		3104864	
Add: Transfer from Profit & Loss Account	-		-	
Balance at the end of the year		3104864		3104864
<b>ii) Surplus in the Statement of Profit &amp; Loss</b>				
Balance at the beginning of the year	6011212		5426514	
Add: Net Profit for the year	1270649		584698	
Less: Transfer to General Reserve	-		-	
Balance at the end of the year		7281860		6011212
		10386724		9116076



**BENGAL MERLIN HOUSING LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**Note 5**

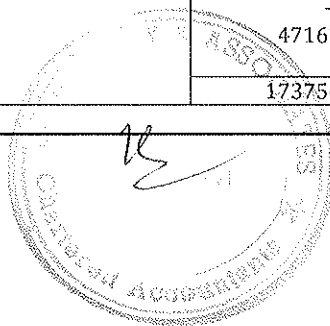
<b>Long Term Borrowings</b>	<b>31.03.2016</b>		<b>31.03.2015</b>
	₹		₹
<b>Secured loans</b>			
- HDFC Car Loan (Secured against Hypothecation of Motor Car)	-		247689
<b>Unsecured Loans</b>			
- From Body Corporates	369519044		272323086
	369519044		272570775

**Note 6**

<b>Other Current Liabilities</b>	<b>31.03.2016</b>		<b>31.03.2015</b>
	₹		₹
Advance Against Booking	19563367		6397369
Book Overdrawn (due to excess issuance of cheque)	812496		1265636
Current Maturity to Long Term Debt	247687		341316
Security Deposits	7048982		6965450
Statutory Liabilities	92665		1572481
Other Payables	657130		476807
	28422326		17019059

**Note 7**

<b>Short Term Provisions</b>	<b>31.03.2016</b>		<b>31.03.2015</b>
	₹		₹
For Income Tax	1265920		600660
For Expenses	-		59014
For Gratuity	471620		471620
	1737540		1131294



**BENGAL MERLIN HOUSING LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**Note 8**

Fixed Assets	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE		
	As At 01.04.15	Additions	Deductions	As At 31.03.16	Upto 01.04.15	For The Year	Upto 31.03.16	As At 31.03.16	As At 31.03.15
LAND	4035698	-	-	4035698	-	-	-	4035698	4035698
MOTOR CAR	1958625	-	-	1958625	1350613	222776	1573389	385236	608012
<b>Current Year</b>	<b>5994323</b>	<b>-</b>	<b>-</b>	<b>5994323</b>	<b>1350613</b>	<b>222776</b>	<b>1573389</b>	<b>4420934</b>	<b>4643710</b>
Previous Year	5994323	-	-	5994323	998871	351742	1350613	4643710	-



**BENGAL MERLIN HOUSING LIMITED**

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

**Note 9**

Deferred Tax Assets (Net)	31.03.2016	31.03.2015
	₹	₹
Provision as at the beginning of the year	155930	107910
Provision Created Due to Written Down Value**	17260	48020
	173190	155930
Add: Defrred Tax Assets Reversed Back	-	-
	<b>173190</b>	<b>155930</b>
<b>**Provision Due to Written Down Value</b>		
Written Down Value as Per Companies Act	4420934	4643710
Written Down Value as Per Income Tax Act	4981432	5148326
Change in Written Down Value	560498	504616
Tax on Above	173194	155926
Rounded off	173190	155930
Less: Opening Deferred Tax Assets	155930	107910
Provision Made During The Year	17260	48020

**Note 10**

Inventories	31.03.2016	31.03.2015
	₹	₹
Finished Goods	4354755	6532133
Work in Progress	384756818	274983117
	389111573	281515250

**Note 11**

Trade Receivables	31.03.2016	31.03.2015
	₹	₹
<b>Unsecured, considered good</b>		
- Exceeding Six Months	50007	25750
- Others	1760527	2942034
	1810534	2967784



**BENGAL MERLIN HOUSING LIMITED**

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

**Note 12**

<b>Cash and Bank Balances</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
<b>a) Cash &amp; cash Equivalents</b>		
i) Cash in hand (As Certified by the Management)	50000	50000
ii) Balances with Banks		
- in Current Account	13456052	5112946
	(A) 13506052	5162946
<b>b) Other Bank Balances</b>		
- in Fixed Deposits (including Accrued Interest)	(B) 5573482	5171293
	(A+B) 19079534	10334239

**Note 13**

<b>Short-Term Loans and Advances</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
<b>(Unsecured, considered good)</b>		
Advances (recoverable in cash or in kind or for value to be received or adjusted)		
- To Staff	148511	68811
- For Property	200000	200000
- Others	1453882	5000
Income Tax (Subject to Adjustment)	1415013	1054313
Deposit With Revenue Authorities	2224720	859716
Security Deposit (CESC)	80000	80000
	5522126	2267840



**BENGAL MERLIN HOUSING LIMITED**

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

**Note 14**

<b>Revenue from Operation</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
Revenue from Operation		
- Sale of Flats	4832500	9780000
	4832500	9780000

**Note 15**

<b>Other Income</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
Registration Charges Received	-	20000
Interest Received	866879	404915
Miscellaneous Income	-	776
	866879	425691

**Note 16**

<b>Change in Inventories</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
<u>Work in Progress:</u>		
Opening Work in Progress	274983117	237487154
Less: Closing Work In Progress	384756818	274983117
Change in Work In Progress <b>A</b>	(109773701)	(37495963)
<u>Finished Goods:</u>		
Opening Stock of Finished Goods	6532133	12603175
Less: Closing Stock of Finished Goods	4354755	6532133
Change in Finished Goods <b>B</b>	2177378	6071042
Change in Inventories <b>(A+B)</b>	(107596323)	(31424921)

**Note 17**

<b>Employee Benefit Expenses</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
Salary, Bonus & Allowances	-	265120
Director Remuneration*	100000	60000
	100000	325120

\* Other Employee Benefit Expenses have been capitalised to development work in progress.



**BENGAL MERLIN HOUSING LIMITED**

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

**Note 18**

<b>Finance Cost</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
Interest Expenses	44637	77759
	44637	77759

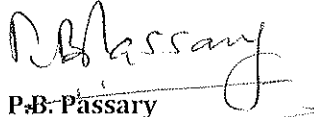
**Note 19**

<b>Other Expenses</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	₹	₹
Audit Fees	18000	18000
Bank Charges	10117	12494
Business Promotion Expenses	51700	24500
Consultancy Charges	1200	3000
Car Hire Charges	-	15036
Filing Fees	4820	7800
Interest on TDS	690	160
Misc. Expenses	130252	13439
Rates & Taxes	15134	4400
Service Tax & Intertest thereon	57108	21842
Telephone Expenses	45278	32186
	334299	152857

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

As per my reports of even date and annexed.

For **Passary & Associates**  
Chartered Accountant  
Firm Regn. No: 326506E

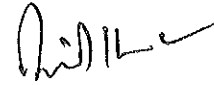


**P.B. Passary**  
Proprietor  
Membership No. : 012451

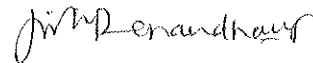
Place : Kolkata

Date: 30 day of Aug 2016

For and on behalf of the Board of  
**BENGAL MERLIN HOUSING LIMITED**



Director



Director

