

# MERLIN PROJECTS LIMITED

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AUDIT REPORT

&

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017



**Auditor:**

**B. JAIN & CO.**

Chartered Accountants

2, Ashutosh Mukherjee Road,

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

Ph Nos.: 89810 10996/30996

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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF MERLIN PROJECTS LIMITED,**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **MERLIN PROJECTS LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at 904, 9<sup>th</sup> floor, Indraprasth Corporate, Anandnagar Road, Prahladnagar, Ahmedabad-380015.

**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**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the 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 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

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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.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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, 2017, and its profit and its cash flows for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of one branch included in the financial statements of the Company whose financial statements reflect total assets of ₹11,28,76,419/- as at 31st March, 2017 and total revenues of ₹ NIL for the year ended on that date, as considered in the financial statements. The financial statements of this branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

### **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, we give in the "Annexure A" 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, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.



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- (d) 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 and with the returns received from the branches not visited by us.
- (e) In our 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.
- (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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'.
- (h) 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 our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations except contingent liability as shown in Note 2(11) which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in its Financial Statements as to dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 2 (17) to the Financial Statements.)

In terms of our report of even date  
For **B. JAIN & CO.**

Chartered Accountants

FRN: 307100E

  
**B.C. Jain**

Partner

M. No: 012181



Place: Kolkata

Date: 4<sup>th</sup> September, 2017

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ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the member of the Company on the financial statement of the year ended 31<sup>st</sup> March 2017, 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 granted unsecured loan to companies and firms covered in the register maintained under section 189 of the Companies Act, 2013; and

- a. In our opinion, the rate of interest and the terms and conditions of the aforesaid loans are, prima facie, non-prejudicial to the interest of the Company;
- b. Loans granted by the Company are repayable on demand and receipts of the same are regular;
- c. In respect of the loans granted by the Company, the same are repayable on demand and therefore the question of overdue amount does not arise

IV. In our opinion and according to the information and explanation given to us, 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 us, 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.

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- VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- VII. In respect of Statutory Dues:
- According to information and explanation given to us, 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, 2017 for a period of more than six months from the date they became payable.
  - According to information and explanation given to us, there were disputed amounts payable in respect of Income Tax of ₹72,46,915/- as given in notes 2(g)(e).
- VIII. The Company has not defaulted in repayment of any loans or borrowings from any financial institutions, banks, government or debentures holders during the year. Accordingly paragraph 3(VIII) of the Order is not applicable to the Company.
- IX. According to the information and explanation given us, 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 us no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- XI. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- XII. In our 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.






**B. Jain & Co.**  
**Chartered Accountants**

- XIII. According to the information and explanations given to us and on the basis of our 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.
- XIV. According to the information and explanations given to us and on the basis of our 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 us and on the basis of our 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 it is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

In terms of our report of even date  
For **B. JAIN & CO.**  
Chartered Accountants  
FRN: 307100E



  
**B.C. Jain**  
Partner  
M. No: 012181

Place: Kolkata  
Date: 4th September, 2017

Branch at: Mumbai

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**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")**

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

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

The Company's management is responsible for establishing and maintaining internal financial controls. 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**

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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.

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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2017.

In terms of our report of even date  
For **B. JAIN & CO.**  
Chartered Accountants  
FRN: 307100E



  
**B.C. Jain**  
Partner  
M. No: 012181

Place: Kolkata  
Date: 4<sup>th</sup> September, 2017

Branch at: Mumbai


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**MERLIN PROJECTS LIMITED**  
BALANCE SHEET AS ON 31ST MARCH, 2017

| Particulars                      | Note | 31.03.2017            | 31.03.2016            |
|----------------------------------|------|-----------------------|-----------------------|
|                                  |      | ₹                     | ₹                     |
| <b>I. EQUITY AND LIABILITIES</b> |      |                       |                       |
| <b>Shareholders' Funds</b>       |      |                       |                       |
| Share Capital                    | 3    | 7,63,33,250           | 7,63,33,250           |
| Reserve & Surplus                | 4    | 2,79,68,74,324        | 2,58,28,26,383        |
| <b>Non-Current Liabilities</b>   |      |                       |                       |
| Long-Term Borrowings             | 5    | 54,30,18,131          | 87,06,02,491          |
| Other Non-Current Liabilities    | 6    | 10,90,07,724          | 9,13,95,890           |
| <b>Current Liabilities</b>       |      |                       |                       |
| Short Term Borrowings            | 7    | 2,08,456              | 9,82,62,842           |
| Trade Payables                   | 8    | 2,69,64,863           | 2,99,45,610           |
| Other Current Liabilities        | 9    | 58,16,44,063          | 1,16,14,81,342        |
| Short Term Provisions            | 10   | 25,70,93,159          | 20,58,01,754          |
|                                  |      | <b>4,39,11,43,970</b> | <b>5,11,66,49,563</b> |
| <b>II. ASSETS</b>                |      |                       |                       |
| <b>Non-Current Assets</b>        |      |                       |                       |
| <b>Fixed Assets</b>              |      |                       |                       |
| -Tangible Assets                 | 11   | 25,39,82,464          | 25,51,08,561          |
| -Intangible Assets               |      | 7,03,651              | 8,45,473              |
| Non-Current Investments          | 12   | 10,70,08,967          | 34,57,42,268          |
| Long Term Loans and Advances     | 13   | 1,14,02,576           | 47,25,940             |
| <b>Current Assets</b>            |      |                       |                       |
| Current Investments              | 14   | 26,03,93,685          | 85,96,20,509          |
| Inventories                      | 15   | 1,41,41,26,971        | 1,72,05,57,703        |
| Trade Receivables                | 16   | 10,05,58,518          | 15,89,92,324          |
| Cash and Cash Equivalents        | 17   | 13,63,22,267          | 19,58,46,971          |
| Short-Term Loans and Advances    | 18   | 2,10,66,44,871        | 1,57,52,09,814        |
|                                  |      | <b>4,39,11,43,970</b> | <b>5,11,66,49,563</b> |
| Significant Accounting Policies  | 1    |                       |                       |
| Notes to Financial Statements    | 2    |                       |                       |

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

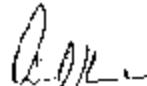
As per our reports of even date and annexed,  
For **B. JAIN CO.**  
Chartered Accountants  
FRN - 30/100E

  
**B. C. Jain**  
Partner  
Membership No.: 012181

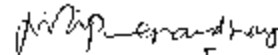
Place: Kolkata  
Date: 4th September, 2017




For and on behalf of the Board of  
**MERLIN PROJECTS LIMITED**



**Sushil Kumar Mohita**  
(DIN-00627506)



**Dilip Kumar Choudhary**  
(DIN-00605511)

  
**Company Secretary**



**MERLIN PROJECTS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

| Particulars                            | Note     | 31.03.2017            | 31.03.2016            |
|--|----------|-----------------------|-----------------------|
|  |          | ₹                     | ₹                     |
| <b>I. Income:</b>                      |          |                       |                       |
| Revenue from Operations                | 19       | 1,30,35,79,117        | 2,09,08,65,771        |
| Other Income                           | 20       | 2,61,06,375           | 4,83,68,880           |
| <b>Total Income</b>                    |          | <b>1,32,96,85,492</b> | <b>2,13,92,34,651</b> |
| <b>II. Expenses:</b>                   |          |                       |                       |
| Cost of Development of Property        |          | 60,22,14,819          | 38,43,22,536          |
| Change In Inventory                    | 21       | 30,64,30,732          | 1,31,38,01,743        |
| Finance Cost                           | 22       | 16,13,827             | 20,31,741             |
| Employee Benefits Expense              | 23       | 2,62,81,337           | 2,49,48,766           |
| Depreciation                           | 11       | 1,93,85,990           | 2,26,88,560           |
| Other Expenses                         | 24       | 6,01,96,954           | 3,41,14,655           |
| <b>Total Expenses</b>                  |          | <b>1,01,61,23,658</b> | <b>1,78,19,08,001</b> |
| <b>III. Profit Before Tax (I-II)</b>   |          | <b>31,35,61,834</b>   | <b>35,73,26,650</b>   |
| <b>IV. Tax Expense:</b>                |          |                       |                       |
| - Current Tax                          |          | 6,64,02,904           | 6,69,72,925           |
| - Earlier Years Tax                    |          | 21,62,174             | 16,46,281             |
| - MAT Entitlement                      |          | 3,09,48,816           | 3,45,18,528           |
| <b>V. Profit for the year (III-IV)</b> |          | <b>21,40,47,941</b>   | <b>25,41,88,916</b>   |
| <b>VI. Earnings per equity share:</b>  |          |                       |                       |
| - Basic & Diluted                      |          | 28.04                 | 33.30                 |
| <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 our reports of even date and annexed.  
For **B. JAIN & CO.**  
Chartered Accountants  
FRN - 307100E

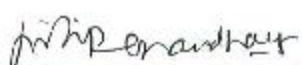
  
**B. C. Jain**  
Partner  
Membership No.: 012181



Place: Kolkata  
Date : 4th September, 2017

For and on behalf of the Board of  
**MERLIN PROJECTS LIMITED**

  
**Sushil Kumar Mohta**  
(DIN-00627506)

  
**Dilip Kumar Choudhary**  
(DIN-00605511)

  
**Ruby Sighani**  
Company Secretary

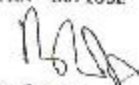
**MERLIN PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

| PARTICULARS   | 31st March, 2017 |                | 31st March, 2016 |                |
|---|------------------|----------------|------------------|----------------|
|   | ₹                | ₹              | ₹                | ₹              |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                  |                |                  |                |
| Net Profit/ (Loss) before tax, adjustment for the prior years and extraordinary items |                  | 31,35,61,834   |                  | 35,73,26,650   |
| Add: Depreciation   | 1,93,85,990      |                | 2,26,88,560      |                |
| Loss on Sale of Shares (Net)  |                  |                | 23,93,213        |                |
| Interest paid   | 16,13,827        |                | 20,31,741        |                |
|   |                  | 2,09,99,817    |                  | 2,71,13,514    |
| Less: Interest Received   | 5,08,39,345      |                | 77,00,038        |                |
| Profit on Sale of Fixed Assets  | 2,04,37,818      |                | 12,56,570        |                |
| Dividend  | 1,022            |                | 3,51,85,950      |                |
| Profit from Partnership Firm (Net)  | 24,17,759        |                | 1,12,52,333      |                |
|   |                  | 7,36,95,944    |                  | 5,53,94,941    |
| Operating Profit before Tax & Working Capital Changes                                 |                  | 26,08,65,707   |                  | 32,90,45,223   |
| <b>Adjustment for:</b>  |                  |                |                  |                |
| Non - Current Liabilities   | 1,76,11,834      |                | 2,23,76,234      |                |
| Current Investments   | 59,92,26,824     |                | (38,98,29,259)   |                |
| Inventories   | 30,64,30,732     |                | 1,32,77,84,226   |                |
| Trade Payable   | (29,80,747)      |                | 32,80,771        |                |
| Other Current Liabilities   | (57,98,37,279)   |                | (1,01,07,20,831) |                |
| Trade Receivable  | 5,84,33,806      |                | (10,26,34,198)   |                |
| Short Term Loans & Advances   | (45,76,35,854)   |                | (30,81,55,743)   |                |
| Short Term Borrowings   | (9,80,54,385)    |                | 9,25,41,613      |                |
| Provisions & Reserves   | (1,72,73,673)    |                | (4,28,02,621)    |                |
| Other Long Term Assets  | (66,75,636)      | (18,07,55,379) | 1,99,89,000      | (38,81,70,807) |
| Cash generated from operations  |                  | 8,01,10,327    |                  | (5,91,25,584)  |
| Direct Taxes Received / (Paid)  |                  | (7,37,99,203)  |                  | (3,98,07,049)  |
| (Net of refund received)  |                  |                |                  |                |
| Net cash from operating activities  | <b>A</b>         | 63,11,124      |                  | (9,89,32,633)  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                  |                |                  |                |
| Purchases of Fixed Assets   | (2,54,27,763)    |                | (4,98,07,706)    |                |
| Interest Received   | 5,08,39,345      |                | 77,00,088        |                |
| (Purchase)/ Sale of Investments   | 23,87,33,301     |                | (2,34,42,568)    |                |
| Profit on sale of Shares  | -                |                | (23,93,213)      |                |
| Sale of Fixed Assets  | 2,77,47,510      |                | 16,37,000        |                |
| Capital W/F   | -                |                | 1,60,21,513      |                |
| Profit from Partnership Firm  | 24,17,759        |                | 1,12,52,333      |                |
| Dividend Received   | 1,022            |                | 3,51,85,950      |                |
| Net Cash received from Investing Activities   | <b>B</b>         | 29,43,11,174   |                  | (38,36,602)    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |                  |                |                  |                |
| Secured Loan (Paid) / Taken   | (18,61,03,944)   |                | 7,88,03,793      |                |
| Interest Paid   | (16,13,027)      |                | (20,31,741)      |                |
| Unsecured Loan (Paid) / Taken   | (14,14,80,416)   |                | (1,64,85,862)    |                |
| Net Cash received from financing Activities   | <b>C</b>         | (32,91,98,187) |                  | 6,02,86,190    |
| Net increase/Decrease in cash and cash equivalents (A+B+C)                            | <b>D</b>         | (2,85,75,839)  |                  | (4,24,93,045)  |
| Cash and cash equivalents - Opening Balance   | <b>E</b>         | 19,58,46,971   |                  | 23,03,40,016   |
| Cash and cash equivalents - Closing Balance (D+E)                                     |                  | 16,72,71,083   |                  | 19,58,46,971   |

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

As per our reports of even date and annexed.

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

  
**B. C. Jain**  
 Partner  
 Membership No.: 012181

Place: Kolkata  
 Date: 4th September, 2017



For and on behalf of the Board of  
**MERLIN PROJECTS LIMITED**

  
 Sushil Kumar Mohita  
 (DIN-00627506)

  
 Dilip Kumar Choudhary  
 (DIN-00605511)

  
 Ruby Sanyal  
 Company Secretary



**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES****Basis of Preparation of Financial Statement**

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, except where otherwise stated.

The financial statements are prepared on accrual basis under the historical cost convention under the going concern concept.

Provision made for estimated expenses on completed projects likely to be incurred in next financial year is being provided for each Project on the basis of recommendation given by the supervisors / contractors.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

**Revenue Recognition**

The Company follows completed project method of accounting ("Project Completion Method of Accounting"). Allocable expenses incurred during the year are debited to work-in-progress account. The income is accounted for as and when the projects get completed or substantially completed. The revenue is recognized to the extent it is probable and the economic benefits will flow to the Company and the revenue can be reliably measured.

Item of Income and Expenditure are recognized on accrual basis except dividend/interest on securities, interest on booking collection, rates & taxes, filing fees, and expenses incurred for minor works which are in excess/shortfall of provisions made in the year of completion of project are included in the cost of development on cash basis.

The company has capitalized various expenses and allocated the same to various projects, on the basis of proportionate expenses for different projects, on basis determined by the management, which vary from year to year, which is explained as occurring due to status of the projects during the financial year concerned.

**Work - in - Progress**

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.



**Closing Stock**

Closing Stock of completed sites are valued and stated at cost which is lower than Net Realizable Value.

**Cash Flow Statement**

Cash Flow Statement has been prepared in accordance with the indirect method prescribed in Accounting Standards - 3 issued under the Companies (Accounting Standards) Rules, 2006.

**Fixed Assets**

Fixed assets other than land are stated at cost less accumulated depreciation. Land is stated at historical cost.

**Depreciation**

Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

**Investments**

Investments are valued and stated at cost. Provision for diminution in the value of long-term Investments is made only if such a decline is other than temporary in the opinion of the management.

**Employee benefits**

- a) The company had incorporated a Trust named Merlin Projects Gratuity Fund Trust for the managed employees' gratuity fund with Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.
- b) Provident Funds & Employees State Insurance has been deducted and deposited regularly with the appropriate authorities.

**Borrowing Cost**

Borrowing cost that are attributable to the acquisition of land and date 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.

**Taxation**

Provision for current taxation is ascertained on the basis of assessable profits as computed in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognised, 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.





**Foreign currency transactions**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction.

**Impairment of Assets**

Assets other than intangible assets forming part of any cash-generating unit are tested for impairment when an indication exists that such assets may be impaired. An impairment loss is recognized in the Statement of profit and loss when the recoverable amount of such asset is less than its carrying value.

**Provisions**

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.

**Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split.



# MEPLIN PROJECTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

## Notes: 2. NOTES ON FINANCIAL STATEMENTS

- 1) Previous year figures have been re-arranged or re-grouped wherever deemed necessary to conform to current year figures.
- 2) The company is engaged in development of properties at several sites as developers. It has made Agreements with owners of land to develop, construct and dispose off after development of said properties. In respect of sites which are under progress, all expenses incurred for development have been included under the head "Work-in-progress".
- 3) 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.
- 4) The investments in shares and securities being long term in nature are valued and stated at cost. As per AS - 13, Accounting for Investments, issued by the Institute of Chartered Accountants of India, diminution in the value of Investments, other than temporary, should be recorded in the books of account. The management perceives the diminution, in some shares, in value of investments is a temporary phenomenon and hence no provision has been made in the books of account for such diminution.
- 5) A search & seizure operation was conducted by the Income Tax Department against the company on 11<sup>th</sup> September 2008. A sum of ₹ 11,00,000/- belonging to the company has been seized in such operation and is shown as Cash with IT Department under the head current assets.
- 6) Pursuant to AS-16 "Borrowing cost" as issued by The Institute of Chartered Accountant of India, Interest paid on borrowed funds (net of interest received on surplus fund), amounting to ₹ 82,50,307/- of which ₹ 16,13,827/- were charged to Statement of Profit & Loss and rest were capitalized to work in progress.
- 7) 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. However, considering the reasonable uncertainty of reversal of timing difference management decided not to recognize deferred tax asset.
- 8) Additional information:
  - a) Expenditure in foreign currency in Travelling & Business Promotion is ₹ NIL/- (P.Y. ₹10,56,915)
  - b) Auditors' Remuneration:
    - Statutory Audit (Including Tax Audit) ₹ 3,00,000/- (Previous year ₹ 3,00,000/-)
    - Branch Audit ₹ 12,000/- (Previous year ₹ 12,000/-).
    - Internal Audit ₹ 10,26,993/- (Previous Year ₹ 9,74,100/-)





**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

g) Contingent liabilities not provided for in respect of: (in ₹)

| Sl. No. | Particulars  | 31.03.2017       | 31.03.2016       |
|---------|--|------------------|------------------|
| 1       | Unexpired Corporate Guarantee<br>{Refer Note a, b & c below} | 1,01,30,00,000/- | 1,01,30,00,000/- |

- a) Corporate Guarantee given to Bajaj Finance Ltd, Infinity Benchmark, Sector - V, Salt Lake, Kolkata against Term loan facilities extended to Partnership firm, Merlin Developers amounting to ₹ 11,30,00,000/-. The outstanding Balance as on 31-3-2017 is ₹ 973,25,800/-
- b) The Company is a Co Borrower on the Loan taken by the firm Merlin developments from LIC Housing Finance LTD for its Project "Merlin Maximus" amounting to ₹ 50,00,00,000/- . The outstanding Balance as on 31-3-2017 is ₹ 32,00,00,000/-.
- c) The Company is a Co Borrower on the Loan taken by the Merlin Real Estate LLP from LIC Housing Finance LTD for its Project "Merlin waterfront" amounting to ₹ 40,00,00,000/- . The outstanding Balance as on 31-3-2017 is ₹ 21,00,00,000/-.
- d) Estimated amount of contracts remaining to be executed is unascertainable.
- e) Contingent Liability in respect of Income Tax of as follows:

| Nature Of Dues | Period To Which It Pertains | Amount             | Forum Where Dispute Pending |
|----------------|-----------------------------|--------------------|-----------------------------|
| Income Tax     | 2005-06                     | 9,510/-            | Jurisdictional AO           |
|                | 2007-08                     | 6,66,839/-         | Jurisdictional AO           |
|                | 2009-10                     | 8,22,816/-         | ITAT                        |
|                | 2012-13                     | 1,37,810/-         | CIT (Appeal)                |
|                | 2016-17                     | 5609940/-          | Jurisdictional AO           |
|                | <b>Total</b>                | <b>72,46,915/-</b> |                             |



**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

**10) Corporate Social Responsibility**

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 (read with Schedule VII) thereof by the company during the year is ₹ 57,16,080/- (Previous Year ₹ 49,85,453/-)

(b) Expenditure related to Corporate Social Responsibility is ₹ 1,55,14,243/- (Previous Year ₹ 16,13,881/-).

Details of Amount spent towards CSR given below:

| Particulars                     | 2016-17              | 2015-16            |
|---------------------------------|----------------------|--------------------|
| NGO's                           | 3,75,000/-           | 12,00,000/-        |
| Professional Organisation       | 2,54,730/-           | 99,792/-           |
| Students for books and computer | 319990/-             | 3,14,089/-         |
| Trust                           | 14251000/-           | NIL                |
| Public Welfare                  | 313523/-             | NIL                |
|                                 | <b>1,55,14,243/-</b> | <b>16,13,881/-</b> |

11) "Advance Against Property" includes advances (Interest bearing) made to various persons covered under prospective Joint Development Agreements which are considered good as the projects are likely to commence soon.

12) Segment Reporting, required by AS -17 as issued by The Institute of Chartered Accountant of India are as follows:

Identification of Segments:

i) Primary Segment:

Business Segment

The Company operates into two business segments, viz. Real Estates & Renting/  
Subletting of Properties.

ii) Secondary Segment:

Geographical Segment

The Company has branches in three regions, viz. Ahmedabad, Chennai and Raipur.

| Particulars | Current Year         |                |                | Previous Year        |                |                |
|-------------|----------------------|----------------|----------------|----------------------|----------------|----------------|
|             | Construction Revenue | Rental Revenue | Total          | Construction Revenue | Rental Revenue | Total          |
| Ahmedabad   | 1,16,63,04,707       | 8,57,97,185    | 1,25,21,01,892 | 2,00,90,08,827       | 7,29,39,243    | 2,08,19,48,070 |
| Chennai     | Nil                  | Nil            | Nil            | Nil                  | Nil            | Nil            |
| Raipur      | Nil                  | Nil            | Nil            | Nil                  | Nil            | Nil            |
|             | 1,16,63,04,707       | 8,57,97,185    | 1,25,21,01,892 | 2,00,90,08,827       | 7,29,39,243    | 2,08,19,48,070 |





**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

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

- i) Subsidiary Companies :
  - a) Bengal Merlin Housing Ltd.
- ii) Partnership Firms :
  - a) Merlin Developers
  - b) Merlin's
  - c) Merlin TF Lakeview
  - d) Jayshree Builders
  - e) Shallgram Corporation
  - f) Singhania Merlin Estate
  - g) Rubicon Builder LLP
  - h) Merlin Real Estate LLP
  - i) East End Developers
  - j) Merlin Buildcon (Gujrat) LLP
  - k) Merlin Projects and Estate, Chennai LLP
  - l) Merlin Corporation
  - m) Merlin Apparel Hub LLP
  - n) Merlin Developments
  - o) Merlin RSH Alliance Developers LLP
  - p) PS Merlin Developers
  - q) Merlin Ganges Projects

iii) Key Management Personnel & Their Relatives :

a) Key Management Personnel

| Name                   | Designation / Relationship |
|------------------------|----------------------------|
| Sushil Kumar Mohta     | Managing Director          |
| Saket Mohta            | Director                   |
| Dinesh Kumar G Sanghvi | Director                   |
| Mukesh Balasia         | Independent Director       |
| Dilip Kumar Choudhary  | Director                   |
| Mukta Damani           | Independent Director       |
| Ruby Singhania         | Company Secretary          |

b) Their Relatives

| Name             | Relationship                          |
|------------------|---------------------------------------|
| Satyen Sanghvi   | Relative of Dinesh Sanghvi            |
| Aarti Sanghvi    | Relative of Dinesh Sanghvi            |
| Gaurav Sanghvi   | Son of Dinesh Sanghvi                 |
| Shruti Sanghvi   | Daughter - in - Law of Dinesh Sanghvi |
| Rachit Sanghvi   | Son of Dinesh Sanghvi                 |
| Rakshita Sanghvi | Wife of Rachit Sanghvi                |
| Seerna Mohta     | Wife of Sushil Kumar Mohta            |



# MERLIN PROJECTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

Suman Choudhary

Wife of Dilip Kumar Choudhary

iv) Enterprises over which the Key Management Personnel & Their Relatives have Significant Influence:

- 1) Aniket Commerce Pvt. Ltd.
- 2) Bengal Merlin Housing Ltd.
- 3) Bengal Merlin Infrastructure Ltd
- 4) Billionium Commercial Pvt. Ltd.
- 5) Benz Service Point Pvt. Ltd.
- 6) Collossus Suppliers Pvt. Ltd.
- 7) Concur Vyapaar Pvt Ltd.
- 8) Crypton Electronics Pvt Ltd.
- 9) Debonair Vanijya Pvt Ltd.
- 10) Galaxy Tracom Pvt. Ltd.
- 11) Gautam Commercial Pvt. Ltd.
- 12) Active Vanijya Pvt. Ltd.
- 13) Wonderland Vanijya Pvt. Ltd.
- 14) Geet Vanijya Pvt. Ltd.
- 15) Hesky Suppliers Pvt. Ltd.
- 16) Jôiza Hotels Pvt. Ltd.
- 17) Iniregal Distributors Pvt. Ltd.
- 18) Jivan Vanijya Pvt. Ltd.
- 19) Lily Distributors Pvt. Ltd.
- 20) Merlin Acropolis Pvt. Ltd.
- 21) Merlin Leisures Ltd.
- 22) Merlin Recreation Pvt. Ltd.
- 23) Merlin Infracon Pvt. Ltd.
- 24) True Value Maintenance Services Pvt. Ltd.
- 25) Merlin Infra Projects Pvt. Ltd.
- 26) Murthy Sales Pvt. Ltd.
- 27) Muskan Commercial Pvt. Ltd.
- 28) MPL Agencies Pvt. Ltd.
- 29) Merlin Green Maintenance Services Pvt. Ltd.
- 30) New Alipore Trexim Pvt. Ltd.
- 31) Nikhar Suppliers Pvt. Ltd.
- 32) Oxford Tradecom Pvt. Ltd.
- 33) Planet Commercial Pvt. Ltd.
- 34) Raina Marketing Pvt. Ltd.
- 35) Saket Vanijya Pvt. Ltd.
- 36) Sanket Agencies Pvt. Ltd.
- 37) Sipra Suppliers Pvt. Ltd.
- 38) Splended Marketing Pvt. Ltd.
- 39) Splended Suppliers Pvt. Ltd.
- 40) Super Complex Pvt. Ltd.
- 41) Sunbeam Mercantile Pvt. Ltd.
- 42) Temple Tradecom Pvt. Ltd.
- 43) Tide Vanijya Pvt. Ltd.
- 44) Tiger Vyapaar Pvt. Ltd.
- 45) Tribune Commerce Pvt. Ltd.
- 46) Tudor Sales Pvt. Ltd.
- 47) Twins Vanijya Pvt. Ltd.
- 48) Unique Vanijya Pvt. Ltd.
- 49) Wales Tradecom Pvt. Ltd.
- 50) Wave Vanijya Pvt. Ltd.
- 51) Elita Garden Vista Project Private Limited
- 52) Surekha Merlin Promoters Private Limited



**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

## v) Transaction with related parties

## a) With Parties Where Control Exists

| Particulars                  | Current Year (₹) | Previous Year (₹) |
|------------------------------|------------------|-------------------|
| Rent Received                | 36,000/-         | 36,000/-          |
| Advance Given                | NIL              | NIL               |
| Advance Repaid               | NIL              | 83,27,814/-       |
| Interest Received            | 5,59,86,238/-    | 8,44,74,629/-     |
| Loan Given (Closing Balance) | 31,80,47,853/-   | 76,96,41,000/-    |
| Loan Received Back           | 57,44,51,710/-   | 72,93,83,034/-    |
| Loan Taken (Closing Balance) | NIL              | NIL               |
| Business Promotion           | NIL              | 40,308/-          |
| Advance Against Property     | 40,000/-         | 5,73,21,000/-     |

## b) With Key Management Personnel And Their Relatives

| Particulars      | Current Year (₹) | Previous Year (₹) |
|------------------|------------------|-------------------|
| Salary Paid      | 13,70,000/-      | 1,14,00,000/-     |
| Keyman Insurance | 25,00,000/-      | 2,612,248/-       |
| Purchase of Land | 70,00,000/-      | NIL               |

- 14) The Earnings per Share has been disclosed as per the AS – 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.

(In ₹)

| Particulars   | 31.03.17    | 31.03.16    |
|---|-------------|-------------|
| Net Profit after tax available for Equity shareholders (Numerator used for calculation (A)) | 214,047,940 | 254,188,916 |
| Weighted average number of Equity Shares used as denominator for calculating EPS (B)        | 7,633,325   | 7,633,325   |
| Basic and Diluted earnings per share (A)/(B)  | 28.04       | 33.30       |





**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

- 15) The details of Specified Bank Notes (SBN) held and transacted during the period 09/11/2016 to 30/12/2016 as provided in the Table below:-

|                                       | SBNs      | Other denomination notes | Total       |
|---------------------------------------|-----------|--------------------------|-------------|
| Closing cash on hand as on 08.11.2016 | 1000000/- | 309428/-                 | 13,09,428/- |
| (+) Permitted Receipts                | -         | 261924/-                 | 261924/-    |
| (+) Amount withdrawn from Banks       | -         | 460000/-                 | 460000/-    |
| (-) Permitted payments                | -         | 194932/-                 | 194932/-    |
| (-) Amount deposited in Banks         | 1000000/- | 374026/-                 | 1374026/-   |
| Closing cash on hand as on 30.12.2016 | -         | 462394/-                 | 462394/-    |

- 16) The Company is a partner in the following partnership firms,

- a) Jayshree Builders
- b) Singhania Merlin Estate
- c) Merlin T.F. Lakeview
- d) Merlin's
- e) Merlin Developers
- f) Shaligram Corporation
- g) Rubicon Builders LLP
- h) Merlin Real Estate LLP
- i) East End Developers
- j) Merlin Buildcon (Gujrat) LLP
- k) Merlin Projects and Estate, Chennai LLP
- l) Merlin Corporation
- m) Merlin RSH Alliance Developers LLP
- n) Merlin Developments
- o) PS Merlin Developers LLP
- p) Merlin Apparel Hub LLP
- q) Merlin Ganges Projects



**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

Their closing capital balance at the year end along with their profit sharing ratio is mentioned below:

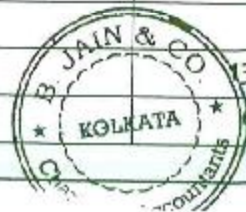
(In ₹)

| Name of the Firm JAYSHREE BUILDERS |                                    |                                     |
|------------------------------------|------------------------------------|-------------------------------------|
| Name of the Partners               | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.               | 50.00%                             | (-)43,22,491/-                      |
| O.P.Jhawar                         | 16.67%                             | 1,60,047/-                          |
| R.K. Jhawar                        | 16.67%                             | (-)45,155/-                         |
| Mayur Jhawar                       | 16.66%                             | (-)21,22,694/-                      |

| Name of the Firm SINGHANIA MERLIN ESTATE |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                     | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                     | 40%                                | 127603287                           |
| Singhania Buildcon Pvt. Ltd.             | 56%                                | 15220543                            |
| Smt. Meenali Singhania                   | 4%                                 | (-)1155967                          |

| Name of the Firm: MERLIN TF LAKEVIEW        |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| Name of the Partners                        | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                        | 34%                                | (-)50886267/-                       |
| Terra Firma Investments & Trading Pvt. Ltd. | 66%                                | 247965/-                            |

| Name of the Firm MERLIN CORPORATION |                      |                                      |
|-------------------------------------|----------------------|--------------------------------------|
| Name of the Partners                | Profit Sharing Ratio | Partners' Capital as at 31.03.17 (₹) |
| Aniket Commerce Pvt. Ltd            | 4%                   | (-)4247821/-                         |
| Buland Barter Pvt. Ltd              | 5%                   | 26326940/-                           |
| Chetak Vyapaar Pvt. Ltd             | 5%                   | 56018240/-                           |
| Crypton Electronics Pvt. Ltd.       | 5%                   | (-)12490853/-                        |
| Deboniar Vanijya Pvt. Ltd           | 5%                   | (-)38588390/-                        |
| Dignity Sales Pvt. Ltd              | 5%                   | (-)9326945/-                         |
| Merlin Acropolis Projects Pvt. Ltd. | 5%                   | (-)160868390/-                       |
| Merlin Infracon Pvt. Ltd.           | 5%                   | (-)2568390/-                         |
| Merlin Infra Projects Pvt. Ltd      | 5%                   | 8831610/-                            |
| Merlin Projects Limited             | 10%                  | 17097361/-                           |
| Merlin Leisures Limited             | 5%                   | 9319/-                               |
| Sushil Kumar Mohta                  | 5%                   | 132031610/-                          |
| Seema Mohta                         | 5%                   | 6531610/-                            |





**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

|                        |     |               |
|------------------------|-----|---------------|
| Saket Mohta            | 5%  | (-)55459835/- |
| Rachit Sanghvi         | 11% | 20502/-       |
| Dinesh Sanghvi         | 10% | 18638/-       |
| Yamini Barter Pvt. Ltd | 5%  | 23081610/-    |

| Name of the Firm MERLIN'S          |                      |                                      |
|------------------------------------|----------------------|--------------------------------------|
| Name of the Partners               | Profit Sharing Ratio | Partners' Capital as at 31.03.17 (₹) |
| Daga Damani (P) Ltd.               | 3%                   | (-)9673624/-                         |
| Ibiza Hotels (P) Ltd.              | 3%                   | 7364060/-                            |
| Merlin Acropolis Projects (P) Ltd. | 3%                   | (-)292410895/-                       |
| Merlin Infra Projects (P) Ltd.     | 3%                   | (-)1782188/-                         |
| Merlin Leisures Ltd.               | 3%                   | 11711881/-                           |
| Merlin Projects Ltd.               | 52%                  | 367333977/-                          |
| Merlin Recreation (P) Ltd.         | 3%                   | 120973547/-                          |
| Planet Commercial (P) Ltd.         | 3%                   | (-)2282188/-                         |
| Saket Mohta                        | 3%                   | (-)46015920/-                        |
| Seema Mohta                        | 3%                   | 51556574/-                           |
| Sunbeam Mercantiles (P) Ltd.       | 3%                   | (-)52982944/-                        |
| Sushil Kumar Mohta                 | 3%                   | (-)3648467/-                         |
| Sushil Kumar Mohta & Sons (HUF)    | 3%                   | 6093501/-                            |
| Tribune Commerce (P) Ltd.          | 3%                   | (-)2073624/-                         |
| Wave Vanijya (P) Ltd.              | 3%                   | (-)10169786/-                        |
| Wonderland Vanijya (P) Ltd.        | 3%                   | 6567812/-                            |
| Zoom Vanijya (P) Ltd.              | 3%                   | (-)108682188/-                       |

| Name of the Firm: RUBICON BUILDERS LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                   | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Vishal Khetawat                        | 50 %                               | 5,00,000 /-                         |
| Merlin Projects Limited                | 50 %                               | 5,00,000 /-                         |

| Name of the Firm: MERLIN REAL ESTATE LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                     | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Limited                  | 65%                                | (-) 148682262/-                     |
| Dinesh G Sanghvi                         | 25%                                | 307676/-                            |
| Satyen Sanghvi                           | 10%                                | 122972/-                            |



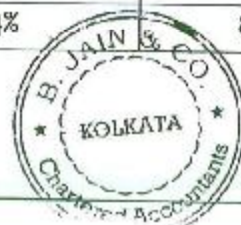


**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

| Name of the Firm <b>MERLIN DEVELOPERS</b> |                      |                                     |
|---|----------------------|-------------------------------------|
| Name of the Partners                      | Profit Sharing Ratio | Partners' Capital as at 31.03.17(₹) |
| Billenium Commercial Pvt. Ltd.            | 4%                   | (-)2741740/-                        |
| Colossus Suppliers Pvt. Ltd.              | 4%                   | 540611/-                            |
| Gautam Commercial Pvt. Ltd.               | 4%                   | 9948604/-                           |
| Hesky Supplier Pvt. Ltd.                  | 4%                   | 8484198 /-                          |
| Integral Distributors Pvt. Ltd.           | 4%                   | 10848440 /-                         |
| Lily Distributors Pvt. Ltd.               | 4%                   | (-)9107683/-                        |
| Muskan Commercial Pvt. Ltd.               | 4%                   | 8673704 /-                          |
| Nikhar Supplier Pvt. Ltd.                 | 4%                   | 9380652 /-                          |
| Raina Marketing Pvt. Ltd.                 | 4%                   | 9125331 /-                          |
| Sanket Agencies Pvt. Ltd.                 | 4%                   | 9168132 /-                          |
| Sipra Supplier Pvt. Ltd.                  | 4%                   | 9776854 /-                          |
| Splended Marketing Pvt. Ltd.              | 4%                   | (-) 8645670/-                       |
| Splended Suppliers Pvt. Ltd.              | 4%                   | (-) 7808578/-                       |
| Merlin Acropolis Projects Pvt. Ltd.       | 4%                   | 7605655 /-                          |
| Seema Mohta                               | 4%                   | 27196725 /-                         |
| Sushil Kumar Mohta                        | 7%                   | 11422464 /-                         |
| Dinesh Sanghvi                            | 10%                  | 16900185 /-                         |
| Dilip Kumar Choudhury                     | 10%                  | 19014134 /-                         |
| <b>Merlin Projects Limited</b>            | <b>13%</b>           | <b>(-) 37863834 /-</b>              |

| Name of the Firm: <b>SHALIGRAM CORPORATION</b> |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                           | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Amruthbhai C. Ajudia                           | 1.20%                              | 1,20,000 /-                         |
| Gopalbhai M. Patel                             | 26.15%                             | 26,15,000 /-                        |
| Jayantibhai K. Patel                           | 1.20%                              | 1,20,000 /-                         |
| Jigneshbhai F. Patel                           | 6.25%                              | 6,25,000 /-                         |
| Kamleshbhai P. Savalia                         | 8.74%                              | 8,74,000 /-                         |
| Karshanbhai K. Raghvani                        | 21.52%                             | 21,52,000 /-                        |
| <b>Merlin Projects Ltd.</b>                    | <b>25.00%</b>                      | <b>25,00,000 /-</b>                 |
| Prafulbhai V. Kachhadia                        | 1.20%                              | 1,20,000 /-                         |
| Rameshbhai N. Antala                           | 8.74%                              | 8,74,000 /-                         |



**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

| Name of the Firm: EAST END DEVELOPERS |                                    |                                     |
|---------------------------------------|------------------------------------|-------------------------------------|
| Name of the Partners                  | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Jugal Kishore Khetawat                | 33.33%                             | 82,20,612 /-                        |
| Vishal Khetawat                       | 33.33%                             | 52,95,298 /-                        |
| Merlin Projects Limited               | 33.33%                             | 74,76,440 /-                        |

| Name of the Firm: MERLIN BUILDCON (GUJRAT) LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                           | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Bhairav Kumar G. Sanghvi                       | 10%                                | 1,00,000 /-                         |
| Dinesh Kumar G. Sanghvi                        | 11%                                | 1,10,000 /-                         |
| Merlin Projects Limited                        | 69%                                | 6,90,000 /-                         |
| Trident Commodore Pvt. Ltd.                    | 10%                                | 1,00,000 /-                         |

| Name of the Firm: MERLIN PROJECTS AND ESTATE, CHENNAI LLP |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| Name of the Partners                                      | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd                                       | 50%                                | 50,000 /-                           |
| Nishith Sanghvi   | 19%                                | 19,000 /-                           |
| Dinesh Kumar G. Sanghvi                                   | 21%                                | 21,000 /-                           |
| Gaurav Sanghvi  | 10%                                | 10,000 /-                           |

Partners' Capital as at 31.03.17 includes only contribution from the partners.

| Name of the Firm: MERLIN RSH ALLIANCE DEVELOPERS LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                                 | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                                 | 50%                                | 28,92,666 /-                        |
| Hari Sharma  | 50%                                | 11,05,166 /-                        |

| Name of the Firm: MERLIN DEVELOPMENTS |                                    |                                     |
|---------------------------------------|------------------------------------|-------------------------------------|
| Name of the Partners                  | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                  | 35%                                | (-) 6,31,28,382/-                   |
| Merlin Leisures Limited               | 35%                                | 46,572/-                            |
| Eastern Financial Consultants Pvt Ltd | 21%                                | 62,943/-                            |
| Saket Mohta                           | 9%                                 | 20,976/-                            |





**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

| Name of the Firm: PS MERLIN DEVELOPERS LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                       | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                       | 60%                                | (-) 6,09,09,271/-                   |
| PS group Realty Ltd                        | 26.67%                             | (-) 6,69,17,573/-                   |
| Arun Kumar Sancheti                        | 13.33%                             | 15,43,876/-                         |

| Name of the Firm: MERLIN APPAREL HUB LLP |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                     | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Limited                  | 50%                                | 5,00,00/-                           |
| Merlin Acropolis Projects Pvt. Ltd.      | 50%                                | 5,00,00/-                           |

| Name of the Firm: MERLIN GANGES PROJECTS |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| Name of the Partners                     | Share of Partners in Profit/(loss) | Partners' Capital as at 31.03.17(₹) |
| Merlin Projects Ltd.                     | 15%                                | 2,52,03,854 /-                      |
| Suprabhat Dealers Pvt .Ltd.              | 15%                                | 2,73,77,535 /-                      |
| Kalkut Agencies Pvt. Ltd.                | 10%                                | 2,28,29,843 /-                      |
| Sailendra Agro Pvt. Ltd.                 | 10%                                | 1,72,96,755 /-                      |
| Ganges Garden Realtors Pvt. Ltd.         | 12.50%                             | 2,17,20,743/-                       |
| Kanhaiya Realtors Pvt. Ltd.              | 12.50%                             | 2,17,43,425 /-                      |
| Sobhagyavardhan Nirman Pvt. Ltd.         | 12.50%                             | 2,35,49,232 /-                      |
| Lakshita Construction Pvt. Ltd.          | 12.50%                             | 2,17,43,425 /-                      |





**MEERIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

**Note 3**

| Share Capital                                 | 31.03.2017  |              | 31.03.2016  |              |
|---|-------------|--------------|-------------|--------------|
|   | Number      | ₹            | Number      | ₹            |
| <b>Authorised</b>                             |             |              |             |              |
| Equity Shares of ₹ 10 each                    | 1,20,00,000 | 12,00,00,000 | 1,20,00,000 | 12,00,00,000 |
|   | 1,20,00,000 | 12,00,00,000 | 1,20,00,000 | 12,00,00,000 |
| <b>Issued, Subscribed &amp; fully Paid up</b> |             |              |             |              |
| Equity Shares of ₹ 10 each                    | 76,33,325   | 7,63,33,250  | 76,33,325   | 7,63,33,250  |
|   | 76,33,325   | 7,63,33,250  | 76,33,325   | 7,63,33,250  |

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

**Equity shares:**

The par value of Equity share is ₹ 10 per share. Each holder of equity share 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                      | 2016-2017     |             | 2015-2016     |             |
|------------------------------------|---------------|-------------|---------------|-------------|
|                                    | No. of Shares | ₹           | No. of Shares | ₹           |
| At the beginning of the year       | 76,33,325     | 7,63,33,250 | 76,33,325     | 7,63,33,250 |
| Changes during the year            | -             | -           | -             | -           |
| Outstanding at the end of the year | 76,33,325     | 7,63,33,250 | 76,33,325     | 7,63,33,250 |

**Note 3(ii)**
**Details of Shareholders holding more than 5% shares in the Company**

| Name of Shareholders                | Equity Shares      |              |                    |              |
|-------------------------------------|--------------------|--------------|--------------------|--------------|
|                                     | 31.03.2017         |              | 31.03.2016         |              |
|                                     | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Sushil Kumar Mohta                  | 28,53,610          | 37.45%       | 28,53,610          | 37.45%       |
| Estate of Shiv Kishan Mohta         | 4,94,845           | 6.48%        | 4,94,845           | 6.48%        |
| Shiv Kishan Mohta & Sons (HUF)      | 6,89,401           | 9.03%        | 6,89,401           | 9.03%        |
| Jupiter Mercantiles Private Limited | 7,15,494           | 9.37%        | 7,15,494           | 9.37%        |

**Note 4**

| Reserves & Surplus                            | 31.03.2017     |                | 31.03.2016     |                |
|---|----------------|----------------|----------------|----------------|
|   | ₹              | ₹              | ₹              | ₹              |
| i) General Reserve                            |                | 2,00,000       |                | 2,00,000       |
| ii) Amalgamation Reserve                      |                | 3,28,18,520    |                | 3,28,18,520    |
| iii) Securities Premium                       |                | 26,42,09,000   |                | 26,42,09,000   |
| iv) Surplus in the Statement of Profit & Loss |                |                |                |                |
| Balance in the beginning of the year          | 2,28,55,98,863 |                | 2,03,14,09,947 |                |
| Add: Net Profit For the year                  | 21,40,47,941   |                | 25,41,88,916   |                |
| Balance at the end of the year                |                | 2,49,96,46,804 |                | 2,28,55,98,863 |
|   |                | 2,79,68,74,324 |                | 2,58,28,26,383 |



**MERLIN PROJECTS LIMITED**

NO 7'S FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

No.05

| Long Term Borrowings         |                       | 31.03.2017          | 31.03.2016          |
|------------------------------|-----------------------|---------------------|---------------------|
|                              |                       | ₹                   | ₹                   |
| <b>Secured Loans</b>         |                       |                     |                     |
| Term Loan From               |                       |                     |                     |
| [CCL Bank Ltd                | [Refer Note 7(i) (d)] | 2,38,26,209         | 25024716            |
| [CCL Bank Ltd                | [Refer Note 7(i) (e)] | -                   | 4,73,50,116         |
| [Coastal Multindra Bank Ltd. | [Refer Note 7(i) (g)] | -                   | 4,67,78,262         |
| [DST Bank Ltd.               | [Refer Note 7(i) (f)] | 23,43,71,813        | 28,14,10,825        |
| [Indian Overseas Bank        | [Refer Note 7(i) (h)] | -                   | 3,50,90,000         |
| [Sahaj Finance Ltd.          | [Refer Note 7(i) (i)] | 0,25,70,439         | 8,92,29,130         |
| State Bank of India          | [Refer Note 7(i) (j)] | 17,12,05,021        | 17,01,82,192        |
| Car Loan                     | [Refer Note 7(i) (k)] | 08,01,799           | 90,63,584           |
| <b>Unsecured Loan</b>        |                       |                     |                     |
| - Public Bodies Corporate    |                       |                     |                     |
|                              |                       | 2,50,02,850         | 16,65,63,266        |
|                              |                       | <b>54,36,18,131</b> | <b>87,06,02,491</b> |

Note 6

| Other Non Current Liabilities |  | 31.03.2017          | 31.03.2016         |
|-------------------------------|--|---------------------|--------------------|
|                               |  | ₹                   | ₹                  |
| Security Deposits             |  | 10,90,07,724        | 9,13,95,890        |
|                               |  | <b>10,90,07,724</b> | <b>9,13,95,890</b> |

Note 7

| Short Term Borrowings     |                       | 31.03.2017      | 31.03.2016         |
|---------------------------|-----------------------|-----------------|--------------------|
|                           |                       | ₹               | ₹                  |
| <b>Secured Loans</b>      |                       |                 |                    |
| Cash Credit Account with: |                       |                 |                    |
| Axis Bank Ltd.            | [Refer Note 7(i) (a)] | 2,08,456        | 7,06,14,723        |
| State Bank Of India       | [Refer Note 7(i) (b)] | -               | 2,76,48,119        |
|                           |                       | <b>2,08,456</b> | <b>9,82,62,842</b> |

Note 7(i)

Details of Borrowings:

- Secured against land at Narsingha Dutta Road, Kolkata - 700008 & Personal Guarantee of Mr. Sushil Kumar Mohta & Mrs. Seema Mohta.
- Secured against project at 7 & 7A Diamond Harbour Road. (Merlin Crest)
- Secured against specific area of Property "Homeland" at 19 Ashutosh Mukherjee Road, Kolkata - 700023.
- Secured against flat owned by the Director Shri Dinesh G Sanghvi and his relatives located at Kolkata and his personal guarantee.
- Secured against specific area of project at "Merlin Uttara" at Konnagar.
- Secured against Property at 22 Prince Anwar Shah Road, 2nd Floor, Kolkata - 700033.
- Secured against property of Director Mr. Sushil Kumar Mohta at 9A Alipore Road, Personal Guarantee of Mr. Sushil Kumar Mohta, Receivables of the project and cash margin given to the said bank.
- Secured against Property at 5A Bechubal Road Kolkata-700014. [Merlin Legacy]
- Secured against specific area of Property "ACROPOLIS" at 185B/1 Rajdanga Main Road, Kolkata - 700107.
- Secured against hypothecation of Motor Car.



**MEERIN PROJECTS LIMITED**
**NOT FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**
**Note 8**

| Trade Payables | 31.03.2017  |  | 31.03.2016  |
|----------------|-------------|--|-------------|
|                | ₹           |  | ₹           |
| Trade Payables | 2,69,64,863 |  | 2,99,45,610 |
|                | 2,69,64,863 |  | 2,99,45,610 |

**Note 9**

| Other Current Liabilities                                 | 31.03.2017   |  | 31.03.2016     |
|---|--------------|--|----------------|
|   | ₹            |  | ₹              |
| Current Maturities of Long Term Debt [[Refer Note 9 (a)]] | 12,86,91,107 |  | 13,00,02,125   |
| Advance Against Banking                                   | 42,82,76,895 |  | 1,02,30,75,307 |
| Other Payables  | 82,16,314    |  | 83,07,350      |
| Statutory Liabilities                                     | 48,91,437    |  | 93,755         |
| Books Overdrawn   | 1,15,68,509  |  | 1,516          |
|   | 53,16,44,063 |  | 1,16,14,81,342 |

**Note 9 (a)**

| Current Maturities of Long Term Debt | 31.03.2017   |  | 31.03.2016   |
|--------------------------------------|--------------|--|--------------|
|                                      | ₹            |  | ₹            |
| Term Loan From                       |              |  |              |
| ICICI Bank Ltd.                      | 39,27,312    |  | 32,72,064    |
| Axis Bank Ltd. (Equipment Finance)   |              |  | 29,32,730    |
| Axis Bank Ltd.                       |              |  | 9,92,541     |
| Kotak Mahindra Ltd.                  | 84,09,844    |  | 1,54,88,464  |
| IDBI Bank Ltd.                       | 1,80,00,000  |  | 2,75,10,243  |
| Indian Overseas Bank                 | 1,74,00,037  |  | 3,50,00,000  |
| Bajaj Finance Ltd                    | 68,35,334    |  | 61,60,052    |
| State Bank of India                  | 7,00,00,000  |  | 3,00,00,000  |
| Car Loan                             | 41,18,580    |  | 86,46,032    |
|                                      | 12,86,91,107 |  | 13,00,02,125 |

**Note 10**

| Short Term Provisions               | 31.03.2017   |  | 31.03.2016   |
|-------------------------------------|--------------|--|--------------|
|                                     | ₹            |  | ₹            |
| Provisions For Income Tax           | 23,82,68,286 |  | 17,18,66,382 |
| Provision For FBT (Net of Advances) | 3,72,539     |  | 3,72,539     |
| Provision For Expenses              | 1,84,52,334  |  | 3,35,63,833  |
|                                     | 25,70,93,159 |  | 20,56,01,754 |





**MERLIN PROJECTS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

**Note 11 - Fixed Assets**

| TANGIBLE ASSETS             | ORIGINAL COST       |                    |                  |                     | DEPRECIATION        |                    |                  | NET BOOK VALUE      |                     |                     |
|-----------------------------|---------------------|--------------------|------------------|---------------------|---------------------|--------------------|------------------|---------------------|---------------------|---------------------|
|                             | As At 01.04.16      | Additions          | Deductions       | As At 31.03.17      | Upto 01.04.16       | For The Year       | Adj.             | Upto 31.03.17       | As At 31.03.17      | As At 31.03.16      |
|                             | LAND                | 1,23,72,546        | -                | -                   | 1,23,72,546         | -                  | -                | -                   | -                   | 1,23,72,546         |
| STAFF QUARTER               | 4,13,429            | -                  | -                | 4,13,429            | 2,15,973            | 9,656              | -                | 2,25,629            | 1,87,800            | 1,97,456            |
| OFFICE & GODOWN             | 8,69,644            | -                  | -                | 8,69,644            | 4,35,262            | 20,263             | -                | 4,75,525            | 3,94,119            | 4,14,382            |
| AIR CONDITIONER             | 13,02,883           | -                  | -                | 13,02,883           | 12,16,504           | 49,339             | -                | 12,65,843           | 37,040              | 86,379              |
| MOTOR CARS                  | 3,89,98,545         | -                  | 29,99,329        | 3,59,99,216         | 2,10,54,172         | 55,60,051          | 25,96,952        | 2,40,25,271         | 1,19,73,945         | 1,79,44,373         |
| ELECTRONIC INSTALLATION     | 34,87,342           | 3,56,143           | -                | 38,43,485           | 25,42,608           | 3,36,749           | -                | 28,79,357           | 9,64,128            | 9,44,734            |
| CELL PHONES & PAGERS        | 46,000              | -                  | -                | 46,000              | 43,700              | 2,300              | -                | 46,000              | -                   | 2,300               |
| COMPUTER                    | 61,78,563           | 4,12,587           | -                | 65,91,150           | 57,13,069           | 4,25,506           | -                | 61,38,575           | 4,52,575            | 4,65,494            |
| FURNITURE & FIXTURE         | 2,91,88,000         | 7,28,813           | -                | 2,99,16,813         | 2,22,45,819         | 22,53,358          | -                | 2,44,99,177         | 54,17,636           | 69,42,181           |
| ROLLER                      | 5,98,000            | -                  | -                | 5,98,000            | 4,27,541            | 37,535             | -                | 4,65,076            | 1,32,924            | 1,70,459            |
| OFFICE EQUIPMENT            | 1,31,800            | 95,130             | -                | 2,26,930            | 96,309              | 29,822             | -                | 1,26,131            | 1,00,799            | 35,491              |
| MACHINERIES                 | 3,67,563            | -                  | -                | 3,67,563            | 3,31,310            | 17,873             | -                | 3,49,183            | 18,380              | 36,253              |
| LAND & BUILDING (PRINCETON) | 1,44,014            | -                  | -                | 1,44,014            | -                   | -                  | -                | -                   | 1,44,014            | 1,44,014            |
| BUILDING (At 18 ATM Road)   | 27,74,34,450        | 78,77,315          | 69,07,315        | 27,84,04,450        | 6,20,81,951         | 1,04,09,594        | -                | 7,24,91,545         | 20,59,12,305        | 21,53,52,499        |
| BUILDING (At Pune)          | 1,50,84,250         | -                  | -                | 1,58,84,250         | -                   | -                  | -                | 10,597              | 1,58,73,653         | -                   |
| <b>CURRENT YEAR</b>         | <b>37,15,32,777</b> | <b>2,53,54,238</b> | <b>99,06,644</b> | <b>38,69,80,371</b> | <b>11,64,24,216</b> | <b>1,91,70,643</b> | <b>25,96,952</b> | <b>13,29,97,907</b> | <b>25,39,82,464</b> | <b>25,51,08,561</b> |
| <b>PREVIOUS YEAR</b>        | <b>32,21,23,501</b> | <b>4,97,89,706</b> | <b>3,80,430</b>  | <b>37,15,32,777</b> | <b>9,40,14,481</b>  | <b>2,24,09,735</b> | <b>-</b>         | <b>11,64,24,216</b> | <b>25,51,08,561</b> | <b>-</b>            |

| INTANGIBLE ASSETS    | ORIGINAL COST     |               |           |                  | DEPRECIATION     |                 |          | NET BOOK VALUE   |                 |                 |
|----------------------|-------------------|---------------|-----------|------------------|------------------|-----------------|----------|------------------|-----------------|-----------------|
|                      | As At 01.04.16    | Additions     | Deduction | As At 31.03.17   | Upto 01.04.16    | For The Year    | Adj.     | Upto 31.03.17    | As At 31.03.17  | As At 31.03.16  |
|                      | COMPUTER SOFTWARE | 26,53,833     | 73,525    | -                | 27,27,358        | 18,08,360       | 2,15,347 | -                | 20,23,707       | 7,03,651        |
| <b>CURRENT YEAR</b>  | <b>26,53,833</b>  | <b>73,525</b> | <b>-</b>  | <b>27,27,358</b> | <b>18,08,360</b> | <b>2,15,347</b> | <b>-</b> | <b>20,23,707</b> | <b>7,03,651</b> | <b>8,45,473</b> |
| <b>PREVIOUS YEAR</b> | <b>26,35,833</b>  | <b>10,000</b> | <b>-</b>  | <b>26,53,833</b> | <b>15,29,535</b> | <b>2,78,825</b> | <b>-</b> | <b>18,08,360</b> | <b>7,03,651</b> | <b>8,45,473</b> |



**MERLIN PROJECTS LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

No 12

| Non-Current Investment                      | 31.03.2017   |  | 31.03.2016   |  |
|---|--------------|--|--------------|--|
|   | ₹            |  | ₹            |  |
| Investment in Equity Shares (Fully Paid Up) |              |  |              |  |
| - Quoted                                    | 10,54,917    |  | 10,54,917    |  |
| - Unquoted                                  | 1,21,18,641  |  | 1,58,68,641  |  |
| - Unquoted ( In Subsidiary )                | 12,80,000    |  | 12,80,000    |  |
| Investment in Partnership Firms             | 3,95,55,409  |  | 27,45,38,710 |  |
| Investment in Land - Chennai                | 5,30,00,000  |  | 5,30,00,000  |  |
|   | 10,70,08,967 |  | 34,57,42,268 |  |

**Note 12(i): Details of Non - Current Investments****Details of Quoted Shares :**

| Particulars                     | 2016-2017 |                  | 2015-2016 |                  |
|---------------------------------|-----------|------------------|-----------|------------------|
|                                 | Nos.      | ₹                | Nos.      | ₹                |
| Scintiller Commerce & Trade Ltd | 43,900    | 10,54,917        | 43,900    | 10,54,917        |
| <b>Total</b>                    |           | <b>10,54,917</b> |           | <b>10,54,917</b> |

(Market Value of quoted shares Not Available)

**Details of Unquoted Shares :**

| Particulars                          | 2016-2017 |                    | 2015-2016 |                    |
|--------------------------------------|-----------|--------------------|-----------|--------------------|
|                                      | Nos.      | ₹                  | Nos.      | ₹                  |
| Axis Buildcon Pvt. Ltd.              | 10,000    | 1,00,000           | 10,000    | 1,00,000           |
| Betwa Buildcon Pvt. Ltd.             | 1,260     | 8,701              | 1,260     | 8,701              |
| Bengal Merlin Infrastructure Limited | 28,000    | 2,80,000           | 93,000    | 9,30,000           |
| Daga Damani Developers Pvt Ltd       | 300       | 3,000              | 300       | 3,000              |
| Merlin Maintenance Services Pvt Ltd  | 9,800     | 98,000             | 9,800     | 98,000             |
| Rajathi Merlin Projects (P) Ltd.     | 3,400     | 34,000             | 3,400     | 34,000             |
| Olympia Merlin Developers Pvt. Ltd   | 1,80,050  | 18,00,500          | 4,90,050  | 49,00,500          |
| Merlin Infracon Projects Pvt Ltd     | 1,500     | 15,000             | 1,500     | 15,000             |
| South City Projects (Kolkata) Ltd    | 3,90,955  | 97,79,440          | 3,90,955  | 97,79,440          |
|                                      |           | <b>1,21,18,641</b> |           | <b>1,58,68,641</b> |

**Details of Unquoted Shares (In Subsidiary) :**

| Particulars                      | 2016-2017 |                  | 2015-2016 |                  |
|----------------------------------|-----------|------------------|-----------|------------------|
|                                  | Nos.      | ₹                | Nos.      | ₹                |
| <b>Unquoted (In Subsidiary):</b> |           |                  |           |                  |
| Bengal Merlin Housing Limited    | 1,28,000  | 12,80,000        | 1,28,000  | 12,80,000        |
|                                  |           | <b>12,80,000</b> |           | <b>12,80,000</b> |



**MERLIN PROJECTS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

**13 Details of Investment in Partnership Firms:**

| Particulars                              | 2016-2017          | 2015-2016           |
|--|--------------------|---------------------|
|  | Amount (₹)         | Amount (₹)          |
| Nyshtree Builders                        | (43,22,492)        | (45,78,837)         |
| Sudhyan Corporation                      | 11,15,92,187       | 12,02,95,024        |
| Sughania Merlin Estate                   | 2,76,03,287        | 13,61,75,240        |
| Merlin Developers                        | (3,78,63,834)      | 3,92,76,791         |
| Merlin TR Lakeview                       | (5,08,86,267)      | (5,31,26,639)       |
| East End Developers                      | 74,76,440          | 68,82,604           |
| Merlin Builders (Gujrat) LLP             | (91,97,352)        | 1,80,38,765         |
| Merlin Real Estate LLP                   | (14,86,82,262)     | 61,43,859           |
| Rubicon Builders LLP                     | 5,00,000           | 5,00,000            |
| Merlin Projects and Estate (Chennai) LLP | 1,51,89,133        | 40,81,903           |
| Merlin RSH Alliance Developers LLP       | 28,92,656          | 50,000              |
| Merlin Apparel Hubs LLP                  | 50,000             | -                   |
| Merlin Ganges Projects                   | 2,52,03,834        | -                   |
|  | <b>3,95,55,409</b> | <b>27,45,38,710</b> |

**Note 13**

| Long Term Loans and Advances | 31.03.2017         | 31.03.2016       |
|------------------------------|--------------------|------------------|
|                              | ₹                  | ₹                |
| Security Deposit             | 1,14,02,576        | 47,25,940        |
|                              | <b>1,14,02,576</b> | <b>47,25,940</b> |

**Note 14**

| Current Investments                                 | 31.03.2017          | 31.03.2016          |
|---|---------------------|---------------------|
|   | ₹                   | ₹                   |
| Investment in Partnership Firm [ Refer Note 14(i) ] | 26,03,93,685        | 85,96,20,509        |
|   | <b>26,03,93,685</b> | <b>85,96,20,509</b> |

**Note 14(i): Details of Current Investment (Investment in Partnership Firms):**

| Particulars              | 2016-2017           | 2015-2016           |
|--------------------------|---------------------|---------------------|
|                          | Amount (₹)          | Amount (₹)          |
| Merlins                  | 36,73,33,977        | 56,89,75,524        |
| Merlin Corporation       | 1,70,97,361         | 18,24,54,497        |
| Merlin Developments      | (6,31,28,382)       | 6,01,57,216         |
| PS Merlin Developers LLP | (6,09,09,271)       | 4,80,33,272         |
|                          | <b>26,03,93,685</b> | <b>85,96,20,509</b> |

**Note 15**

| Inventories                     | 31.03.2017            | 31.03.2016            |
|---------------------------------|-----------------------|-----------------------|
|                                 | ₹                     | ₹                     |
| Closing Work in Progress        | 90,85,82,386          | 1,07,78,91,470        |
| Closing Stock of Finished Goods | 50,55,44,585          | 64,26,66,233          |
|                                 | <b>1,41,41,26,971</b> | <b>1,72,05,57,703</b> |

**Note 16**

| Trade Receivables                              | 31.03.2017          | 31.03.2016          |
|--|---------------------|---------------------|
|  | ₹                   | ₹                   |
| Trade Receivables (Uncurrent, Considered Good) |                     |                     |
| - Exceeding Six Months                         | 1,05,97,823         | 10,76,885           |
| - Others                                       | 8,19,50,695         | 15,79,15,439        |
|  | <b>10,05,58,518</b> | <b>15,89,92,324</b> |





**MERLIN PROJECTS LIMITED**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**
**Note 17**

| Cash and Cash Equivalents                                 | 31.03.2017          |  | 31.03.2016          |
|---|---------------------|--|---------------------|
|   | ₹                   |  | ₹                   |
| <b>ii Cash and Cash Equivalents</b>                       |                     |  |                     |
| a) Cash on hand (As Certified by the Management)          | 8,14,869            |  | 13,43,969           |
| b) Cash with Income Tax Department                        | 11,00,000           |  | 11,00,000           |
| c) Balances with Banks                                    |                     |  |                     |
| - in Current Account                                      | 10,04,72,878        |  | 13,34,91,484        |
| d) in Fixed Deposits (including accrued interest thereon) | 3,39,34,520         |  | 5,99,06,518         |
|   | <b>13,63,22,267</b> |  | <b>19,58,46,971</b> |

**Note 18**

| Short-Term Loans and Advances             | 31.03.2017            |  | 31.03.2016            |
|---|-----------------------|--|-----------------------|
|   | ₹                     |  | ₹                     |
| <b>(Unsecured, Considered Good)</b>       |                       |  |                       |
| <b>Loans and Advances</b>                 |                       |  |                       |
| - Advance Against Development of Property | 1,15,24,44,874        |  | 48,69,47,640          |
| - To Related Parties                      | 23,25,78,988          |  | 24,16,83,485          |
| - To Partnership Firm                     | 3,74,21,336           |  | 1,80,18,348           |
| - To Staff                                | 24,54,128             |  | 22,38,313             |
| - To Suppliers                            | 10,51,042             |  | 1,78,055              |
| - To Others                               | 36,77,57,402          |  | 55,57,35,331          |
| Balance with Revenue Authorities          | 33,82,014             |  | 37,83,942             |
| Income Tax (Subject to Adjustment)        | 28,14,91,731          |  | 20,76,92,528          |
| MAT Credit Entitlement                    | 2,71,71,483           |  | 5,81,20,299           |
| Security Deposit                          | 8,91,873              |  | 8,91,873              |
|   | <b>2,10,66,44,871</b> |  | <b>1,57,52,09,814</b> |

**Note 19**

| Revenue From Operations | 31.03.2017            |  | 31.03.2016            |
|-------------------------|-----------------------|--|-----------------------|
|                         | ₹                     |  | ₹                     |
| Sale of Property        | 1,16,63,04,707        |  | 2,00,90,08,827        |
| Rent Received           | 8,57,97,185           |  | 7,29,39,243           |
| Interest Income (Net)   | 5,08,39,345           |  | 77,00,088             |
| Sale of Service         | 6,37,880              |  | 12,17,613             |
|                         | <b>1,30,35,79,117</b> |  | <b>2,09,08,65,771</b> |



**MERLIN PROJECTS LIMITED**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**
**Note 20**

| Other Income                              | 31.03.2017  | 31.03.2016  |
|---|-------------|-------------|
|   | ₹           | ₹           |
| Profit From Partnership Firm (Net)        | 24,17,759   | 1,12,52,333 |
| Dividend Received                         | 1,022       | 3,51,85,950 |
| Liability no Longer Required Written Back | -           | 4,12,900    |
| Profit on sale of Fixed Assets            | 2,04,37,818 | 12,56,570   |
| Consultancy Charges                       | 29,16,207   | -           |
| Short Term Capital Gains (STT Paid)       | -           | 64,054      |
| Miscellaneous Income                      | 3,33,569    | 1,97,054    |
|   | 2,67,06,375 | 4,83,68,810 |

**Note 21**

| Change in Inventories                        | 31.03.2017     | 31.03.2016     |
|--|----------------|----------------|
|  | ₹              | ₹              |
| <u>Work in Progress</u>                      |                |                |
| Opening Work-In-Progress                     | 1,07,78,91,470 | 2,69,73,92,306 |
| <u>Less:</u> Transferred to Partnership Firm | -              | 1,39,82,483    |
|  | 1,07,78,91,470 | 2,68,34,09,823 |
| <u>Less:</u> Closing Work-In-Progress        | 90,85,82,386   | 1,07,78,91,470 |
| Change in Work-in-Progress (A)               | 16,93,09,084   | 1,60,55,18,353 |
| <u>Finished Goods</u>                        |                |                |
| Opening Stock of Finished Goods              | 64,26,66,233   | 35,09,49,623   |
| <u>Less:</u> Closing Stock Of Finished Goods | 50,55,44,585   | 64,26,66,233   |
| Change in Finished Goods (B)                 | 13,71,21,648   | (29,17,16,610) |
| Changes in Inventories (A+B)                 | 30,64,30,732   | 1,31,38,01,743 |

**Note 22**

| Finance Cost                       | 31.03.2017 | 31.03.2016 |
|------------------------------------|------------|------------|
|                                    | ₹          | ₹          |
| Interest & Other Financial Charges | 16,13,827  | 20,31,741  |
|                                    | 16,13,827  | 20,31,741  |

**Note 23**

| Employee Benefits Expense  | 31.03.2017  | 31.03.2016  |
|----------------------------|-------------|-------------|
|                            | ₹           | ₹           |
| Salary, Bonus & Allowances | 2,38,61,312 | 2,24,44,118 |
| Contribution to PF & ESI   | 8,67,760    | 10,01,222   |
| Gratuity                   | 1,36,952    | 9,72,699    |
| Staff Welfare Expenses     | 14,15,313   | 5,30,727    |
|                            | 2,62,81,337 | 2,49,48,766 |



**MERLIN PROJECTS LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

**Note 24**

| Other Expenses                          | 31.03.2017  |  | 31.03.2016  |
|---|-------------|--|-------------|
|   | ₹           |  | ₹           |
| Audit Fees                              |             |  |             |
| - Statutory & Tax Audit                 | 3,00,000    |  | 3,00,000    |
| - Branch Audit                          | 12,000      |  | 12,000      |
| - Internal Audit                        | 10,26,993   |  | 9,74,100    |
| Advertisement & Business Promotion      | 1,82,63,930 |  | 1,02,18,830 |
| Bank Charges                            | 1,86,896    |  | 1,18,764    |
| Bad Debt                                | 27,28,466   |  | -           |
| Corporate Social Responsibility         | 1,55,14,243 |  | 16,13,881   |
| Donation                                | 2,00,000    |  | 3,00,000    |
| Electricity Charges                     | 20,58,602   |  | 19,14,906   |
| Key Man Insurance                       | 25,00,000   |  | 26,12,248   |
| Insurance Charges                       | 16,637      |  | 13,201      |
| Investment Written Off                  | -           |  | 2,23,960    |
| Lease Rent                              | 19,65,300   |  | 10,58,400   |
| Legal & Consultancy Charges             | 34,93,970   |  | 21,47,931   |
| Long Term Capital Loss (STT Paid) [Net] | -           |  | 24,57,266   |
| Membership & Subscription               | 1,22,262    |  | 44,621      |
| Miscellaneous Expenses                  | 3,94,154    |  | 3,43,263    |
| Motor Car Expenses                      | 20,49,901   |  | 15,98,925   |
| Office Maintenance                      | 29,89,599   |  | 27,24,691   |
| Printing, Stationary & Courier          | 13,96,586   |  | 7,46,203    |
| Rates & Taxes                           | 24,61,114   |  | 26,55,245   |
| Repairing Charges                       | 18,890      |  | 1,14,456    |
| Telephone Expenses                      | 9,76,901    |  | 6,27,485    |
| Tender Fees                             | 1,00,000    |  | -           |
| Travelling & Conveyance                 | 14,20,510   |  | 12,94,278   |
|   | 6,01,96,954 |  | 3,41,14,655 |

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

As per our reports of even date and annexed.

For B. JAIN &amp; CO.

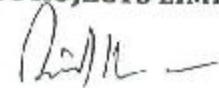
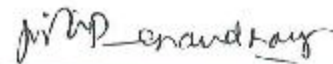
Chartered Accountants

FRN - 307100E


**B. C. Jain**

Partner

Membership No.: 012181

For and on behalf of the Board of  
**MERLIN PROJECTS LIMITED**

**Sushil Kumar Mohta**  
(DIN-00627506)

**Dilip Kumar Choudhary**  
(DIN-00605511)

**Ruby Sanyal**  
Company Secretary

Place: Kolkata

Date : 4th September, 2017