

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

[Corporate Identification Number (CIN): L74140WB1983PLC035792]

31ST

ANNUAL REPORT

AND ACCOUNTS

2013-2014

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BOARD OF DIRECTORS

- 1) Apurva Salarpuria : Director (DIN:00058357)
- 2) Purushottam Lal Agarwal : Director (DIN: 00061481)
- 3) Anand Prakash : Director (DIN: 00061566)

AUDITORS :

- 1) **Statutory Auditors** : M/s LIHALA & CO. , Chartered Accountants
11, Crooked Lane, Ground Floor, Kolkata-700069
- 2) **Internal Auditors** : M/s RAKESH RAM & ASSOCIATES. , Chartered Accountants
23A, Netaji Subhas Road, 10th Floor, Room No. 10, Kolkata-700001

BANKERS:

Vijaya Bank, Kolkata

REGISTRARS & SHARE TRANSFER AGENTS :

M/s. NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, Bagree Market, 71, Biplabi Rash Behari Bose Road, Kolkata – 700 001.

SHARES LISTED WITH :

THE CALCUTTA STOCK EXCHANGE LTD. [Securities Code No.10023135]

REGISTERED OFFICE :

7, Chittaranjan Avenue, Kolkata : 700072
Phone: 4030-6000, Fax : 22252471, e-mail: dkdhandhanian@rediffmail.com
Website: www.salarpuriagroup.biz

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN : L74140WB1983PLC035792

Regd. Office: 7, Chittaranjan Avenue, Kolkata : 700072

Phone: 4030-6000, Fax : 22252471, e.mail: dkdhandhanian@rediffmail.com

Website: www.salarpuriagroup.biz

NOTICE

Notice is hereby given that the 31st Annual General Meeting of MERLIN INDUSTRIAL DEVELOPMENT LIMITED will be held on Tuesday, the 30th September, 2014 at 12.30 P.M. at its registered office at 7, Chittaranjan Avenue, Kolkata- 700072 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Audited Profit and Loss Account for the year ended on that date together with Auditors' Report and Director's Report thereon.
2. To appoint a Director in place of Mr. Anand Prakash, who retires by rotation and being eligible, offers himself for reappointment as the director of the Company.
3. To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Suction 139(2) and 142 (I) of the Companies, Act, 2013M/s LIHALA & CO., Chartered Accountants, Kolkata (Firm Reg. No 315052E) the retiring Auditors, be are hereby appointed as Statutory Auditors of the Company for a period of five (5) years subject to ratification by members at every Annual General Meeting commencing from the conclusion of this Annual General Meeting until the conclusion of 36th Annual General Meeting on such remuneration as may be determined by the Board of Directors on an year to year basis”.

SPECIAL BUSINESS

4. Appointment of Mr. Raj Kumar Jalan (DIN: 00634156) as an Independent Director

To consider and if thought fit to pass with or without modification(s) of the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raj Kumar Jalan (DIN: 00634156), who has submitted a declaration that he meets the criteria for Independent Director as provided in section 149(6) of the Act and who is

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eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a further period of five years with effect from September 30, 2014 up to September 29, 2019."

5. Appointment of Miss Saileena Sarkar (DIN: 06963882) as Woman Independent Director

To consider and if thought fit to pass with or without modification(s) of the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Miss Saileena Sarkar (DIN: 06963882), who has submitted a declaration that she meets the criteria of independent Director under Section 149(6) of the Act, and who is eligible for appointment as a Woman Independent Director, be and is hereby appointed as a Woman Independent Director of the Company to hold the office for a term of five years with effect from September 30, 2014 up to September 29, 2019."

By Order of the Board,

For Merlin Industrial Development Limited

Place: Kolkata
Dated: 04/09/2014

SD/-
(Apurva Salarpuria)
Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**

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A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall act as a proxy for any other person or shareholder.

2. In terms of Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Anand Prakash, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends their re-appointments.

3. Brief resume of Directors proposed to be appointed as per item No.4 and 5 as above pursuant to Clause 49 of the Listing Agreement are annexed hereto.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 26th September, 2014 to 30th September, 2014 (both days inclusive). Share transfer received in order by the Company at its Registered Office at 7, Chittaranjan Avenue, 3rd Floor, Kolkata- 700 072 or its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata - 700 001 by the close of business on the 25th September, 2014.

6. Members are requested to bring their copies of the Reports and Accounts to the Meeting. Members seeking any information or clarification on the Accounts are requested to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.

7. Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

9. Members holding shares in physical form are requested to notify any change in their address and particulars of their bank account immediately to the Company at its Registered office or its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata - 700 001. The following particulars are required :-

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- a) Name of First/Sole Shareholder and their Folio Number.
- b) Name of Bank, complete address of Branch & IFS Code Number.
- c) Account Type, whether savings or current account and account number allotted by Bank.

10. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company as per applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details.

11. At present the Company's equity shares are listed on the Stock Exchanges at Kolkata and listing fees for the current financial year 2014-2015 have been paid to the aforesaid Stock Exchange. Members are informed that the scripts of the Company have been activated both in Central Depositories Services Limited (CDSL) and National Securities & Depository Limited (NSDL) and may be dematerialized under the ISIN – INE181F01019. The custodian fees for the current financial year 2014-2015 have been paid to the aforesaid Depository.

12. All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.30 A.M. to 1.30 P.M. up to the date of the Annual General Meeting.

13. The Securities and Exchange Board of India (SEBI) has mandated to submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company and or its Registrars & Share Transfer Agents.

14. The Ministry of Corporate Affairs (MCA) has come out with a Circular Nos. 17/2011 dated 21/04/2011 & 18/2011 dated 29/04/2011 propagating "Green Initiative" encouraging Corporate to serve documents through electronic mode. In order to above, those shareholders, who want the Annual Report in electronic mode, are requested to send their e-mail address.

15. **Voting through Electronic means :**

- I) In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
- II) Similarly, Members opting to vote physically can do the same by

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remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting.

III) The instruction for shareholders voting electronically are as under :

- (i) The voting period begins on September 24, 2014 (10.00 a.m. 1ST) and ends on September 26, 2014 (6.30 p.m. 1ST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID :
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. Example: (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245 (2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052 |
| DOB | <p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none">Please enter the DOB or Bank Account Number in order to login.If both the details are not recorded with the Depository Participant or Company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on cut-off date (record date) of Friday, August 22, 2014. |

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

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

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with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “ **MERLIN INDUSTRIAL DEVELOPMENT LIMITED**” on which you choose to vote.
- (xii) On the voting page, you will see “Resolution Description” and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Notes for Institutional Shareholders :**
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp & signed of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney

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(POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

16. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at mahabir_20072007@rediffmail.com with a copy marked to helpdesk.evoting@cdslindia.com on or before September 26, 2014, upto 6.30 P.M. without which the vote shall not be treated as valid.

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22-August-2014.

18. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 22-August-2014.

19. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 22-August-2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

20. Mr. Mahabir Prasad Kabra, Practicing Company Secretary (Membership No. FCS 3791), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.salarpuriagroup.biz** and on the website of CDSL viz www.cdslindia.com within two days of the passing of the resolutions at the 31st Annual General Meeting on September 30, 2014 and communicated to The Calcutta Stock Exchange Association Ltd., where the shares of the Company are listed.

22. Since e-voting facility is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

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Explanatory Statement Under Section 102 of The Companies Act 2013

Item No. 4& 5

The Company had, pursuant to provisions of clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. Raj Kumar Jalan and Miss Saileena Sarkar, as Independent Director in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Management Committee has recommended the appointment of these directors as Independent Directors for a further five year of tenure from September 30, 2014 up to September 29, 2019.

Mr. Raj Kumar Jalan and Miss Saileena Sarkar have given a declaration to the Board that they meet the criteria of Independent Director as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfills the conditions specified in the Act and Rules framed there under for appointment as Independent Director.

As per the provisions of Section 149(1) of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and amended Clause 49 of the Listing Agreement, the Company should have at least one Woman director on the Board of Directors of the Company. The said legal requirement is fulfilled by the appointment of Miss Saileena Sarkar as Woman Director of the Company.

In Compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors are now being placed before the Members for their approval.

The Directors therefore recommend passing of the Ordinary Resolution contained in Item No. 4 & 5 of the accompanying Notice.

None of the directors is interested in this resolution.

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Additional Information of Directors seeking appointment/re-appointment at the 31st Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Annexure as referred to in note No. 2 on notice and Item No. 4 & 5 of the notice

| | | | |
|--|---|---|--|
| Name of the Director | Mr. Anand Prakash | Mr. Raj Kumar Jalan | Miss Saileena Sarkar |
| Director Identification Number | DIN: 00061566 | DIN: 00634156 | DIN: 06963882 |
| Date of Birth | 15.08.1971 | 28.06.1956 | 05/05/1983 |
| Date of Appointment | 29.09.1994 | Appointment in ensuing AGM | Appointment in ensuing AGM |
| Educational Qualification | Chartered Accountant | Chartered Accountant | Diploma in Public Relation |
| Expertise in specific functional areas | Business | Service | Service |
| Chairmanship/Membership of Committees in this Company | None | None | None |
| Present Status of directorship in this Company | Non-Promoter, Executive Director | Appointment in ensuing AGM | Appointment in ensuing AGM |
| Directorship in other Public Limited Companies | 1) Easun Capital Markets Ltd. 2) Mandya Finance Company Ltd. | 1) Easun Capital Markets Ltd. 2) Mandya Finance Company Ltd. | None |
| Chairmanship/Membership of Committees in other Public Limited Companies | None | None | None |
| Shareholding as on 31st March, 2014 | None | None | None |
| Seeking appointment/re-appointment | Retire by rotation and seeking re-appointment | Appointment as Non-Rotational Independent Director | Appointment as Non-Rotational Independent Director |
| Rotational Status | Retire by rotation | Non-Rotational Director | Non-Rotational Director |
| Tenure of Appointment | Not Applicable | 5 years from 30.09.2014 to 29.09.2019 | 5 years from 30.09.2014 to 29.09.2019 |

None of the directors is interested in the above appointment.

By Order of the Board,

For Merlin Industrial Development Limited

Place: Kolkata
Dated: 04/09/2014

SD/-
(Apurva Salarpuria)
Director

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DIRECTORS' REPORT

To
The Members,

Your Directors have great pleasure in presenting their 31st Annual Report together with a statement of accounts for the year ended 31st March 2014.

FINANCIAL RESULTS:

The Financial Results of the Company's working during the year is summarized below:

| <u>PROFIT/ (LOSS)</u> | <u>2013-2014</u> | <u>2012-2013</u> |
|--------------------------------|-------------------------|-------------------------|
| | <u>Rs.</u> | <u>Rs.</u> |
| Profit/(Loss) before Tax | (4,20,697.43) | (19,08,459.68) |
| Tax Expense | | |
| - Current Tax | --- | --- |
| - Deferred Tax | 107.00 | (244.00) |
| - Income Tax for earlier years | --- | 1,05,132.00 |
| Profit/ (Loss) for the Year | (4,20,804.43) | (20,13,347.68) |

SURPLUS IN STATEMENT OF PROFIT AND LOSS:

| | | |
|------------------------------|---------------|----------------|
| At the beginning of the year | 92,50,658.53 | 1,12,64,006.21 |
| Profit/(Loss) for the year | (4,20,804.43) | (20,13,347.68) |
| Transfer to RBI Reserve Fund | --- | --- |
| At the end of the year | 88,29,854.10 | 92,50,658.53 |

DIVIDENDS:

In view of the loss, your Directors are unable to consider Dividend for the financial year 31.03.2014.

DEMATERIALISATION OF SHARES:

The Securities & Exchange Board of India (SEBI) has made it mandatory for all the investors to trade in the equity shares of the Company on the Stock Exchanges only in demat form and for the purpose the Company has entered into an agreement with National Securities Depository Limited and Central Depository Services (India) Limited to facilitate the investors to trade in the equity shares in dematerialized form.

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ADEQUACY OF INTERNAL CONTROL:

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against any authorized use or disposition of assets, and that the transactions authorized, recorded and reported correctly.

The Company also ensures adherence to all internal control policies and procedure as well as compliances with all the regulatory guidelines.

PUBLIC DEPOSIT:

During the year, the Company has not accepted any deposit from the Public.

DIRECTORS:

Mr. Anand Prakash, Director of the Company retire by rotation at this Annual General Meeting and being eligible offer himself for reappointment.

In view of Clause 49 of Listing Agreement and as per Section 149 of the Companies Act, 2013, which come into effect from 1st April, 2014, every listed Company is required to have at least one women director and at least one-third of its total number of directors as Independent Director (not retire by rotation).

Mr. Raj Kumar Jalan, be and is hereby appointed as Independent Director of the Company at the ensuing Annual General Meeting (AGM) for a term of 5 years commencing from the date of said AGM.

Miss Saileena Sarkar, be and is hereby appointed as Women Independent Director of the Company at the ensuing AGM for a term of 5 years commencing from the date of said AGM.

AUDITORS:

M/s Lihala & Co., Statutory Auditors of the Company, retires, and being eligible, offers themselves for re-appointment in accordance with the provisions of Section 139 and 142 of the Companies Act, 2013.

AUDITORS' REPORT:

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE:

Copy of Compliance Certificate from M.P.KABRA & CO, Company Secretaries, as required under Section 383A of the Companies Act, 1956 is attached and form a part of this report.

INFORMATION REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

(A) Conservation of Energy

Not applicable to the Company

(B) Technology Absorption

Not applicable to the Company

Expenditure on Research and Development – Nil

(C) Foreign Exchange Earnings and Outgo:

| | | |
|----------|---|-----|
| Earnings | - | Nil |
|----------|---|-----|

| | | |
|-------|---|-----|
| Outgo | - | Nil |
|-------|---|-----|

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN : L74140WB1983PLC035792

Regd. Office: 7, Chittaranjan Avenue, Kolkata : 700072

Phone: 4030-6000, Fax : 22252471, e.mail: dkdhandhanian@rediffmail.com

Website: www.salarpuriagroup.biz

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

There was no employee who was in receipt of remuneration as required to be disclosed under Section 217 (2A) of the Companies Act, 1956.

NBFC AUDITORS' REPORT(RESERVE BANK) DIRECTIONS, 2008:

In view of the Directions issued by Reserve Bank of India, the Auditors have given their report to the above effect which is self-explanatory.

RBI RESERVE FUND:

During the year under review due to loss the Company was not required to transfer any amount to RBI Reserve Fund under Section 45IC of Reserve Bank of India Act, 1934.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956, Your Directors state -

1. That in the preparation of the accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed and there are no material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of the **loss** of the Company for that period;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the financial year ended 31st March, 2014 have been prepared on a going concern basis.

APPRECIATION:

The Directors wish to thank all the bankers, employees and other persons concerned with the Company for their utmost co-operation extended to the Company.

By Order of the Board,
For **Merlin Industrial Development Limited**

Place: Kolkata

Date: 31st May, 2014

Purushottam Lal Agarwal
(DIN: 00061481)
Director

Anand Prakash
(DIN:00061566)
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MERLIN INDUSTRIAL DEVELOPMENT LIMITED (CIN - L74140WB1983PLC035792)

We have audited the accompanying financial statements of **MERLIN INDUSTRIAL DEVELOPMENT LIMITED**, ("The Company") (CIN - L74140WB1983PLC035792) which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("The Act") which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the **LOSS** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the order) issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs;
 - e. On the basis of the written representations received from directors of the Company as at 31st March, 2014 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Place: 11, Crooked Lane,
Kolkata – 700 069

For Lihala & Co.
Chartered Accountants
Firm Registration No. 315052E

Date: 31st day of May, 2014

R. Lihala
Partner
Membership No. 52138

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report of even date)

With reference to the Annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of **MERLIN INDUSTRIAL DEVELOPMENT LIMITED** on the financial statement for the year ended 31st March, 2014, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has physically verified its fixed assets. No material discrepancies were noticed on such verification.
- (c) No fixed assets have been disposed off during the year.
- ii. (a) The inventory has been physically verified by management during the current year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures for the 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.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventories and no discrepancies were noticed on verification.
- iii. (a) The company has not granted any loan secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Act, so question of receiving the principle amount and interest thereon does not arise.
- (b) According to the information and explanations given to us, the company has taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said company maximum amount outstanding at any time during the year is Rs. 2,50,000.00 and year-end balance is Rs. NIL. (Previous year Rs. NIL).
- (c.) In our opinion, the rate of interest and other terms and conditions on which loans have been given to / taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- (d) The company is regular in repaying the principle amounts as stipulated and has been regular in the payment of interest.
- (e) The question of overdue payment of more than Rs 1 lakh does not arise as the loan taken or given are in accordance with mutual consent.
- iv. In our opinion, and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- v. (a) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies, Act, 1956.

Contd. ...

- (b) According to the information and explanations given to us, transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at that relevant time.
- vi. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from Public under section 58A and 58 AA of the Companies Act, 1956.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. In our opinion, and according to the information and explanations given to us, maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable to the company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing undisputed statutory dues including Income Tax and any other statutory dues applicable to it with the appropriate authority.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax and other statutory dues were outstanding as at 31.03.2014 for a period of more than six months from the date they become payable.
- (c) According to the records of the company, there are no dues of income tax and other statutory dues which have not been deposited on account of any dispute, other than the following:

| Name of the Statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|----------------|------------------|------------------------------------|--------------------------------|
| Income Tax Act | Income Tax | 52,110.00 | Assessment Year 2010-11 | Appeal filed before CIT(A)'s I |
| | | 52,110.00 | | |

- x. In our opinion, the company do not have accumulated losses as at 31st March, 2014. The company has incurred cash losses of Rs. 4,13,443.43 during the financial year covered by our audit and Rs. 19,01,048.68 in the immediately preceding financial year.
- xi. The company has not taken loan from financial institution or bank during the year. The company has not issued any debenture during the year.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore the provision of clause 4 (xiii) of the Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.
- xiv. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name.

Contd. ..

- xv. In our opinion, the company has not given any guarantee for loan taken by others from bank and financial institutions.
- xvi. The company has not taken any term loan during the year.
- xvii. According to the information and explanations given to us, the funds raised on short term basis have not been used for long term investment.
- xviii. According to information given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company do not have outstanding debentures during the year. Accordingly, no securities have been created.
- xx. The Company has not raised any money by public issues during the year and hence question of disclosure and verification of end use of such money does not arise.
- xxi. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: 11, Crooked Lane,
Kolkata – 700 069

For Lihala & Co.
Chartered Accountants
Firm Registration No. 315052E

Date: 31st day of May, 2014

R. Lihala
Partner
Membership No. 52138

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN - L74140WB1983PLC035792

7, CHITTARANJAN AVENUE, KOLKATA 700 072

BALANCE SHEET AS AT 31ST MARCH,2014

| Particulars | Note No. | Figures as at 31.03.2014 ₹ | Figures as at 31.03.2013 ₹ |
|------------------------------------|----------|-------------------------------|-------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 10,870,000.00 | 10,870,000.00 |
| (b) Reserves and Surplus | 3 | 24,071,394.10 | 24,492,198.53 |
| (2) Non-Current Liabilities | | | |
| (a) Deferred Tax Liabilities (Net) | 4 | 2,180.00 | 2,073.00 |
| (3) Current Liabilities | | | |
| (a) Other Current Liabilities | 5 | 8,262.53 | 7,978.00 |
| Total | | 34,951,836.63 | 35,372,249.53 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) <i>Fixed Assets</i> | | | |
| (i) Tangible Assets | 6 | 43,493.00 | 44,132.00 |
| (b) Non-Current Investments | 7 | 9,052,000.45 | 8,755,679.44 |
| (c) Long Term Loans and Advances | 8 | 777,168.50 | 764,158.50 |
| (2) Current Assets | | | |
| (a) Inventories | 9 | 19,649,913.30 | 21,132,853.00 |
| (b) Trade Receivable | 10 | 109,780.00 | - |
| (c) Cash and Cash Equivalents | 11 | 219,481.38 | 175,426.59 |
| (d) Other Current Assets | 12 | 5,100,000.00 | 4,500,000.00 |
| Total | | 34,951,836.63 | 35,372,249.53 |

Significant Accounting Policies and Notes on Financial Statement

1 to 35

For LIHALA & CO.
CHARTERED ACCOUNTANTS
(Firm Registration No. 315052E)

FOR & ON BEHALF OF BOARD

(R. LIHALA)
PARTNER
Membership No.52138
Place : 11, Crooked Lane
Kolkata 700 069,
The 31st day of May, 2014.

Purushottam Lal Agarwal
Director

Anand Prakash
Director

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN - L74140WB1983PLC035792

7, CHITTARANJAN AVENUE, KOLKATA 700 072

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH ,2014

| Particulars | Note No. | Figures as at 31.03.2014 ₹ | Figures as at 31.03.2013 ₹ |
|--|----------|-------------------------------|-------------------------------|
| I. Revenue from operations | 13 | 10,093,837.01 | 6,318,972.73 |
| II. Other Income | 14 | 392,780.21 | 833,531.76 |
| III, Total Revenue (I + II) | | 10,486,617.22 | 7,152,504.49 |
| IV. Expenses | | | |
| Purchase of Stock -in - Trade | 15 | 9,121,869.21 | 6,748,286.40 |
| Changes in Inventories of Stock-in-trade. | 16 | 1,482,939.70 | 2,016,917.14 |
| Employee Benefit Expenses | 17 | 159,024.00 | 147,336.00 |
| Finance Cost | 18 | 2,397.00 | 741.00 |
| Depreciation and amortization expense | 19 | 7,254.00 | 7,411.00 |
| Other expenses | 20 | 133,830.74 | 140,272.63 |
| Total Expenses (IV) | | 10,907,314.65 | 9,060,964.17 |
| V. Profit before tax (III - IV) | | (420,697.43) | (1,908,459.68) |
| VI. Tax expense : | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | 107.00 | (244.00) |
| (3) Income Tax for Earlier Years | | - | 105,132.00 |
| | | 107.00 | 104,888.00 |
| VII. Profit / (loss) after tax for the year (V - VI) | | (420,804.43) | (2,013,347.68) |
| VIII. Earning per equity share: | | | |
| (1) Basic | | (0.39) | (1.85) |
| (2) Diluted | | (0.39) | (1.85) |

Significant Accounting Policies and Notes on
Financial Statement

1 to 35

For LIHALA & CO.
CHARTERED ACCOUNTANTS
(Firm Registration No. 315052E)

FOR & ON BEHALF OF BOARD

(R. LIHALA)
PARTNER
Membership No.52138
Place : 11, Crooked Lane
Kolkata 700 069,
The 31st day of May, 2014.

Purushottam Lal Agarwal
Director

Anand Prakash
Director

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN - L74140WB1983PLC035792

7, CHITTARANJAN AVENUE, KOLKATA 700 072

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

| Particulars | 31.03.2014 ₹ | 31.03.2013 ₹ |
|--|---------------------|-----------------------|
| A. Cash Flow from Operating Activities : | | |
| Net Profit/(Loss) before tax and extraordinary items | (420,697.43) | (1,908,459.68) |
| Adjustment for Depreciation | 7,254.00 | 7,411.00 |
| Profit on Sale of Investments (Net) | 13,953.79 | (453,846.76) |
| Operating Profit/(Loss) before working Capital Changes | (399,489.64) | (2,354,895.44) |
| <u>Adjustments for</u> | | |
| Other Current Assets | (600,000.00) | 2,016,917.14 |
| Inventories | 1,482,939.70 | - |
| Other current Liabilities | 284.53 | (1,100,000.00) |
| Trade Receivable | (109,780.00) | 1,004.64 |
| Cash Generated from Operations | 373,954.59 | (1,436,973.66) |
| Direct Taxes Paid | (13,010.00) | 244,685.00 |
| Net Cash used in Operating activities | 360,944.59 | (1,192,288.66) |
| B. Cash Flow from Investing Activities : | | |
| Purchase of Fixed Assets | (6,615.00) | - |
| Purchase of (Transfer to) Investments | (1,000,000.00) | - |
| Sale of Investments | 689,725.20 | 925,877.27 |
| Net Cash from Investing Activities | (316,889.80) | 925,877.27 |
| C. Cash Flow from Financing Activities : | | |
| Unsecured Loan | - | (4,130.00) |
| Net Cash used in Financing Activities | - | (4,130.00) |
| Net increase/(decrease) in cash or Cash Equivalents (A+B+C) | 44,054.79 | (270,541.39) |
| Cash and Cash Equivalents as at (Opening Balance) | 175,426.59 | 445,967.98 |
| Cash and Cash Equivalents as at (Closing Balance) | 219,481.38 | 175,426.59 |
| | 44,054.79 | (270,541.39) |

Note :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Schedule referred to above form an integral part of the Cash Flow Statement.
- Previous Year's Figures have been re-arranged, regrouped wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For LIHALA & CO.

CHARTERED ACCOUNTANTS
(Firm Registration No.315052 E)

FOR AND ON BEHALF OF BOARD

(R. LIHALA)

PARTNER

Membership No.52138

Place : 11, Crooked Lane
Kolkata 700 069.

The 31st day of May, 2014.

Purushottam Lal Agarwal
Director

Anand Prakash
Director

MERLIN INDUSTRIAL DEVELOPMENT LTD
7,CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES :

1. a) Basis of the Preparation of Financial Statements :

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the Historical Cost Convention on Accrual Basis except Dividend Income which is accounted on Cash Basis. GAAP comprises Mandatory Companies (Accounting Standard) Rules, 2006 modified by the Central Government under Section -211 (3C) of the Companies Act,1956, other Pronouncements of Institute of Chartered Accountants of India, provisions of Companies Act, 1956 and Guide Lines issued by the Securities' and Exchange Board of India (SEBI).

b) Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

c) Depreciation :

Depreciation on Fixed Assets has been provided on written down value method adopting the rates specified in Schedule XIV, read with notes thereon as per Companies Act,1956 (as amended) and as per Circular GSR - 756 (E) dated 16.12.1993.

d) Stock-in-Trade :

Stock-in-Trade of Shares and Mutual Fund are valued at cost or Market Price whichever is lower.

e) Investments :

Long Term Investments are valued at cost provisions are not being made for diminution in value of Investments being temporary in nature.

f) Employee Benefits:

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss to the year in which the related services are rendered.

g) Sale of shares etc. are accounted for as and when the transaction takes place.

Contd. ..

MERLIN INDUSTRIAL DEVELOPMENT LTD
7,CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

NOTE : 1. Contd...

h) Taxes on Income:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax liability / Asset resulting from 'timing difference' between books and taxable Profit is accounted for considering the tax rate and laws that have been enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty of its realization.

i) Provisioning on Standard Assets :

In terms of Notification No. DNBS. 223/CGM (US) – 2011 dated 17th January, 2011 issued by the Reserve Bank of India, contingent provision @ 0.25% on Standard Assets are made in the accounts.

j) Cash and Cash Equivalents :

Cash and cash equivalents includes Cash on hand and at Bank, demand deposits with banks, cheques on hand and other short term highly liquid investments with an original maturity of three months or less.

k) Earnings Per Share :

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|-------------|---------------------|---------------------|
| | ₹ | ₹ |

Note : 2 SHARE CAPITAL

Authorised Share Capital

| | | |
|---|-----------------------|-----------------------|
| 1100000 (P.Y.1100000) Equity Shares of Rs.10/- each | 1,10,00,000.00 | 1,10,00,000.00 |
| | <u>1,10,00,000.00</u> | <u>1,10,00,000.00</u> |

Issued subscribed and paid up

| | | |
|---|-----------------------|-----------------------|
| 1087000 (P.Y. 1087000) Equity Shares of Rs.10/- each fully paid up | 1,08,70,000.00 | 1,08,70,000.00 |
| | <u>1,08,70,000.00</u> | <u>1,08,70,000.00</u> |

The company has issued only one class of shares referred at as Equity Shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently, the distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Equity Shares

Particulars

Number of shares at the beginning of the year
Add / Less: During the year
Number of shares at the end of the year

| As at 31.03.2014 No. | As at 31.03.2013 No. |
|----------------------------|----------------------------|
| 1087000 | 1087000 |
| - | - |
| 1087000 | 1087000 |

DETAILS OF EQUITY SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY :

| Sl.No. | Name of Shareholder | As at 31.03.2014 | | As at 31.03.2013 | |
|--------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | % of share holding | No. of Shares held | % of share holding | No. of Shares held |
| | --- | NIL | NIL | NIL | NIL |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|--|--------------------------|--------------------------|
| Note : 3 <u>RESERVES AND SURPLUS</u> | | |
| <u>Securities Premium Reserve (A)</u> | | |
| Opening Balance | 68,00,000.00 | 68,00,000.00 |
| Addition | - | - |
| Deduction | - | - |
| Closing Balance | 68,00,000.00 | 68,00,000.00 |
| <u>RBI Reserve Fund (B)</u> | | |
| Opening Balance | 36,92,100.00 | 36,92,100.00 |
| Add: Addition during the year | - | - |
| Closing Balance | 36,92,100.00 | 36,92,100.00 |
| <u>General Reserve (C)</u> | | |
| Opening Balance | 47,49,440.00 | 47,49,440.00 |
| Add: Addition during the year | - | - |
| Closing Balance | 47,49,440.00 | 47,49,440.00 |
| <u>Surplus Account (D)</u> | | |
| Opening Balance | 92,50,658.53 | 1,12,64,006.21 |
| Add: Net Profit after Tax transferred from Statement of Profit and loss | (4,20,804.43) | (20,13,347.68) |
| | 88,29,854.10 | 92,50,658.53 |
| Less: Trasfer to RBI Reserve Fund | - | - |
| Closing Balance | 88,29,854.10 | 92,50,658.53 |
| TOTAL (A +B+C+D) | 2,40,71,394.10 | 2,44,92,198.53 |
| Note : 4 <u>DEFERRED TAX LIABILITY (NET)</u> | | |
| <u>Deferred Tax Liability</u> | | |
| Opening Balance | 2,073.00 | 2,317.00 |
| Addition | 107.00 | - |
| Deduction | - | 244.00 |
| Closing Balance | 2,180.00 | 2,073.00 |
| Note : 5 <u>OTHER CURRENT LIABILITIES</u> | | |
| <u>Other payables</u> | | |
| Audit Fees Payable | 7,978.00 | 7,978.00 |
| Outstanding Demat Charges | 284.53 | - |
| | 8,262.53 | 7,978.00 |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Note : 6 FIXED ASSETS

| Description | Gross Block | | | Depreciation / Amortisation | | | | Net Block | | |
|------------------------|--------------------|-----------------|----------------------------|-----------------------------|------------------|-----------------|----------------------------|------------------|------------------|------------------|
| | As at | Additions | Deductions/ Adjustments | Total as at | As at | For the | Deductions/ Adjustments | Total Upto | As at | As at |
| | 01.04.2013 | | | 31.03.2014 | 01.04.2013 | Year | | 31.03.2014 | 31.03.2014 | 31.03.2013 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| TANGIBLE ASSETS | | | | | | | | | | |
| Furniture & Fixtures | 6,327.15 | - | - | 6,327.15 | 6,292.15 | 6.00 | - | 6,298.15 | 29.00 | 35.00 |
| Air Conditioner | 1,03,500.00 | - | - | 1,03,500.00 | 59,953.00 | 6,057.00 | - | 66,010.00 | 37,490.00 | 43,547.00 |
| Computer | 25,680.00 | 6,615.00 | - | 32,295.00 | 25,130.00 | 1,191.00 | - | 26,321.00 | 5,974.00 | 550.00 |
| Total | 1,35,507.15 | 6,615.00 | - | 1,42,122.15 | 91,375.15 | 7,254.00 | - | 98,629.15 | 43,493.00 | 44,132.00 |
| Previous Year | 1,35,507.15 | - | - | 1,35,507.15 | 83,964.15 | 7,411.00 | - | 91,375.15 | 44,132.00 | |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**Note : 7 NON-CURRENT INVESTMENTS**

| Sl. No. | Particulars | Subsidiary/ Associate/JV Controlled Entity/ Others | Face Value ₹ | As At 31.03.2014 | | As At 31.03.2013 | |
|---|--|--|--------------|------------------|--------------|------------------|--------------|
| | | | | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| A) <u>Investment in Equity Shares (Quoted)(At Cost)</u> | | | | | | | |
| 1 | Aditya Birla Nuvo Ltd. | Others | 10.00 | 600 | 3,09,788.95 | 1000 | 4,80,740.95 |
| 2 | BHEL | Others | 2.00 | 2000 | 3,83,156.00 | 2000 | 3,83,156.00 |
| 3 | Development Credit Bank Ltd(DCB) | Others | 10.00 | 7,000 | 1,31,950.00 | 7,000 | 1,31,950.00 |
| 4 | Easun Capital Markets Ltd. | Others | 10.00 | 172083 | 8,51,000.00 | 172083 | 8,51,000.00 |
| 5 | Himachal Futur. Comm. Ltd. | Others | 1.00 | 10000 | 2,45,850.00 | 10000 | 2,45,850.00 |
| 6 | Hotel Leela Venture Ltd | Others | 2.00 | 10000 | 1,86,500.00 | 10000 | 1,86,500.00 |
| 7 | IDBI Bank Ltd | Others | 10.00 | 1000 | 68,370.00 | 1000 | 68,370.00 |
| 8 | The Indian Hotels Co Ltd. | Others | 1.00 | 1500 | 98,805.00 | 3000 | 2,03,541.99 |
| 9 | Nagarjuna Fertilizers & Chemicals Ltd. | Others | 1.00 | 9900 | 1,30,500.00 | 9900 | 1,30,500.00 |
| 10 | Nagarjuna Oil Refinery Ltd. | Others | 1.00 | 9000 | - | 9000 | - |
| 11 | Rico Auto Industries Ltd. | Others | 1.00 | - | - | 5000 | 3,67,750.00 |
| 12 | Reliance Power Ltd. | Others | 10.00 | 750 | 82,860.00 | 1250 | 1,38,100.00 |
| 13 | South Indian Bank. Ltd. | Others | 1.00 | 50000 | 1,61,218.00 | 50000 | 1,61,218.00 |
| 14 | Spice Jet Ltd. | Others | 10.00 | 15000 | 16,56,672.50 | 15000 | 16,56,672.50 |
| 15 | Steel Authority of India Ltd. | Others | 10.00 | 5000 | 3,60,850.00 | 5000 | 3,60,850.00 |
| 16 | The Lakshmi Vilas Bank Ltd | Others | 10.00 | 5500 | 2,97,000.00 | 5500 | 2,97,000.00 |
| 17 | Timken (India) Ltd. | Others | 10.00 | 1000 | 1,46,330.00 | 1000 | 1,46,330.00 |
| Total : 'A' | | | | 300333 | 51,10,850.45 | 307733 | 58,09,529.44 |

| | | | | | | | |
|--|---------------------------------|-----------|-------|----------------|---------------------|----------------|---------------------|
| B) <u>Investment in Equity Shares (Unquoted)(At Cost)</u> | | | | | | | |
| 1 | Baid Finex Services Pvt. Ltd. | Others | 10.00 | 210000 | 2,10,000.00 | 210000 | 2,10,000.00 |
| 2 | Baid Trade Fina Pvt. Ltd. | Others | 10.00 | 100000 | 1,00,000.00 | 100000 | 1,00,000.00 |
| 3 | Belfast Holdings Pvt. Ltd. | Others | 10.00 | 110000 | 1,21,000.00 | 110000 | 1,21,000.00 |
| 4 | Canton Properties Pvt. Ltd. | Others | 10.00 | 140000 | 1,54,000.00 | 140000 | 1,54,000.00 |
| 5 | Rakshakali Realtors Pvt. Ltd | Others | 10.00 | - | - | 500 | 5,000.00 |
| 6 | Right Aid Associates Pvt. Ltd. | Others | 10.00 | 189900 | 2,07,400.00 | 189900 | 2,07,400.00 |
| 7 | Salarpuria Developers Pvt. Ltd. | Others | 10.00 | 15750 | 28,000.00 | 15750 | 28,000.00 |
| 8 | Salarpuria Properties Pvt. Ltd. | Others | 10.00 | 260000 | 19,64,000.00 | 260000 | 19,64,000.00 |
| 9 | Shivgauri Jewellers Pvt. Ltd. | Others | 10.00 | 107500 | 1,20,250.00 | 107500 | 1,20,250.00 |
| 10 | Vaishali Papers Pvt. Ltd. | Associate | 10.00 | 20000 | 36,500.00 | 20000 | 36,500.00 |
| Total : 'B' | | | | 1153150 | 29,41,150.00 | 1153650 | 29,46,150.00 |

C) 8% Non Cumulative Convertible Preference Shares

| | | | | | | | |
|---|---------------------------|--------|--------|-------|--------------|---|---|
| 1 | Xellent Hi-Rise Pvt. Ltd. | Others | 100.00 | 10000 | 10,00,000.00 | - | - |
|---|---------------------------|--------|--------|-------|--------------|---|---|

Total : 'C'**10000 10,00,000.00****- -****Total ("A" + "B" + "C")****1463483 90,52,000.45****1461383 87,55,679.44**

Aggregate Value of Quoted Investment

Aggregate Value of Un-Quoted Investment

| As At 31.03.2014 | | As At 31.03.2013 | |
|------------------|-------------------|------------------|-------------------|
| Cost ₹ | Market Value ₹ | Cost ₹ | Market Value ₹ |
| 51,10,850.45 | 47,76,841.70 | 58,09,529.44 | 53,52,774.20 |
| 39,41,150.00 | NA | 29,46,150.00 | NA |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|-------------|---------------------|---------------------|
| | ₹ | ₹ |

Note : 8 LONG TERM LOANS AND ADVANCES**OTHERS**

| | | |
|---|-------------|-------------|
| Advance Income Tax & Tax Deducted at Source (Net of Provision for Income Tax Rs.1157600.00 (P.Y. Rs.1157600.00)) | 7,77,168.50 | 7,64,158.50 |
|---|-------------|-------------|

7,77,168.50**7,64,158.50****Note : 9 INVENTORIES**

| Particulars | Face Value ₹ | As At 31.03.2014 | | As At 31.03.2013 | |
|-------------|--------------------|------------------|-------------|------------------|-------------|
| | | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |

A) Stock of Shares

(Valued at Cost or Market Price whichever is lower)

| | | | | | |
|----|---|-------|--------|--------|--------------|
| 1 | Aurobindo Pharmaceuticals Ltd. | 1.00 | - | 4000 | 4,76,000.00 |
| 2 | Baid Trade Fina Pvt. Ltd. | 10.00 | 105000 | 105000 | 1,05,000.00 |
| 3 | BHEL | 2.00 | 6500 | 6500 | 11,50,500.00 |
| 4 | Bilcare Ltd. | 10.00 | 5000 | 5000 | 4,21,750.00 |
| 5 | Central Bank of India | 10.00 | 3000 | 3000 | 2,00,100.00 |
| 6 | Cimmco. Ltd. | 10.00 | 2561 | 2561 | 58,903.00 |
| 7 | Dena Bank | 10.00 | 2000 | 2000 | 1,79,000.00 |
| 8 | Development Credit Bank Ltd. | 10.00 | 18000 | 18000 | 7,74,000.00 |
| 9 | Dhanlakshmi Bank | 10.00 | 3500 | 3500 | 1,60,125.00 |
| 10 | Easun Reyrolle Ltd. | 2.00 | - | 2500 | 1,48,750.00 |
| 11 | Elecon Engineering Co. Ltd. | 2.00 | - | 3000 | 92,250.00 |
| 12 | Everest Kanto Cylinder Ltd. | 2.00 | 7500 | 8000 | 1,62,400.00 |
| 13 | Hexa Tradex Ltd | 2.00 | 400 | 800 | 21,560.00 |
| 14 | Hindustan Construction Co. Ltd. | 1.00 | 50000 | 50000 | 6,82,500.00 |
| 15 | Hindustan Dorr Oliver Ltd. | 2.00 | 3000 | 3000 | 41,850.00 |
| 16 | I D B I Bank Ltd. | 10.00 | 6000 | 6000 | 4,81,500.00 |
| 17 | IDFC Limited | 10.00 | 4000 | 4000 | 5,40,000.00 |
| 18 | Indian Overseas Bank | 10.00 | 3000 | 3000 | 1,95,150.00 |
| 19 | Jindal Saw Ltd. | 2.00 | 4000 | 4000 | 3,28,400.00 |
| 20 | Maharashtra Seamless Ltd. | 5.00 | 1000 | 1000 | 2,21,950.00 |
| 21 | N H P C Ltd. | 10.00 | 5000 | 5000 | 98,500.00 |
| 22 | Pipavav Defence and Offshore Engineering Co. Ltd. | 10.00 | 6000 | 6000 | 4,40,700.00 |
| 23 | Power Grid Corpn.of India Ltd | 10.00 | 4500 | 4500 | 4,30,380.00 |
| 24 | Punj Lloyd Ltd. | 2.00 | 5000 | 5000 | 2,76,000.00 |
| 25 | Reliance Industries Ltd. | 10.00 | 2800 | 2800 | 21,01,680.00 |
| 26 | South Indian Bank Ltd. | 1.00 | 20000 | 20000 | 4,57,000.00 |
| 27 | Spicejet Ltd. | 10.00 | 113000 | 113000 | 26,61,150.00 |
| 28 | Tata Global Beverage Ltd. | 1.00 | - | 2500 | 2,58,600.00 |
| 29 | Tata Steel Company Ltd. | 10.00 | 1500 | 500 | 1,56,425.00 |
| 30 | Timken India Ltd. | 10.00 | 5400 | 7000 | 9,35,900.00 |

Contd....

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Note : 9 INVENTORIES contd...

| Particulars | Face Value ₹ | As At 31.03.2014 | | As At 31.03.2013 | |
|----------------------------|-----------------|------------------|-----------------------|------------------|-----------------------|
| | | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| 31 UFLEX Limited | 10.00 | 1500 | 1,07,025.00 | 1500 | 1,08,975.00 |
| 32 Union Bank of India | 10.00 | 1500 | 2,06,100.00 | 1500 | 2,11,125.00 |
| 33 United Phosphorous Ltd. | 2.00 | 7500 | 8,80,500.00 | 13000 | 15,26,200.00 |
| 34 Uttam Sugar Mills Ltd. | 10.00 | 4500 | 61,650.00 | 5000 | 82,750.00 |
| 35 Vijaya Bank | 10.00 | 5000 | 1,16,750.00 | 5000 | 1,16,750.00 |
| TOTAL (A) | | 407661 | 1,24,72,457.55 | 427161 | 1,63,03,823.00 |

B) MUTUAL FUNDS
Valuation of Mutual Fund as on 31.03.2014

| | | | | | |
|--------------------|---|-------------------|-----------------------|-------------------|-----------------------|
| 1 | UTI Treasury Advantage Fund- Growth Plan Folio No : 505248787873 | - | - | 850.451 | 23,79,030.00 |
| 2 | UTI Treasury Advantage Fund- Institutional Plan Growth Option Folio No : 505248787873 | - | - | 1594.710 | 24,50,000.00 |
| 3 | UTI Treasury Advantage Fund- Institutional Plan Direct Plan Growth Option Folio No : 505248787873 | 4286.479 | 71,77,455.75 | - | - |
| TOTAL (B) | | 4286.479 | 71,77,455.75 | 2445.161 | 48,29,030.00 |
| TOTAL (A+B) | | 411947.479 | 1,96,49,913.30 | 429606.161 | 2,11,32,853.00 |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|--------------------------|--------------------------|
| Note : 10 <u>TRADE RECEIVABLE</u> | | |
| <u>Sundry Debtors</u> | | |
| Others (Unsecured, considered good) | 1,09,780.00 | - |
| | 1,09,780.00 | - |
| Note :11 <u>CASH AND CASH EQUIVALENTS</u> | | |
| <u>Cash and Bank Balances</u> | | |
| Bank Balance with Current Account | 2,17,124.32 | 1,63,171.53 |
| Cash-on-Hand (as Certified by the Management) | 2,357.06 | 12,255.06 |
| | 2,19,481.38 | 1,75,426.59 |
| Note :12 <u>OTHER CURRENT ASSETS</u> | | |
| <u>Others</u> | | |
| Shares Application Money (Refer Note No. 34) | 11,00,000.00 | 5,00,000.00 |
| Advance against Property (Refer Note No. 34) | 40,00,000.00 | 40,00,000.00 |
| | 51,00,000.00 | 45,00,000.00 |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|------------------------------|------------------------------|
| Note: 13 <u>REVENUE FROM OPERATION</u> | | |
| Sale of Shares & Redemption of Mutual Fund | 1,00,93,837.01 | 63,18,972.73 |
| Share Trading Profit | - | - |
| | <u>1,00,93,837.01</u> | <u>63,18,972.73</u> |
| Note: 14 <u>OTHER INCOME</u> | | |
| Dividend Received | 4,06,734.00 | 3,79,685.00 |
| Sundry Balance Adjustment | - | - |
| Profit on Sale of Investment (Long Term) | (13,953.79) | 4,53,846.76 |
| | <u>3,92,780.21</u> | <u>8,33,531.76</u> |
| Note: 15 <u>PURCHASE OF STOCK IN TRADE</u> | | |
| Purchase of Shares & Mutual Fund | 91,21,869.21 | 67,48,286.40 |
| | <u>91,21,869.21</u> | <u>67,48,286.40</u> |
| Note: 16 <u>CHANGES IN INVENTORIES OF STOCK IN TRADE</u> | | |
| Opening Stock | | |
| Stock of Shares, Debenture | 1,63,03,823.00 | 2,19,49,770.14 |
| Mutual Fund | 48,29,030.00 | 12,00,000.00 |
| TOTAL(A) | <u>2,11,32,853.00</u> | <u>2,31,49,770.14</u> |
| Closing Stock | | |
| Stock of Shares, Debenture | 1,24,72,457.55 | 1,63,03,823.00 |
| Mutual Fund | 71,77,455.75 | 48,29,030.00 |
| TOTAL(B) | <u>1,96,49,913.30</u> | <u>2,11,32,853.00</u> |
| (INCREASE) / DECREASE IN STOCK (A - B) | <u>14,82,939.70</u> | <u>20,16,917.14</u> |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|--|--------------------------|--------------------------|
| Note: 17 EMPLOYEE BENEFIT EXPENSES | | |
| Salary and Bonus | 1,51,620.00 | 1,26,176.00 |
| Stipend | - | 21,160.00 |
| Staff Welfare | 7,404.00 | - |
| | 1,59,024.00 | 1,47,336.00 |
| Note: 18 FINANCE COST | | |
| Interest Paid | 2,397.00 | 741.00 |
| | 2,397.00 | 741.00 |
| Note: 19 DEPRECIATION AND AMORTIZATION EXPENSES | | |
| Depreciation on Tangible Assets | 7,254.00 | 7,411.00 |
| | 7,254.00 | 7,411.00 |
| Note: 20 OTHER EXPENSES | | |
| Advertisement | 13,447.00 | 12,257.00 |
| Annual Depository Fee | 13,482.00 | 13,482.00 |
| Bank Charges | 642.00 | 807.00 |
| Computer Maintenance Charges | 2,460.00 | 1,107.00 |
| Demat Charges | 3,789.98 | 4,696.61 |
| Document & Stamp | - | 280.00 |
| Filing Fees | 2,520.00 | 4,000.00 |
| Income Tax Filing Fee | 250.00 | - |
| Listing & Stock Exchange Fee | 11,797.80 | 11,797.00 |
| Miscellaneous Expenses | 4,110.00 | 2,556.00 |
| <u>Payment to Auditors:</u> | | |
| - As Auditor | 7,978.00 | 7,978.00 |
| - For Other Services | 1,124.00 | 843.00 |
| Postage & Telegram | 60.00 | 2,579.00 |
| Printing & Stationery | 2,244.00 | 5,171.00 |
| Professional Charges | 26,110.00 | 33,236.00 |
| Rates & Taxes | 4,450.00 | 4,450.00 |
| Repairing / Maintenance | 11,409.00 | 7,209.00 |
| Security Transaction Tax | 5,993.00 | 6,218.10 |
| Service Tax Expenses | 2,108.00 | 1,768.26 |
| Share Transfer Maintenance Fee | 10,037.00 | 5,392.00 |
| Telephone Expenses | 9,558.96 | 14,059.66 |
| Travelling & Conveyance | 260.00 | 386.00 |
| | 1,33,830.74 | 1,40,272.63 |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.

21. As Prescribed by Accounting Standard-17 issued by The Institute of Chartered Accountants of India segment reporting is not applicable to the company, since the company has got one segment only.
22. As prescribed by AS-22 by The Institute of Chartered Accountants of India, the deferred tax liability is on account of timing difference and total outstanding as on 31.03.2014 is Rs. 2180.00.
23. Income and Expenditure in Foreign currency NIL (NIL).
24. There is no amount outstanding payable to Investor's Education and Protection Fund as on 31st March 2014.
25. Based on the information available with the company, there is no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2014.
26. The company has no contingent liabilities as on the Balance Sheet Date.
27. In terms of Notification issued by the Reserve Bank of India Provision for Contingency on Standard Assets have not been provided as there is no outstanding balance of Standard Assets as on 31.03.2014.
28. As per management, provisions of the Gratuity Act are not applicable to the company at present.
29. Other additional information pursuant to the provision of Paragraph 3 & 4 of part 11 of Schedule VI of the Companies Act, 1956 are not applicable.
30. As per Accounting Standard (AS) 15 (Revised) "Employees Benefits" issued by The Institute of Chartered Accountants of India Short-term Employee Benefits are recognised as an expense at the undisclosed amount in the Statement of Profit & Loss to the year in which the related services are rendered.
31. Demand of Income Tax for Rs. 52,110.00 for the Assessment year 2010-2011 against which company has filed an appeal before CIT(A)'s I.

Contd. ...

MERLIN INDUSTRIAL DEVELOPMENT LIMITED
7, CHITTARANJAN AVENUE, KOLKATA 700 072

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.

32. Quantitative Details :

| Particulars | Shares | | Mutual Fund | | Total | |
|-------------------------------|----------------------|------------------------------------|--------------------------|---------------------------------|------------------------------|-------------------------------------|
| | Quantity (Nos.) | Amount Rs. P. | Quantity Units | Amount Rs. P. | Quantity | Amount Rs. P. |
| Opening Stock | 427161 (4,44,600) | 1,63,03,823.00 (2,19,49,770.14) | 2445.161 (447.139) | 48,29,030.00 (12,00,000.00) | 429606.161 (4,45,047.139) | 2,11,32,853.00 (2,31,49,770.14) |
| Purchase / Conversion / Bonus | 4600 (22,004) | 15,57,963.00 (13,73,286.40) | 4519.448 (2,645.998) | 7563906.21 (53,75,000.00) | 9119.448 (24,649.998) | 91,21,869.21 (67,48,286.40) |
| Sales/Conversion/Redemption | 24100 (39,443) | 44,29,930.83 (44,68,972.73) | 2678.130 (647.976) | 5663906.21 (18,50,000.00) | 26778.130 (40,090.976) | 1,00,93,837.04 (63,18,972.73) |
| Closing Stock | 407661 (4,27,161) | 1,24,72,457.55 (1,63,03,823.00) | 4286.479 (2,445.161) | 7177455.75 (48,29,030.00) | 411947.479 (4,29,606.161) | 1,96,49,913.30 (2,11,32,853.00) |

As market value of some equity shares are not available on 31.03.2014 due to delisting or not traded hence, value of such stock has been taken as per last year in valuation of Closing Stock as on 31.03.2014.

33. The company has entered into an agreement with Golden Heart Realtors Pvt. Ltd. for purchase of land in West Bengal and made an advance of Rs. 40,00,000.00 during the year ended 31st March, 2014 as initial payment. The total capital commitments for the project is Rs. 56,96,400.00 and the balance amount of Rs. 16,96,400.00 will be paid on completion of all legal formalities and possession.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.

34. Related Party disclosure, as prescribed by Accounting Standard-18 issued by The Institute of Chartered Accountants of India is as below :

| Srl. No. | Where common control exists | Relationship | Opening Balance as on 01.04.2013 ₹ | Applied / Given during the year ₹ | Refund / Repayment during the year ₹ | Balance Amount as on 31.03.2014 ₹ |
|----------|--|---------------|---------------------------------------|--------------------------------------|---|--------------------------------------|
| a) | Share Application Money (Applied) | | | | | |
| 1 | Christmas Realtors Pvt. Ltd. | Group Company | - | 50,000.00 | - | 50,000.00 |
| 2 | Compact Griha Nirman Pvt. Ltd. | Group Company | 500,000.00 | - | 500,000.00 | - |
| 3 | Krishnakripa Dwelling Complex Pvt. Ltd. | Group Company | - | 525,000.00 | - | 525,000.00 |
| 4 | Open Air Properties Pvt. Ltd. | Group Company | - | 100,000.00 | - | 100,000.00 |
| 5 | Salarpuria Builders Pvt. Ltd. | Group Company | - | 400,000.00 | - | 400,000.00 |
| 6 | Saraswati Abasan Pvt. Ltd. | Group Company | - | 50,000.00 | 50,000.00 | - |
| 7 | Tunganath Realtors Pvt. Ltd. | Group Company | - | 25,000.00 | - | 25,000.00 |
| 8 | Xellent Hirise Pvt. Ltd. | Group Company | - | 1,000,000.00 | 1,000,000.00 | - |
| | TOTAL : | | 500,000.00 | 2,150,000.00 | 1,550,000.00 | 1,100,000.00 |

| Srl. No. | Where common control exists | Relationship | Opening Outstanding as on 01.04.2013 ₹ | Addition during the year ₹ | Payment made during the year ₹ | Balance Outstanding as on 31.03.2014 ₹ |
|----------|---------------------------------|---------------|---|-------------------------------|-----------------------------------|---|
| b) | Loan Taken | | | | | |
| 1 | Salarpuria Investment Pvt. Ltd. | Group Company | - | 762,397.00 | 762,397.00 | - |
| | TOTAL : | | - | 762,397.00 | 762,397.00 | - |

| Srl. No. | Where common control exists | Relationship | Amount as on 31.03.2014 ₹ | Amount as on 31.03.2013 ₹ |
|----------|---------------------------------|---------------|------------------------------|------------------------------|
| c) | Advance Against Property | | | |
| 1 | Golden Heart Realtors Pvt. Ltd. | Group Company | 4,000,000.00 | 4,000,000.00 |
| | TOTAL : | | 4,000,000.00 | 4,000,000.00 |
| d) | Investment in Shares | | | |
| 1 | Vaishali Papers Pvt. Ltd. | Associates | 36,500.00 | 36,500.00 |
| | TOTAL : | | 36,500.00 | 36,500.00 |

There have been no amount written off during the year.

35. Earning Per Shares

| | 2013 - 2014 | 2012 - 2013 |
|--|------------------|--------------------|
| Net Profit & / (Loss) available to Equity Shareholder | Rs. (420,804.43) | Rs. (2,013,347.68) |
| Average number of Equity Share of Rs.10/- each outstanding during the year | 1087000 | 1087000 |
| Earning per Share (Basic & Diluted) | (0.39) | (1.85) |

Signature to the above Schedules.

For LIHALA & CO
CHARTERED ACCOUNTANTS
(Firm Registration No.315052 E)

FOR AND ON BEHALF OF BOARD

(R. LIHALA)

PARTNER

Membership No.52138

Place : 11 Crooked Lane

Kolkata 700069,

The 31st day of May, 2014.

Purushottam Lal Agarwal
Director

Anand Prakash
Director

Auditor's Report to the Board of Directors of MERLIN INDUSTRIAL DEVELOPMENT LIMITED as on 31.03.2014

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2008" issued by Reserve Bank of India and on the basis of such checks, we hereby state that :-

- 1) The Company is engaged in the business of Non-Banking Financial Institution.
- 2) The Company has obtained the Certificate of Registration (COR) No. 05.00814 dated 11.03.1998 as granted by Reserve Bank of India.
- 3) Based on the terms of the assets and income patterns of the company as on 31st March, 2014 the company is entitled to continue to hold such certificate of registration.
- 4) The Board of Directors has passed a resolution in their meeting dated 10th April'2013, for non-acceptance of any public deposits.
- 5) The Company has not accepted any public deposits during the relevant year 2013-2014 and,
- 6) As per the Information and Explanation given to us the Company has complied with the prudential norms relating to income recognition, Accounting Standards, Assets classification and provisioning for Bad & Doubtful debts etc. as applicable to it.

FOR LIHALA & CO.
CHARTERED ACCOUNTANTS
(Firm Registration No: 315052E)

(R. LIHALA)
PARTNER
Membership No.52138
11, Crooked Lane, Kolkata 700 069
The 31st day of May, 2014.

Schedule to the Balance Sheet of Merlin Industrial Development Ltd. as required in terms Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. In Lakhs)

| Particulars | | | |
|---------------------------|--|----------------------------|-----------------------|
| Liabilities Side : | | As at 31.3.2014 | |
| (1) | | <i>Amount Out-standing</i> | <i>Amount Overdue</i> |
| (1) | Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid : | | |
| | (a) Debentures : Secured | NIL | NIL |
| | : Unsecured. | NIL | NIL |
| | (Other than falling within the meaning of Public deposits) | | |
| | (b) Deferred Credits | NIL | NIL |
| | (c) Term Loans | NIL | NIL |
| | (d) Inter-corporate loans and borrowing | NIL | NIL |
| | (e) Commercial Paper | NIL | NIL |
| | (f) Public Deposits | NIL | NIL |
| | (g) Other Loans (From Shareholders and Directors) | NIL | NIL |
| (2) | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : | | |
| | (a) In the form of Unsecured debentures | NIL | NIL |
| | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | NIL | NIL |
| | (c) Other public deposits | NIL | NIL |
| Assets side : | | | |
| | | <i>Amount Outstanding</i> | |
| (3) | Break-Up of Loans and Advances including bills receivables (Other than those included in (4) below : | | |
| | (a) Secured | NIL | |
| | (b) Unsecured | 51.00 | |
| (4) | Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities | | |
| | (i) Lease assets including lease rentals under Sundry Debtors : | | |
| | (a) Financial Lease | NIL | |
| | (b) Operating Lease | NIL | |
| | (ii) Stock on hire including hire charges under sundry debtors : | | |
| | (a) Assets on hire | NIL | |
| | (b) Repossessed Assets | NIL | |
| | (iii) Hypothecation Loans counting towards EL/HP activities : | | |
| | (a) Loan where assets have been repossessed | NIL | |
| | (b) Loan other than (a) above. | NIL | |

(5) Break-up of Investments :

*Current Investments*1 Quoted :

- (i) Shares : (a) Equity
(b) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (Please specify)

NIL
NIL
NIL
NIL
NIL
NIL

2 Unquoted :

- (i) Shares : (a) Equity
(b) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (Please specify)

NIL
NIL
NIL
NIL
NIL
NIL

*Long Term Investments :*1 Quoted :

- (i) Shares : (a) Equity
(b) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (Please specify)

51.11
NIL
NIL
NIL
NIL
NIL

2 Unquoted :

- (i) Shares : (a) 'A' Class Equity
(b) Equity
(c) Preference
(ii) Debentures and Bonds
(iii) Units of mutual funds
(iv) Government Securities
(v) Others (House Property)

NIL
29.41
10.00
NIL
NIL
NIL
NIL

(6) Borrower group-wise classification of all Leased Assets, Stock on hire and Loans and Advance :

| Category | Amount net of Provisions | | |
|---------------------------------|--------------------------|-----------|-------|
| | Secured | Unsecured | Total |
| 1 Related Parties** | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | 51.00 | 51.00 |
| (c) Other related parties | NIL | NIL | NIL |
| 2 Other than related parties | NIL | NIL | NIL |
| Total | NIL | 51.00 | 51.00 |

| | | | |
|---|--|---|---------------------------------------|
| (7) | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | |
| | <i>Category</i> | <i>Market Value/ Break up or /fair value or NAV</i> | <i>Book Value (Net of Provisions)</i> |
| | 1 Related Parties** | | |
| | (a) Subsidiaries | NIL | NIL |
| | (b) Companies in the same group | 3141.42 | 28.15 |
| | (c) Other related parties | 186.15 | 19.77 |
| | 2 Other than related parties | 43.64 | 42.60 |
| | Total | 3371.21 | 90.52 |
| ** As per Accounting Standard of ICAI (Please See Note 3) | | | |
| (8) | Other Information | | |
| | Particulars | | <i>Amount.</i> |
| | i) Gross Non-Performing Assets | | NIL |
| | (a) Related Parties | | NIL |
| | (b) Other than related Parties | | NIL |
| | ii) Net Non-Performing Assets | | NIL |
| | (a) Related Parties | | NIL |
| | (b) Other than related Parties | | NIL |
| | iii) Assets Acquired in satisfaction of debts | | NIL |

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

For LIHALA & CO.
CHARTERED ACCOUNTANTS
(Firm Registration No: 315052E)

FOR AND ON BEHALF OF BOARD

(R. LIHALA)
PARTNER
Membership No.52138
Place : 11, Crooked Lane,
Kolkata - 700 069.

Purushottam Lal Agarwal
Director

Anand Prakash
Director

Date : The 31st day of May,2014.

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN : L74140WB1983PLC035792

Regd. Office: 7, Chittaranjan Avenue, Kolkata : 700072

Phone: 4030-6000, Fax : 22252471, e.mail: dkdhandhanian@rediffmail.com

Website: www.salarpuriagroup.biz

ATTENDANCE SLIP

| | |
|---|--|
| Name of the attending Member (in Block Letters) | |
| Member's Folio Number / Client ID & DP ID | |
| No of shares held | |
| Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member) | |

I hereby record my presence at the 31st Annual General Meeting of the Company held at 7, Chittaranjan Avenue, Kolkata 700 072 on Tuesday, 30th September, 2014 at 12.30 P.M. and any adjournment thereof.

*"Member's / Proxy's Signature

* To be signed at the time of handing over the slip

ELECTRONIC VOTING PARTICULARS

| EVSN (E-voting Sequence Number) | User Id | Password |
|---------------------------------|--|----------|
| 140902084 | Please refer Note No. 15-III in the Notice | |

| |
|--|
| Shareholders are requested to bring their copy of Annual Report as no extra copy will be circulated at the venue |
| No gifts or refreshments will be provided at the meeting. |

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN : L74140WB1983PLC035792

Regd. Office: 7, Chittaranjan Avenue, Kolkata : 700072

Phone: 4030-6000, Fax : 22252471, e.mail: dkdhandhanian@rediffmail.com

Website: www.salarpuriagroup.biz

PROXY FORM

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

Name of the Member (s):
Registered Address :
E-mail Id :
Folio No./Client ID No. : DP Id No.

I/We _____ of _____ being member(s) of the above named Company hereby appoint _____ of _____ or failing him _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 31st Annual General Meeting of MERLIN INDUSTRIAL DEVELOPMENT LIMITED to be held on Tuesday, the 30th September, 2014 at 12.30 P.M. at 7, Chitaranjan Avenue, Kolkata 700 072 and at any adjournment thereof in respect of such resolutions as are indicated below:-

| Resolutions | For | Against |
|---|-----|---------|
| 1. To consider and adopt Balance Sheet and Statement of Profit & Loss, Cash Flow Statement together with Directors and Auditors report for the year ended March 31, 2014. | | |
| 2. For seeking approval for re-appointment of Director Mr. Anand Prakash (DIN : 00061566) , who retire by rotation and, being eligible offer himself for re-appointment. | | |
| 3. For seeking approval for re-appointment of Auditor M/s. LIHALA & Co., Chartered Accountants, {Firm Registration No.315052E) in the Company. | | |
| 4. For seeking approval for appointment of Mr. Raj Kumar Jalan (DIN : 00634156) as Independent Director u/s.149,150,152 of the Companies Act, 2013 | | |
| 5. For seeking approval for appointment of Miss Saileena Sarkar (DIN : 06963882) as Woman Independent Director u/s. 149,150,152 of the Companies Act, 2013. | | |

As witness my/our hand(s) this _____ day of _____ 2014

Affix
Revenue
Stamp
Here

Signature of the Shareholder _____ No. of shares held _____
Regd. Folio No. _____
DPID Number.....Client ID Number.....

Notes:

(i) Proxy forms in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.

(ii) A person who is not a member of the Company may be appointed a proxy.

MERLIN INDUSTRIAL DEVELOPMENT LIMITED

CIN : L74140WB1983PLC035792

Regd. Office: 7, Chittaranjan Avenue, Kolkata : 700072

Phone: 4030-6000, Fax : 22252471, e.mail: dkdhandhanja@rediffmail.com

Website: www.salarpuriagroup.biz

POSTAL BALLOT FORM

(For voting for the resolutions to be passed at the 31st Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 at 12.30 P.M.. at 7, Chittaranjan Avenue, Kolkata-700072)

Name of Member/Proxy attending meeting: _____

Name of Shareholders : _____

Folio No./Client ID No. _____

DP ID No. _____

No. of Equity Shares Held _____

I/We hereby exercise my/our vote in respect of the Resolution to be passed through ballot for the business stated in the Notice of the Company dated 4th September, 2014 by conveying my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below :

| Resolution Sr. No. | Description | I/we assent to the resolution (FOR) | I/We dissent to the resolution (AGAINST) |
|-----------------------|--|---|--|
| | ORDINARY BUSINESS | | |
| 1 | Ordinary Resolution to consider and adopt Balance Sheet and Statement of Profit & Loss, Cash Flow Statement together with Directors and Auditors report for the year ended March 31, 2014. | | |
| 2 | Ordinary Resolution seeking approval for re-appointment of Director Mr. Anand Prakash (DIN : 00061566) , who retire by rotation and, being eligible offer himself for re-appointment. | | |
| 3 | Ordinary Resolution seeking approval for re-appointment of Auditor M/s. LIHALA & Co., Chartered Accountants, {Firm Registration No.315052E) in the Company. | | |
| | SPECIAL BUSINESS | | |
| 4 | Ordinary Resolution seeking approval for appointment of Mr. Raj Kumar Jalan (DIN : 00634156) as Independent Director u/s.149,150,152 of the Companies Act, 2013. | | |
| 5 | Ordinary Resolution seeking approval for appointment of Miss Saileena Sarkar (DIN : 06963882) as Woman Independent Director u/s. 149,150,152 of the Companies Act, 2013. | | |

Signature of
Member/Proxy Voting

Note : This Ballot Form shall be used by the Shareholders/Proxy holders who does not have access to the e-voting system.