

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of,  
Morbido Merchandise Private Limited

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying Financial statements of **Morbido Merchandise Private Limited** ("The Company"), which comprise the Balance Sheet as at **31st March, 2022** and the Statement of Profit & Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended 31st March, 2022 give the information required by the Companies Act 2013 ("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 2022, and total comprehensive income (comprising of profit and other comprehensive income) its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the Audit of Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

## Emphasis of Matter

We draw our attention to Note 39 of the financial statements, as regards to the management evaluation of COVID - 19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Physical Inventory Verification	Principal Audit Procedures
<p>The auditor's responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year.</p> <p>Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed.</p> <p>As per relevant Guidance Note, Auditors are advised to witness implementation of physical verification programme; however, due to the unfavourable circumstances our presence was not possible.</p>	<p>Our audit procedures included but are not limited to detailed written confirmations of inventories held by the stores in-charge of different locations.</p> <p>We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified their Goods Receipt Notes and subsequent payments made by the company.</p> <p>We have employed analytical procedures such as reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.</p>

We have determined that there are no other key audit matters to communicate in our report.

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### Other Information

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Responsibilities of management and those charged with the governance for the financial statement

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of Financials Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirement

- (i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") 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" statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) A) As required by section 143(3) of the Act, we further report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.





- (iii) With respect to 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:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
  - d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d)(i) and (d)(ii) contain any material mis-statement.



- (iv) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E



A handwritten signature in blue ink, appearing to read "Binod Kumar Sahoo".

CA Binod Kumar Sahoo  
(Partner)

Membership No: 305406

Place: Hyderabad

Date: The 26<sup>th</sup> day of May, 2022

UDIN: 22305406ALRXLT2249

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**Annexure A to the Independent Auditor's report on the financial statements of Morbido Merchandise Private Limited for the year ended 31<sup>st</sup> March 2022**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a)

(A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;

(B) The company does not own any intangible asset and hence the reporting requirement of this sub-clause does not apply to the company.

(b) As per the information and explanation given to us, the Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, based on the records examined by us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

(d) According to the information and explanations given to us, based on the records examined by us, the company has not revalued any of its Property, Plant and Equipment (including Right to Use asset). As the company does not own any intangible asset, the reporting requirement of this sub-clause does not apply to intangible asset.





(e) According to the information and explanations given to us, based on the records examined by us, no proceedings have been initiated or are pending against the company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder as the company does not hold any benami property.

(ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The company has maintained proper records of inventory as explained to us. There was no material discrepancies noticed on physical verification of inventory as compared to the book records.

(c) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the information and explanation given to us and as represented by the person those charge with governance, we have observed that figures reported under quarterly returns or statements filed by the company with such banks or financial institutions are not in agreement with the various heads of ledger as per books of accounts of the company as reported in Note No. 38 to the financial statements.

(iii) (a) 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 made investments, and has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties for the year ended 31st March, 2022,

(A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has made investment as below:-

Particulars	Amount (₹ in lakhs)
Aggregate amount of investment made during the year	Rs. 56.28
Amount of investments made as at balance sheet date	Rs. 19.74





- (b) The company has not made any investment, provided guarantees or given security during the year and therefore the reporting requirements of clause 3(iii)(b) of the order is not applicable to the company.
- (c) The company has not sanctioned any loans and advances in the nature of loans, and has not stipulated the schedule of repayment of principal and payment of interest. Accordingly clause 3(iii)(c) of the order is not applicable.
- (d) As the company has not sanctioned any loans and advances, thus no amounts are overdue for more than ninety days
- (e) As the company has not sanctioned any loans and advances, thus there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) 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 given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 with respect to the loans and investments made and provisions of section 185 with respect to loans to directors.
- (v) In our opinion and according to the information and explanations given to us, based on the examination of records, the company has not accepted deposits from public and there are no amounts which are deemed to be deposits and hence the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.
- (vi) According to information and explanation given by the management, the maintenance of cost records have not been prescribed by the Central Government under section 148(1) of the Act, for any of the activities carried on by the company and hence para 3(vi) of the Order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Income-tax, Tax deducted at sources, Service Tax, and other material statutory dues applicable to it, with the appropriate authorities and based on information and explanation given to us, and examination of records, there are no outstanding of statutory dues as at 31st March 2022 for a period of more than six months from the date they became payable.

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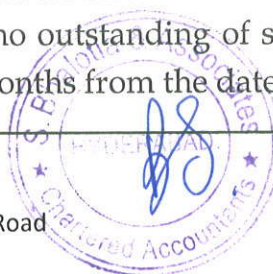
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(b) According to the information and explanations given to us and the records of the Company examined by us, there were no statutory dues referred in para 3(vii)(a) above which have not been deposited on account of any dispute, hence reporting under the clause 3(vii)(b) is not applicable.

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) 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 been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company has utilized the sanctioned limits under the term loan for the purpose they have been granted for.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.



- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) 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 or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The company is not a Nidhi company and hence the provisions para 3(xii) (a) to (c) of the Order referred to in Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act does not apply to the company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.



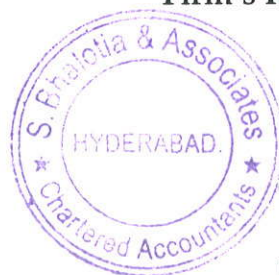
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the period under audit without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) Company has incurred cash losses of Rs. 218.24 lakhs in the current financial year 2021-22. However, the company has not incurred any cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Considering the losses in previous years, the company is not required to spend under CSR activities during the year hence the clause 3(xx)(a) & (b) is not applicable.

For S. Bhalotia & Associates  
(Chartered Accountants)

Firm's Registration no.: 325040E



CA Binod Kumar Sahoo  
(Partner)

Membership No: 305406

Place: Hyderabad

Date: The 26<sup>th</sup> day of May, 2022

UDIN: 22305406ALRXLT2249

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**Annexure B to the Independent Auditor's report on the financial statements of Morbido Merchandise Private Limited for the year ended 31st March 2022**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to Financial Statement of M/s. Morbido Merchandise Private Limited ("The Company") as of 31 March, 2022 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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.

### **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.



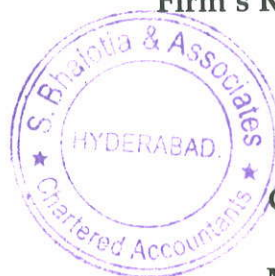


**Opinion**

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 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Bhalotia & Associates  
(Chartered Accountants)

Firm's Registration no.: 325040E



CA Binod Kumar Sahoo  
(Partner)

Membership No: 305406

Place: Hyderabad

Date: The 26<sup>th</sup> day of May, 2022

UDIN: 22305406ALRXLT2249

**Head Office:**

20B, Abdul Hamid Street

1F, East India House

Kolkata – 700069

Phone: +033-4004-7183/84/88

e-mail: [ho@sbassociates.co.in](mailto:ho@sbassociates.co.in)

**Guwahati:**

724, Peace Enclave,

4F, Ulubari Charali, G.S. Road

Guwahati - 781007

Phone: +036-1297-2323

e-mail: [ghy@sbassociates.co.in](mailto:ghy@sbassociates.co.in)

**Raipur:**

18, Recreation road

Choubey Colony

Raipur – 492001

Phone: +077-1400-3858

e-mail: [rpr@sbassociates.col.in](mailto:rpr@sbassociates.col.in)

**MORBIDO MERCHANDISE PRIVATE LIMITED**  
CIN:- U17100TG2016PTC110537  
Statement of Assets and Liabilities as at March 31, 2022

(Rs. In Lakhs)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
<b>Non-current assets</b>			
<b>(1)(a) Property, Plant and Equipment and Intangible Assets:-</b>			
(i) Property, Plant and Equipment	5	22.47	27.28
(2) Financial Assets			
- Other Non current Assets	6	5.73	4.23
		<b>28.20</b>	<b>31.51</b>
<b>Current assets</b>			
(a) Inventories	7	50.30	138.45
(b) Financial assets			
- Investments	8	19.74	-
- Trade receivables	9	660.36	1,580.50
- Cash and Bank Balances	10	16.75	6.47
- Other Financial Assets	11	526.44	12.24
(c) Other Current Assets	12	38.84	22.53
		<b>1,312.42</b>	<b>1,760.18</b>
<b>Total assets</b>		<b>1,341.00</b>	<b>1,792.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	10.00	10.00
(b) Other Equity	14	(16.26)	206.81
<b>Total Equity</b>		<b>(6.26)</b>	<b>216.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	15	102.07	298.05
(b) Deferred tax liabilities (Net)	16	0.52	0.92
		<b>102.59</b>	<b>298.97</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	17	829.24	874.56
- Trade Payables	18	-	0.32
- Total Outstanding dues of Micro and Small Enterprises		-	0.32
- Total Outstanding dues Other than Micro and Small Enterprises		1.90	229.19
- Other financial liabilities	19	11.95	35.48
(b) Other current liabilities	20	401.20	135.46
(c) Provisions	21	-	0.90
		<b>1,244.30</b>	<b>1,275.91</b>
<b>Total liabilities</b>		<b>1,347.00</b>	<b>1,575.00</b>
<b>Total equity and liabilities</b>		<b>1,341.00</b>	<b>1,792.00</b>

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Standalone Financial Statements.

29 to 45

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF BOD

For S. Bhalotia & Associates

MORBIDO MERCHANDISE PRIVATE LIMITED

Chartered Accountants

FRN : 325040E

CA. Binod Kumar Sahoo

Partner

Membership No. : 305406

Place: Hyderabad

Date : 26-05-2022

UDIN: 22305406ALRXLT2249

Manoj Kumar Dugar

Managing Director & Chairman  
(DIN:00352733)

Rajesh Kumar Dugar

Director

(DIN 00730059)

Purva Palshikar  
Company Secretary

Nikhil Agarwal  
Chief Financial Officer



**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**CIN:- U17100TG2016PTC110537**  
**Statement of Profit and Loss for the Period Ending 31st March, 2022**

(Rs. In Lakhs )

Particulars		Note	For the period ending March 31, 2022	For the period ending March 31, 2021
<b>I</b>	<b>Income</b>			
	Revenue from operations	22	3,158.24	2,796.18
	Other Income	23	8.65	172.96
	<b>Total Income</b>		<b>3,166.89</b>	<b>2,969.14</b>
<b>II</b>	<b>Expenses</b>			
	Cost of Raw Materials and Components Consumed	24	2,988.38	2,567.07
	Changes in Inventories of Finished Goods	25	88.15	47.35
	Employee benefits expense	26	18.00	42.08
	Finance costs	27	106.83	134.46
	Depreciation & Amortisation Expense	5	5.23	5.10
	Other expenses	28	183.77	133.86
	<b>Total expenses</b>		<b>3,390.36</b>	<b>2,929.91</b>
<b>III</b>	<b>Profit before tax (I-II)</b>		<b>(223.48)</b>	<b>39.23</b>
<b>IV</b>	<b>Tax expense:</b>			
	Current Tax		-	13.47
	Deferred Tax		(0.41)	(0.28)
	Tax pertaining to previous year		-	0.01
	<b>Total Tax Expense</b>		<b>(0.41)</b>	<b>13.19</b>
<b>V</b>	<b>Profit for the year (IV-V)</b>		<b>(223.07)</b>	<b>26.04</b>
<b>VI</b>	<b>Other Comprehensive Income</b>			
<b>A</b>	Items that will not be reclassified to profit or loss		-	-
<b>B</b>	Items that will be reclassified to profit or loss		-	-
	<b>Other Comprehensive Income for the year, net of tax (A+B)</b>		-	-
<b>VII</b>	<b>Total Other Comprehensive Income for the year (V+VI)</b>		<b>(223.07)</b>	<b>26.04</b>
<b>VIII</b>	<b>EARNINGS PER EQUITY SHARE</b>			
	Basic and Diluted		<b>(223.07)</b>	<b>26.04</b>

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Standalone Financial Statements.

29 to 45

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For S. Bhalotia & Associates**

**Chartered Accountants**

**FRN : 325040E**

**CA. Binod Kumar Sahoo**

**Partner**

**Membership No. : 305406**

**Place: Hyderabad**

**Date : 26-05-2022**

**UDIN: 22305406ALRXLT2249**



**FOR AND ON BEHALF OF BOD**  
**MORBIDO MERCHANDISE PRIVATE LIMITED**

**Manoj Kumar Dugar**  
**Managing Director & Chairman**  
**(DIN:00352733)**

**Purva Palshikar**  
**Company Secretary**

**Rajesh Kumar Dugar**  
**Director**  
**(DIN 00730059)**

**Nikhil Agarwal**  
**Chief Financial Officer**

**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**CIN:- U17100TG2016PTC110537**  
**Cashflow Statement for the year ended 31st March 2022**

(Rs. In Lakhs )

PARTICULARS	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) before Tax	(223.48)	39.23
<b>Adjustments for Non-Operating Activities:</b>		
Depreciation	5.23	5.10
Interest received	-	(77.40)
Finance Cost	106.83	134.46
	<b>112.06</b>	<b>62.16</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(111.41)</b>	<b>101.39</b>
<b>Adjustments for Working Capital Changes:</b>		
Inventories	88.15	47.35
Change in Current Investments	(19.74)	-
Trade Receivables	920.14	74.56
Other Assets	(525.01)	195.57
Provisions	(0.90)	(2.78)
Trade Payables	(227.60)	(467.96)
Other financial liabilities	(23.53)	49.40
Other Current Liabilities	265.74	(166.97)
Current Borrowings	(45.32)	166.52
<b>Cash Generation From Operations</b>	<b>431.93</b>	<b>(104.32)</b>
Direct Taxes Paid (Net)	(5.51)	(16.18)
<b>A. Net Cash from Operating Activities</b>	<b>315.01</b>	<b>(19.11)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets (including capital work in progress)	(0.42)	(0.78)
Interest Received	-	77.40
<b>B. Net Cash from Investing Activities</b>	<b>(0.42)</b>	<b>76.62</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(106.83)	(134.46)
Other Non current Assets	(1.50)	(0.20)
Loan to holding company	-	324.82
Long Term Borrowings from Others	(195.98)	(247.12)
<b>C. Net Cash from Financing Activities</b>	<b>(304.31)</b>	<b>(56.96)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)</b>	<b>10.28</b>	<b>0.54</b>
Cash and Cash Equivalent (Opening)	6.47	5.92
Cash and Cash Equivalent (Closing)	<b>16.75</b>	<b>6.47</b>

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**For S. Bhalotia & Associates**

**Chartered Accountants**

**FRN : 325040E**

**CA. Binod Kumar Sahoo**

**Partner**

**Membership No. : 305406**

**Place: Hyderabad**

**Date : 26-05-2022**

**UDIN: 22305406ALRXLT2249**



**FOR AND ON BEHALF OF BOD**

**MORBIDO MERCHANDISE PRIVATE LIMITED**

**Manoj Kumar Dugar**

**Managing Director & Chairman**

**(DIN:00352733)**

**Purva Palshikar**

**Company Secretary**

**Rajesh Kumar Dugar**

**Director**

**(DIN 00730059)**

**Nikhil Agarwal**

**Chief Financial Officer**



**Morbido Merchandise Private Limited**

**CIN:- U17100TG2016PTC110537**

**Statement of Changes in Equity for the period ended 31st March 2022**

**A. Equity Share capital**

**(Rs. In Lakhs )**

Particulars	No of shares	In Rupees
Balance as at 1 April 2021	100,000	10.00
Changes in equity share capital during 2020-21	-	-
Balance as at 31 March 2021	100,000	10.00
Balance as at 1 April 2021	100,000	10.00
Changes in equity share capital during 2021-22	-	-
Balance as at 31st March 2022	100,000	10.00

**B. Other equity**

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2020 (A)	180.77	180.77
Additions during the year:		-
Profit for the year	26.04	26.04
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2020-21 (B)	26.04	26.04
Transfer In/Out General Reserve		-
Balance at 31 March 2021 (C=A+B)	206.81	206.81
Balance at 1 April 2021 (D)	206.81	206.81
Additions during the year:		-
Profit for the year	(223.07)	(223.07)
Adjustment of Goodwill		-
Other Comprehensive Income (net of tax)		-
Total Comprehensive Income for the year 2021-22 (E)	(223.07)	(223.07)
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31st March 2022 (F=D+E)	(16.26)	(16.26)

**As per our report of even date attached**

**For S. Bhalotia & Associates**

**Chartered Accountants**

**FRN : 325040E**

**CA. Binod Kumar Sahoo**

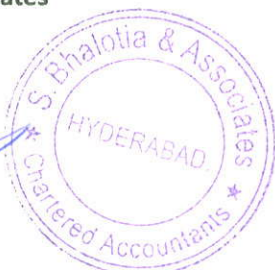
**Partner**

**Membership No. : 305406**

**Place: Hyderabad**

**Date : 26-05-2022**

**UDIN: 22305406ALRXLT2249**



**For and on behalf of**

**Morbido Merchandise Private limited**

**Manoj Kumar Dugar**

**Managing Director & Chairman**

**(DIN:00352733)**

**Purva Palshikar**

**Company Secretary**

**Rajesh Kumar Dugar**

**Director**

**(DIN:00730059)**

**Nikhil Agarwal**

**Chief Financial Officer**

**MORBIDO MERCHANDISE PRIVATE LIMITED**  
CIN:- U17100TG2016PTC110537  
Statement showing Ratios of the Standalone Financial Statements

Ratios: -		Formula to calculate Ratio	31-03-2022	31-03-2021	31-03-2022	31-03-2021	(Rs. In Lakhs ) Variance
(a)	Current Ratio	Current Assets Current Liabilities (excluding Provision for tax)	1,312.42 1,244.30	1,760.18 1,275.91	1.05	1.38	-23.54%
(b)	Debt-Equity Ratio	Total Debt Total Equity	931.32 (6.26)	1,172.61 216.81	(148.85)	5.41	-2852.26% (i)
(c)	Debt Service Coverage Ratio	Earning before interest, tax and exception items Interest expenses+ principal Repayments made during the period for long term loans	(111.41) 302.81	178.79 381.58	(0.37)	0.47	-178.53% (ii)
(d)	Return on Equity Ratio	Net Income Shareholders' Equity	(223.07) (6.26)	26.04 216.81	35.65	0.12	29586.10% (iii)
(e)	Inventory turnover Ratio	Cost of goods sold (Cost of Material Consumed+ Purchases + Changes in Inventory + Manufacturing Expenses) Average Inventories	3,114.75 94.38	2,736.33 162.13	33.00	16.88	95.54% (iv)
(f)	Trade Receivables turnover Ratio	Value of sales and Serevices Average Trade Receivables	3,158.24 1,120.43	2,796.18 1,617.78	2.82	1.73	63.09% (v)
(g)	Trade Payables turnover ratio	Turnover Average Trade Payables	3,158.24 115.71	2,796.18 463.49	27.30	6.03	352.44% (vi)
(h)	Net Capital turnover ratio	Turover Net Capital	3,158.24 (6.26)	2,796.18 216.81	(504.78)	12.90	-4014.06% (vii)
(i)	Net Profit Ratio	Net Profit after tax Turnover	(223.07) 3,158.24	26.04 2,796.18	(0.07)	0.01	-858.45% (viii)
(j)	Return on Capital employed	EBIT capital employed	(116.64) 925.06	173.69 1,389.43	(0.13)	0.13	-200.87% (ix)

**Notes:**

- (i) Decrease in Debt levels & major decrease in Net worth base has resulted in fall of Debt - Equity ratio  
(ii) Decrease in EBITDA levels & decreased debt levels has resulted in fall of Debt Service Coverage ratio  
(iii) Decrease in Net Income & Shareholders Equity has resulted in fall of Return on Equity.  
(iv) Increase in revenue by 13% Year-on-year with decrease in average inventory level has resulted in better Inventory turnover ratio  
(v) Increase in revenue by 13% Year-on-year with 31% increase in average trade receivables has resulted in better Trade receivables turnover ratio  
(vi) Increase in Cost of goods sold by 17% Year-on-year with 75% decrease in average trade payables has resulted in fall of Trade payable turnover ratio  
(vii) Increase in revenue by 13% Year-on-year with 103% decrease in Net capital has resulted in fall of Net capital turnover ratio  
(viii) Decrease in the performance of company led to an decrease in net profit by 79% Year-on-year has resulted in Negative Net Profit Ratio  
(ix) Decrease in EBIT by 167% Year-on-year with 38% decrease in capital employed has resulted in Negative Return on capital employed





**SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS****1. Corporate Information**

Morbido Merchandise Private Limited ("the company") is a Company registered under the Companies Act, 1956. It is a private limited company domiciled in India. It was incorporated on 27th June, 2016 having its registered office at Shyam Arihant, 1-8-304-7/10 & 11, Pattigadda Road, Secunderabad, Rangareddi 500003 TG. The company's CIN No. is. U17100TG2016PTC110537. The company is engaged in trading of 'construction chemicals', Petrochemicals and Plastic Products.

**2. Basis of preparation**

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2022 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

**3. Use of estimates and judgments:**

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

**4. Significant Accounting Policies:****(a) Business combinations and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-





generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

**(b) Revenue Recognition**

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

**Other income:**

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

**(c) Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

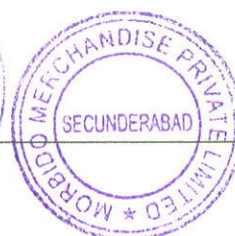
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(d) Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.





**(e) Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

**(f) Depreciation and amortization:**

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

**(g) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

Expected to be realised or intended to be sold or consumed in normal operating cycle;

- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.

**(h) Financial assets**

Financial assets comprise of cash and cash equivalents.

**Initial recognition:**

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

**Subsequent Measurement:**

- (i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

**Impairment of Financial Assets:**

Financial assets are tested for impairment based on the expected credit losses.

**De-recognition of Financial Assets:**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.



**(i) Impairment of Non-Financial Assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(j) Inventories**

Finished Goods held for trading to be valued at cost or net realizable value, whichever is lower.

**(k) Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

**(l) Financial liabilities**

**Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

**Subsequent measurement:**

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**De-recognition of financial liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**(m) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary





STATUTORY AUDIT 2021-2022

investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**(n) Employee Benefits**

Employee benefits are charged to the Statement of Profit and Loss for the year.

**Provident Fund**

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognized when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

**Gratuity**

The Company has not created any gratuity fund. However adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**Compensated absences**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

**Short-term employee benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(o) Income Taxes**

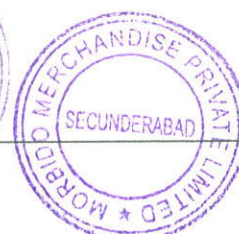
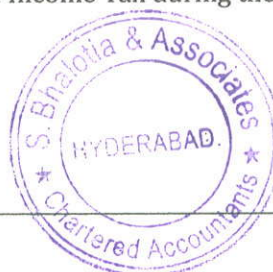
Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

**Deferred income tax**

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

**Minimum Alternative Tax (MAT)**

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.





**(p) Leases****As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

**(q) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**(r) Fair value measurement**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable





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- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**(s) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(t) Cash dividend to equity holders of the Company**

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.



<p style="text-align: center;"><b>Morbido Merchandise Private Limited</b>  Notes forming part of the Standalone Financial Statements  (All amounts in Indian Rupees, unless otherwise stated)</p>										
Note 5: Property, Plant and Equipment										
Particulars	Useful Life (in years)	Gross Block- at cost			Depreciation			Net Block		
		As at April 01, 2021	Additions	Disposals	As at 31st March 2022	Upto 31st March, 2021	For the period	On deletions	As at 31st March 2022	As at March 31, 2021
Vehicles	8.00	39.04	-	-	39.04	13.67	4.64	-	18.31	25.37
Office Equipment	5.00	2.79	0.42	-	3.21	0.89	0.60	-	1.49	1.90
Computers	3.00	0.28	-	-	0.28	0.26	-	-	0.26	0.01
<b>Total (A)</b>		<b>42.11</b>	<b>0.42</b>	<b>-</b>	<b>42.53</b>	<b>14.83</b>	<b>5.23</b>	<b>-</b>	<b>20.06</b>	<b>27.28</b>
Previous Year	-	41.32	0.78	-	42.11	9.72	5.10	-	14.83	31.60





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**6 Other Non-Current Assets**

(Rs. In Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Financial Assets</b>		
<b>Security Deposits:-</b>		
(Unsecured, Considered Good)		
Rent Deposit	5.73	2.54
Other Deposit	-	1.70
<b>Total</b>	<b>5.73</b>	<b>4.23</b>

**7 Inventory**

Particulars	As at 31st March 2022	As at 31st March 2021
Stock in Trade	50.30	138.45
<b>Total</b>	<b>50.30</b>	<b>138.45</b>

Refer Note No. 4(j)

**8 Current Investments**

Particulars	As at 31st March 2022	As at 31st March 2021
In Equity shares	19.74	-
<b>Total</b>	<b>19.74</b>	<b>-</b>

**9 Trade Receivables**

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Unsecured</b>		
Considered Good		
Less than 6 Months	128.33	1,379.59
6 months to 1 Year	16.60	200.65
1 - 2 Years	515.42	0.26
2 - 3 Years	-	-
More than 3 years	0.01	-
<b>Total</b>	<b>660.36</b>	<b>1,580.50</b>



**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**10 Cash and Bank Balances**

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	4.58	4.85
In Current Accounts	12.17	1.62
<b>Total</b>	<b>16.75</b>	<b>6.47</b>

**11 Other Financial Assets**

Particulars	As at 31st March 2022	As at 31st March 2021
(Unsecured, Considered Good)		
Advance to Suppliers	525.91	8.54
Commission Receivable	-	3.20
Others Receivables	0.53	0.49
<b>Total</b>	<b>526.44</b>	<b>12.24</b>

**12 Other Current Assets**

Particulars	As at 31st March 2022	As at 31st March 2021
(Unsecured, Considered Good)		
Balances with Government Authorities	23.66	20.50
Advance recoverable in cash of kind, for which value to be received	7.88	0.24
Income Tax Refundable	7.30	1.79
<b>Total</b>	<b>38.84</b>	<b>22.53</b>





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**13. Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized Capital</b> 10,00,000 equity shares of Rs. 10/- each	1,000,000	100.00	1,000,000	100.00
<b>Issued, Subscribed and Paid-up Capital</b> 1,00,000 equity shares of Rs. 10/- each fully paid up	100,000	10.00	100,000	10.00

**a) Terms / rights attached to Equity Shares**

The Company has only one class of issued equity shares having a par value of Rs.10/- per share. Each shareholder 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 remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year:**

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares of Rs.10/- each fully paid up</b>				
Shares outstanding at the beginning of the year	100,000	10.00	100,000	10.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	100,000	10.00	100,000	10.00

**c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31st, 2022		As at March 31st, 2021	
	Number of shares	% of holding	Number of shares	% of holding
<b>Promoter's Share Holding</b>				
CDG Petchem Limited (Holding Company)	100,000	100%	100,000	100%
<b>Total</b>	<b>100,000</b>		<b>100,000</b>	

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
 (All amounts in Indian Rupees, unless otherwise stated)

**14 Other equity**

(Rs. In Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2020 (A)	180.77	180.77
Additions during the year:	-	-
Profit for the year	26.04	26.04
<b>Total Comprehensive Income for the year 2020-21 (B)</b>	<b>26.04</b>	<b>26.04</b>
<b>Balance at 31 March 2021 (C=A+B)</b>	<b>206.81</b>	<b>206.81</b>
Balance at 1 April 2021 (D)	206.81	206.81
Additions during the year:	-	-
Profit for the year	(223.07)	(223.07)
<b>Total Comprehensive Income for the year 2021-22 (E)</b>	<b>(223.07)</b>	<b>(223.07)</b>
<b>Balance as at 31st March 2022 (F=D+E)</b>	<b>(16.26)</b>	<b>(16.26)</b>

Description of nature and purpose of reserve is as follows,

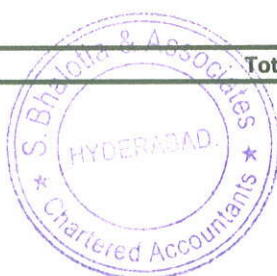
Retained Earnings: Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

**15 Borrowings**

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Secured</b>		
Vehicle Loan From Bank (against hypothecation of Skoda Car) (repayable in 60 EMIs of Rs 50,399/- each)	-	7.62
Term Loan from Bank*	102.07	98.43
*Primary Security: Exclusive charge over Current Assets of the company. Collateral Security: Exclusive charge over Plot of residential land situated at Survey No 341/3, Dadra Village owned by Chandantara Commercial Pvt Ltd Residential vacant land situated at S No 340/2, S no 348/2, S No 350/1, S No 350/2, S no 349/1 & S No 351/1/2 situated at Dadra Terms of Repayment: Principal amount outstanding to be repaid in 36 EMIs after moratorium period of 12 months Interest rate: @ I-EBLR(7.7%)+ Spread	-	-
<b>Unsecured</b>		
Others (From Related Parties)	-	197.17
<b>Total (A)</b>	<b>102.07</b>	<b>303.21</b>
<b>(B) Less: Current maturities of vehicle loan</b>	<b>-</b>	<b>5.16</b>
<b>Total (A-B)</b>	<b>102.07</b>	<b>298.05</b>

**16 Deferred tax liabilities (NET)**

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax liability		
Opening Balance	0.92	1.20
Add: Deferred tax for the year	-0.41	-0.28
<b>Total</b>	<b>0.52</b>	<b>0.92</b>





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
(All amounts in Indian Rupees, unless otherwise stated)

**17 Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Secured</b>		
Working Capital Loan From bank*	827.26	836.59
Current Maturities of Long Term borrowings*	1.98	37.97
<b>Total</b>	<b>829.24</b>	<b>874.56</b>

17a

S No	Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement
1	Working Capital Loan From bank with ECLGS	The facility shall be used for working capital requirements	Yes

**18 Trade Payables**

Particulars	As at 31st March 2022	As at 31st March 2021
For Goods & Services		
<b>Less than 1 year</b>		
- Total Outstanding dues of Micro and Small Enterprises	-	0.32
- Total Outstanding dues Other than Micro and Small Enterprises	1.90	229.19
<b>Total</b>	<b>1.90</b>	<b>229.51</b>

**19 Other Financial Liabilities**

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Dues Payable	1.06	2.57
Creditors for expenses	10.89	32.91
<b>Total</b>	<b>11.95</b>	<b>35.48</b>

**20 Other Current Liabilities**

Particulars	As at 31st March 2022	As at 31st March 2021
Audit Fee Payable	0.37	0.37
Advance from customers (Related party)	400.83	135.09
<b>Total</b>	<b>401.20</b>	<b>135.46</b>

**21 Provisions**

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits	-	0.90
<b>Total</b>	<b>-</b>	<b>0.90</b>



**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**22 Revenue from operations**

(Rs. In Lakhs)

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
Sale of chemicals	3,959.91	3,509.91
Less: Inter Unit Sale	(232.75)	(349.58)
Less: Discount	(0.45)	(0.32)
	<b>3,726.72</b>	<b>3,160.01</b>
Less; Duties & Taxes	(568.48)	(363.83)
<b>Total</b>	<b>3,158.24</b>	<b>2,796.18</b>

**23 Other Income**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
Commission	-	5.51
Discount received	7.81	2.44
Interest Received	-	77.40
Foreign Exchange Gain (Net)	-	47.31
Sundry Balances written off	-	0.67
Interest from Holding Company	-	35.35
Profit on sale of Short Term Investments	0.84	-
Other Income	0.00	4.28
<b>Total</b>	<b>8.65</b>	<b>172.96</b>

**24 Cost of Materials Consumed**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
Opening Stock	-	-
Add:- Purchases	3,185.62	2,916.65
Less: Inter Unit Purchase	(197.24)	(349.58)
Less:- Closing Stock	-	-
<b>Total</b>	<b>2,988.38</b>	<b>2,567.07</b>

**25 Changes in Inventories of Finished Goods**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
<b>Increase/Decrease in stock of Traded Goods</b>		
<b>Inventories (at opening)</b>		
Finished Goods	138.45	185.80
<b>Total (A)</b>	<b>138.45</b>	<b>185.80</b>
<b>Inventories (at close)</b>		
Finished Goods	50.30	138.45
<b>Total (B)</b>	<b>50.30</b>	<b>138.45</b>
<b>Total (A-B)</b>	<b>88.15</b>	<b>47.35</b>

**25a Details of closing inventory of:**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
<b>Finished Goods</b>		
<b>(Broad heads)</b>		
Construction Chemicals	50.30	138.45
<b>Total</b>	<b>50.30</b>	<b>138.45</b>





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**26 Employee benefit expenses**

(Rs. In Lakhs )

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
Salaries and Wages	-	12.08
Directors Remuneration	18.00	30.00
<b>Total</b>	<b>18.00</b>	<b>42.08</b>

**27 Finance cost**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
Bank Charges	0.26	0.39
Interest Expense	106.40	131.57
Other Borrowing Cost	0.18	2.50
<b>Total</b>	<b>106.83</b>	<b>134.46</b>

**28 Other expenses**

Particulars	For the period ending March 31, 2022	For the period ending March 31, 2021
<b>Administrative Expenses</b>		
Insurance charges	5.65	11.71
Printing & Stationery	0.01	0.12
Rent, Rates and Taxes	33.36	28.82
Travelling Expenses	0.92	3.76
Communication Expenses	0.26	0.26
Audit Fees	0.65	0.60
Foreign Exchange Fluctuation Loss	0.14	-
Repairs & Maintenance		
-Buildings	-	0.13
-Others	-	1.43
Detention charges	-	16.89
Donations	-	13.26
Postage and courier charges	0.03	0.11
Professional and Consultancy Charges	0.98	2.68
Sundry Balance Written Off	86.35	-
Miscellaneous Expenses	0.61	3.37
<b>Total Administrative Expenses (A)</b>	<b>128.96</b>	<b>83.16</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement/ Business Promotion Expenses	0.75	14.48
Transportation costs	54.06	36.22
<b>Total Selling &amp; Distribution Expenses (B)</b>	<b>54.81</b>	<b>50.70</b>
<b>Total (A+B)</b>	<b>183.77</b>	<b>133.86</b>



Morbido Merchandise Private Limited

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Figures in Lakhs

S No.	Nature of Transaction	Name of the Related Parties	2021-22	2020-21
5	Advances taken/ (Given)	<b>M/s. Defodil Dealcom Pvt Ltd</b>		
		Opening Balance(including interest)	-	5.43
		Add: (Given)/ taken during the year	-	95.00
		Less: Repaid During the year	-	(100.56)
		Add: Interest payable/ (receivable)	-	0.13
		Closing Balance (including interest)	-	-
		<b>Ayushman Merchants Pvt Ltd</b>		
		Opening Balance	180.38	531.78
		Add: (Given)/ taken during the year	215.20	1,510.67
		Less: Repaid During the year	(400.78)	(1,901.12)
		Add: Interest payable/ (receivable)	5.20	39.05
		Closing Balance (including interest)	-	<b>180.38</b>
		<b>Dugar Ventures LLP</b>		
		Opening Balance	16.79	-
		Add: (Given)/ taken during the year	107.50	75.00
		Less: Repaid During the year	(124.29)	(60.00)
		Add: Interest payable/ (receivable)	-	1.79
		Closing Balance (including interest)	-	<b>16.79</b>
6	Advances Taken/(Given) for materials	CDG Petchem Limited	<b>(107.50)</b>	-

**Disclosure required under Section 186(4) of the Companies Act 2013**

Disclosure pursuant to Securities Exchange Board of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013 is disclosed in note no: 29

**30.** In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

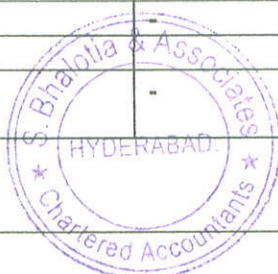
**31. Earnings Per Share (EPS)**

Figures in Rupees

Particulars	2021-22	2020-21
Net Profit after Tax	(2,23,07,033)	26,03,976
Net Profit/ (loss) after Tax available for equity shareholders - For Basic and Diluted EPS	(2,23,07,033)	26,03,976
Weighted Average No. Of Shares for Basic / Diluted EPS (No's)	1,00,000	1,00,000
Nominal Value of Equity Shares	10/-	10/-
Basic/ Diluted Earnings Per Equity Share	(223.07)	26.04

**32. Contingent Liabilities and Commitments (to the extent not provided for)**

Particulars	As at 31-03-2022	As at 31-03-2021
	Rupees	Rupees
Contingent Liabilities	-	-
<b>Commitment:</b>		
Guarantees issued by banks	-	-





**33. CIF Value of Imports**

Figures in Lakhs

Particulars	2021-22	2020-21
Raw material / Traded Goods	202.78	977.33
<b>Total</b>	<b>202.78</b>	<b>977.33</b>

**34. Earnings in Foreign Currency**

Particulars	2021-22	2020-21
Commission	3.20	5.51
<b>Total</b>	<b>3.20</b>	<b>5.51</b>

**35. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

**B. Credit risk**

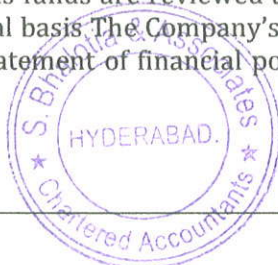
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

**Trade receivables**

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

**Financial Instrument and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2021 and 2020 is the carrying amounts.



**C. Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

*Figures in Lakhs*

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-22					
Borrowings	-	829.24	102.07		931.31
		<b>829.24</b>	<b>102.07</b>		<b>931.31</b>
31-Mar-21	-				
Borrowings	-	874.56	298.05		1,172.61
	-	<b>874.56</b>	<b>298.05</b>		<b>1,172.61</b>

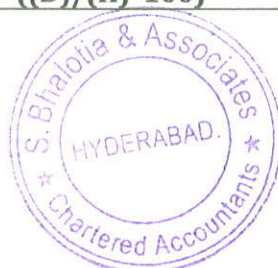
**36. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

*Figures in Lakhs*

Particulars	31 Mar 2022	31 Mar 2021
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) (A) <b>Note 15 &amp; 17</b>	931.32	1,172.61
Other Payable (current and non-current, excluding current maturity of long term borrowings) (B) <b>Note 18, 19, 20 &amp; 21</b>	415.05	401.34
Less Cash and Cash Equivalents (C) <b>Note 10</b>	16.75	6.47
<b>Net Debt (D) = (A) + (B) - (C)</b>	<b>1,329.62</b>	<b>1,567.49</b>
Equity Share capital (E) <b>Note 13</b>	10.00	10.00
Other Equity (F) <b>Note 14</b>	(16.26)	206.81
<b>Total Capital (G) = (E) + (F)</b>	<b>(6.26)</b>	<b>216.81</b>
<b>Capital and Net debt (H) = (D) + (G)</b>	<b>1,323.37</b>	<b>1,784.30</b>
<b>Gearing ratio (in %) (I) = ((D)/(H))*100</b>	<b>100.47</b>	<b>87.85</b>





**MORBIDO MERCHANDISE PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**(All amounts in Indian Rupees, unless otherwise stated)**

**37) Trade Payables ageing schedule**

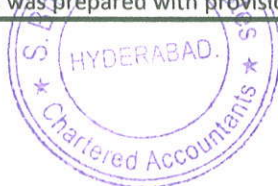
(Rs. In Lakhs )

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
<b>As at 31.03.2022</b>					
(i) MSME	-	-	-	-	-
(ii) Others	1.90	-	-	-	1.90
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.90</b>
<b>As at 31.03.2021</b>					
(i) MSME	0.32	-	-	-	0.32
(ii) Others	229.19	-	-	-	229.19
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>229.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229.51</b>

**38) Summary of reconciliation of quarterly returns filed by the Company with banks & the books of accounts**

Particulars		Stock Balances	Debtors	Creditors
Date	Details			
30.06.2021	As per books	283.65	1,285.15	237.42
	Submitted to the Bank	597.67	1,556.94	89.66
	Difference	(314.02)	(271.78)	147.75
30.09.2021	As per books	203.00	1,005.14	344.75
	Submitted to the Bank	588.67	1,494.63	79.67
	Difference	(385.67)	(489.49)	265.08
31.12.2021	As per books	133.01	1,019.70	21.06
	Submitted to the Bank	206.78	1,650.96	17.64
	Difference	(73.77)	(631.27)	3.42
31.03.2022	As per books	50.30	660.36	1.90
	Submitted to the Bank	321.13	751.19	0.99
	Difference	(270.83)	(90.83)	0.91

\* The difference in the values between the Stock and Book Debt Statement submitted to the bank and the books of accounts is due to pending of updation of bank entries and figures in the Books of Accounts at the time of submission to the bank, and the statement such submitted was prepared with provisional figures.



STATUTORY AUDIT 2021-2022

39. Impact of COVID-19: The outbreak of novel Coronavirus (COVID-19) .Pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.
40. The management has considered the possible effects, if any that made result from the pandemic relating to COVID-19 on the carrying amount of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainty as at the balance sheet date in relation to the recoverable amount of these assets. The management has considered the global economic conditions prevailing as that the date of approval of these financial results and has used internal and external source of information to the extent determined by it. The actual outcome of these assumptions and estimate may vary in future due to the impact of the pandemic.
41. The company's unit which has to suspend operations temporarily due to government directives relating to COVID-19, have since resume partial operations, as per the Guidelines and norms prescribed by the government authorities.
42. Trade Payable & Trade Receivables balances are subject to confirmation.
43. Goods and Services Tax has been reduced from sales in the Statement of Profit & Loss.
44. Outstanding dues to the Micro, Small & Medium Enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006, has been disclosed to the extent information obtained from the vendors
45. Previous year's figures have been regrouped and rearranged, wherever found necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For S. Bhalotia & Associates

Chartered Accountants

FRN: 325040E

CA. Binod Kumar Sahoo  
Partner

Membership No: 305406

Place: Hyderabad

Date: 26-05-2022

UDIN: 22305406ALRXLT2249



For MORBIDO MERCHANDISE PRIVATE LIMITED

Manoj Kumar Dugar  
Managing Director & Chairman  
(DIN: 00352733)

Rajesh Kumar Dugar  
Director  
(DIN: 00730059)

Purva Palshikar  
Company Secretary

Nikhil Agarwal  
Chief Financial Officer



