



SHEIKH ABDULLAH & CO.,

CHARTERED ACCOUNTANTS

CHURCH BUILDING, KODIALBAIL, MANGALURU - 575 003.
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Independent Auditor's Report

To the Members of HARIS MARINE PRODUCTS PRIVATE LIMITED.,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HARIS MARINE PRODUCTS PRIVATE LIMITED., (" the Company") , which comprise the Balance Sheet as at March 31, 2021 and the statement of profit and loss (including other comprehensive income), the Statement of Changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 March 31, 2021, and its profit and total comprehensive income and its cash flows for the year ended on that date.

Basis for Opinion

We have 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 the 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 other 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.

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 of 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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 during the course of our 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 report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives is 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, We are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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.

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.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We enclose in the "Annexure A", a statement on the matters specified in paragraph 3 & 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, We report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

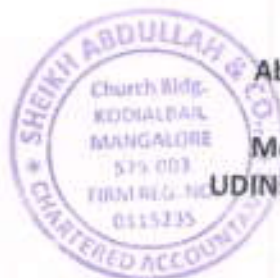
As per our report of even date
For, Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS

Abid Ali., B.Com., F.C.A.,
Partner

Membership No.217293

UDIN: 21217293AAAAHG5044

Mangaluru,
August 03, 2021.



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the Members of HARIS MARINE PRODUCTS PRIVATE LIMITED., on the standalone financial statements of the company for the year ended 31st March, 2021.

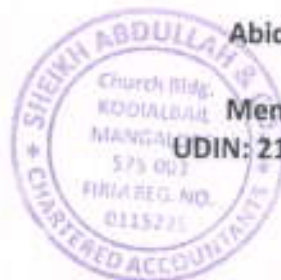
- (1) In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deed of the immovable property is held in the name of the company.
- (2) In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- (4) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any loans and investments. Consequently, the provisions of section 185 and 186 of the Act are not applicable to the Company.
- (5) The Company has not accepted any deposit from the public within the provision of Section 73 to 76 of the Companies Act, 2013 and rules framed there under.
- (6) As informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act, in respect of any activities carried out by the company.
- (7) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including, Income tax, Sales tax, GST and other statutory dues have been deposited regularly with the appropriate authorities.
 - (b) According the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

- (8) Based on our audit procedures and according to the information and explanations given to us, We are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (9) Based on our audit procedures and according to the information and explanations given to us, the moneys raised by way of term loans were applied for the purposes for which those are raised.
- (10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (11) According to the information and explanations given to us, no remuneration is paid by the company to its directors during the year.
- (12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (14) According to the information and explanations give to us and based on 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.
- (15) 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.
- (16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

As per our report of even date
For, Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS

Abid Ali., B.Com.,F.C.A.,
Partner
Membership No.217293
UDIN: 21217293AAAAHG5044

Mangaluru,
August 03,2021.



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of HARIS MARINE PRODUCTS PRIVATE LIMITED, as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

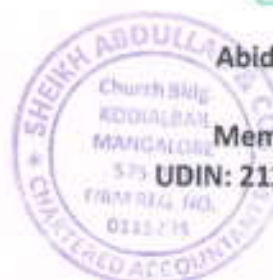
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria 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.

As per our report of even date
For, Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS

Abid Ali., B.Com.,F.C.A.,
Partner

Membership No.217293
UDIN: 21217293AAAAHG5044

Mangaluru
August 03,2021.



HARIS MARINE PRODUCTS PRIVATE *
Mukka Corporate House *
* Door No. 18-2-16/4 First cross *
* NG Road, Attavara, Mangaluru-575001 *
* * * * * *
* STATEMENTS OF ACCOUNT FOR THE YEAR ENDED *
* ON MARCH 31, 2021. *

HARIS MARINE PRODUCTS PRIVATE LIMITED
CIN: U05001KA2019PTC129205
Mukka Corporate House Door No. 18-2-16/4 First cross
NG Road, Attavara, Mangaluru-575001
BALANCE SHEET AS AT MARCH 31, 2021

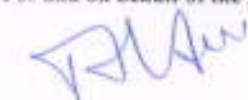
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
Non-Current assets			
Property, Plant and Equipment	1	21599082	26920008
Financial assets			
Investments	2	34148172	-
Loans	3	500000	1836703
Other Financial Asset	4	2812126	2802126
Deferred tax Assets	5	500285	49263
Total Non Current Assets		<u>59559666</u>	<u>31608101</u>
Current Assets			
Inventories	6	22508263	195456877
Financial Assets			
Trade Receivables	7	117097482	12369899
Cash & Cash Equivalents	8	1999105	578045
Loans	3	7872448	9220314
Other current assets	9	112228938	114125791
Total Current Assets		<u>261706237</u>	<u>331750927</u>
Total Assets		<u>321265903</u>	<u>363359028</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	10000000	10000000
Other equity	11	19504084	(2648413)
Total Equity		<u>29504084</u>	<u>7351587</u>
LIABILITIES			
Non- Current Liabilities			
Financial Liabilities			
Borrowings	12	20145999	23997776
Other Financial Liabilities	13	4040000	4040000
Total Non Current Liabilities		<u>24185999</u>	<u>28037776</u>
Current Liabilities			
Financial Liabilities			
Borrowings	12	94764265	100592047
Trade payables	14	153243122	226104433
Other Financial Liabilities	13	5764169	3444857
Current tax liabilities (Net)	15	13804265	(2171673)
Total Current Liabilities		<u>267575820</u>	<u>327969665</u>
Total Equity And Liabilities		<u>321265903</u>	<u>363359028</u>

Significant Accounting Policies

1

The accompanying notes referred above form an integral part of Financial Statements

For and on behalf of the Board,



(Kalandan Mohammed Haris)
DIN:03020471
DIRECTOR



(Kalandan Mohammed Althaf)
DIN:03051103
DIRECTOR

As per our report of even date,
For Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS



Abid Ali, B.Com., F.C.A.,
Partner

Membership No.217293

U/DIN:21217293AAAAHIG5044



MANGALURU,
August 03,2021.

HARIS MARINE PRODUCTS PRIVATE LIMITED

CIN: U05001KA2019PTC129205

Mukka Corporate House Door No. 18-2-16/4 First cross
NG Road, Attavara, Mangaluru-575001

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
REVENUE			
Revenue From Operations	16	530329333	172894293
Other Income	17	17172412	617154
Total Revenue		547501745	173511447
EXPENSES			
Cost of Materials Consumed	18	308466886	113098128
Changes in inventories of finished goods	19	172948615	42739926
Employee benefits expense	20	7995241	5362326
Finance costs	21	10672305	6155951
Depreciation and amortisation expense	1	5320926	2230200
Other expenses	22	4299719	6622593
Total Expenses		509703692	176209124
Profit Before Extraordinary/Exceptional Items and Tax		37798053	(2697676)
EXCEPTIONAL ITEMS			
		---	---
Profit Before Tax		37798053	(2697676)
Tax Expenses			
Current Tax		5552420	-
Earlier years		10544158	-
Net current tax expense		16096578	-
Deferred Tax	5	(451022)	(49263)
Profit for the period		22152497	(2648413)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit plans		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		22152497	(2648413)
Earnings per Equity Share : Basic & Diluted			
(1) Basic		222	(26)
(2) Diluted		222	(26)

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

For and on behalf of the Board,



(Kalandan Mohammed Haris)
DIN:03020471
DIRECTOR



(Kalandan Mohammed Althaf)
DIN:03051103
DIRECTOR

As per our report of even date,
For Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS



Abid Ali, B.Com., F.C.A.,
Partner

Membership No.217293
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MANGALURU,
August 03,2021.



HARIS MARINE PRODUCTS PRIVATE LIMITED
CIN: U05001KA2019PTC129205
Mukka Corporate House Door No. 18-2-16/4 First cross
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

A.Equity Shares	31.03.2021	31.03.2020
	Rs.	Rs.
Equity Shares of Rs. 100/- each		
Number of Shares at the beginning of the period	100000	0
Add : Issued during the year	0	100000
Less: Bought back during the year	0	0
Number of Shares at the end of the period	100000	100000

A.Other Equity - Retained Earnings	31.03.2021	31.03.2020
	Rs.	Rs.
Opening Balance as on 01.04.2020	(2648413)	Nil
Profit/(Loss) for the year	22152497	(2648413)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	22152497	(2648413)
Payment of Dividend	-	-
Taxes on Dividend	-	-
Balance as on 31.03.2021	TOTAL Rs. 19504084	(2648413)

The accompanying notes referred above form an integral part of Financial Statements

For and on behalf of the Board of Directors



(Kalandan Mohammed Haris)
DIN:03020471
DIRECTOR



(Kalandan Mohammed Althaf)
DIN:03051103
DIRECTOR

As per our report of even date,
For Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS



Abid Ali, B.Com.,F.C.A.,
Partner

MANGALURU,
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Membership No.217293
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HARIS MARINE PRODUCTS PRIVATE LIMITED
CIN: U05001KA2019PTC129205
Mukka Corporate House Door No. 18-2-16/4 First cross
NG Road, Attavara, Mangaluru-575001

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

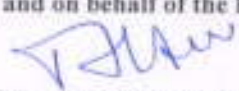
Particulars	Note No.	Year Ended 31st March 2021	Year Ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		37798053	(2697676)
Adjustment for :			
Depreciation / Amortization		5320926	2230200
Interest Expenses		10672305	6155951
		<u>15993231</u>	<u>8386151</u>
Operating profit before working capital changes		<u>53791285</u>	<u>5688475</u>
Adjustment for :			
Inventories		172948615	42739926
Trade and Other Receivables		(104727583)	24603531
Trade Payables		(72861311)	(38782949)
Other Current Assets		1896852	(4960365)
Other Financial Assets		(10000)	(152357)
Loans		2684569	(20052741)
Other Financial liabilities		2319311	2286218
		<u>2250453</u>	<u>5681263</u>
Net Cash Generated from Operating activity		<u>56041738</u>	<u>11369738</u>
Income Tax Paid		(120640)	0
Net Cash from operating activities		<u>55921098</u>	<u>11369738</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets / capital works-in-progress		0	(34340)
Non Current Investments		(34148172)	0
Net cash used in investing activities		<u>(34148172)</u>	<u>(34340)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
Changes in borrowings - Non Current		(3851778)	(17710475)
Interest Paid		(10672305)	(6155951)
Changes in borrowings - Current		(5827782)	13093793
Net Cash from financial activities		<u>(20351865)</u>	<u>(10772633)</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1421060</u>	<u>562765</u>
Cash and Cash equivalents at the beginning		578045	15280
Cash and Cash equivalents at the close		<u>1999105</u>	<u>578045</u>

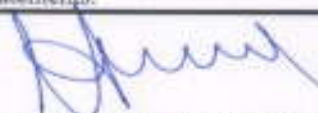
Significant Accounting Policies

I

The accompanying notes are integral part of the financial statements.

For and on behalf of the Board,


 (Kalandan Mohammed Haris)
 DIN:03020471
 DIRECTOR


 (Kalandan Mohammed Althaf)
 DIN:03051103
 DIRECTOR

As per our report of even date,
 For Sheikh Abdullah & Co.,
 CHARTERED ACCOUNTANTS


 Abid Ali, B.Com.,F.C.A.,
 Partner



MANGALURU,
 August 03,2021.

Membership No.217293
 UDIN: 21217293AAAAHG5044

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Mukka Corporate House Door No. 18-2-16/4 First cross

NG Road, Attavara, Mangaluru-575001

Notes to the Financial Statements for the Year ended on 31st March, 2021

NOTE - 1 : Preparation of Financial Statements

(A) Corporate Information

HARIS MARINE PRODUCTS PRIVATE LIMITED., is leading Manufacturer and Exporter of Fish Meal and Fish oil in International Market. Their Business is extended to manufacture of High Quality fish meal and Omega-3 fish oil which is used to aqua feed, poultry feed, pet feed, EPA-DHA extraction, animal feed, soap manufacture, leather tanneries & Paint industries across globally.

(B) Basis of Presenting Financial Statements

(I) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

(II) Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (as amended). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(III) Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(IV) Use of Estimates

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. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as follows:-

- i. Useful life of PPE, investment property and intangible assets
- ii. Identification of Government Grants
- iii. Estimation of tax expenses and tax payable
- iv. Probable outcome of matters included under Contingent liabilities

(C) **Summary of Significant Accounting Policies.**

(I) **Revenue recognition**

- a The company derives revenue mainly from Domestic and Export Sales of Fish Meal, Fish Oil and Fish Soluble Paste. Effective 30th October 2019, the company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

- b **Export incentives : Export Incentives under various schemes are accounted in the year of export.**
- c **Interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.**
- d **Rental income / lease rentals are recognized on accrual basis in accordance with the terms of agreements.**
- e **Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.**
- f **Other Income are recognized on accrual basis.**

(II) **Government Grants**

- a Government Grants Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.
- b Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to the statement of Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

(III) **Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(IV) **Lease**

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 are charged to Statement of Profit and Loss 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.

(V) Impairment of assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating Unit) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

(VI) Cash and Cash Equivalent

For the purpose of preparing the statement of cash flows, cash equivalents encompasses all highly liquid assets which are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents represent cash on hand and unrestricted balance with bank. Overdrawn balances that fluctuate from debit to credit during the year are included in cash and cash equivalents.

(VII) Trade Receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

(VIII) Inventories

Items of inventories consisting of finished goods produced or purchased, raw materials, consumables and packing materials are carried at lower of cost and realisable value after providing for obsolescence, if any. Cost of finished goods produced or purchases comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, consumables and packing materials are determined on weighted average basis.

(IX) Investments and other financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

(c) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(X) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

Forward Contracts

Profit/loss from Forward contract is recognised on the difference between the exchange rate as on date of entering into contract and date of cancellation of contract.

(XI) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

(XII) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related cumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation and amortisation.

Depreciation is provided using Straight Line Method in the manner and at the rates prescribed under Part C Schedule II of the Companies Act, 2013, or as per the useful lives of the assets estimated by the management. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the company for its use. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(XIII) Intangible assets

(a) Initial Recognition

Intangible Assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

(b) Subsequent

Intangible Assets are carried at cost less accumulated amortisation and impairment loss, if any.

(c) Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Software - 3 Years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of brands. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

(d) Derecognition

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

(XIV) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

(XV) Borrowings

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(XVI) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets which takes substantial period of time to get ready for its intended use is capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the year in which they are incurred. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset will be determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation will be determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

(XVII) Provisions, Contingent Liabilities & Contingent Assets.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(XVIII) Employee benefits

Liabilities for Salaries and Wages to employees are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(a) Short Term Employee Benefits.

Employee benefits payable wholly within twelve months of rendering of the service are classified as short term employees benefits and are recognised in the period in which the employee renders the related service.

(b) Defined Contribution Plan:

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

(c) Defined Benefits Plan:

Post employment and other long term employee benefits in the form of Gratuity is considered as defined benefit obligation. Gratuity

Gratuity is provided for the year under Defined Benefit Plan as per the Actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are adjusted to retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(XIX) Contribution Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(XX) Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(XXI) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

HARIS MARINE PRODUCTS PRIVATE LIMITED
CIN: U05001KA2019PTC129205
Mukka Corporate House Door No. 18-2-16/4 First cross
NG Road, Attavara, Mangaluru-575001

Notes to the Financial Statements for the Year ended on 31st March, 2021

1. PROPERTY, PLANT AND EQUIPMENT:

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 31.03.20	Additions during the year	Balance as at 31.03.21	Balance as at 31.03.20	Charge for the year	Balance as at 31.03.21	Balance as at 31.03.21	Balance as at 31.03.20
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible								
Land & Building	4245522	-	4245522	1851875	74862	1926737	2318785	2393647
Plant & Machinery	61092359	-	61092359	43250925	3673798	46924723	14167636	17841434
Furniture & Fixtures	66887	-	66887	59034	6037	65071	1816	7853
Motor Vehicles	13768554	-	13768554	7112968	1553923	8666891	5101663	6655586
Computers	40900	-	40900	19411	12306	31717	9183	21489
Total Rs.	79214222	-	79214222	52294214	5320926	57615140	21599082	26920008

For and on behalf of the Board,



(Kalandan Mohammed Haris)
DIN:03020471
DIRECTOR



(Kalandan Mohammed Althaf)
DIN:03051103
DIRECTOR

As per our report of even date,
For Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS



Abid Ali, B.Com.,F.C.A.,
Partner

Membership No.217293
UDIN: 21217293AAAAHG5044

MANGALURU,
August 03,2021.



HARIS MARINE PRODUCTS PRIVATE LIMITED

CIN: U05001KA2019PTC129205

Mukka Corporate House Door No. 18-2-16/4 First cross
NG Road, Attavara, Mangaluru-575001

Notes to the Financial Statements for the Year ended on 31st March, 2021

2 NON CURRENT INVESTMENTS (at cost):		31.03.2021	31.03.2020
		Rs.	Rs.
(i) Equity instruments (unquoted)			
Unquoted		Nil	Nil
Unquoted			
(ii) Investment in Partnership Firms			
Mangalore Fish Meal and Oil Company		34148172	Nil
(iii) Investment in Government Securities			
National Saving Certificate		Nil	Nil
	TOTAL Rs.	<u>34148172</u>	<u>-</u>
3. LOANS:		31.03.2021	31.03.2020
		Rs.	Rs.
a) NON-CURRENT :			
(Unsecured, considered good)			
Other Loans & Advances		500000	1836703
	TOTAL Rs.	<u>500000</u>	<u>1836703</u>
b) CURRENT :			
(Unsecured and Considered Good)			
Loans and Advances to Employees		72448	203798
Other Loans		7800000	9016516
	TOTAL Rs.	<u>7872448</u>	<u>9220314</u>
Total Loans	TOTAL Rs.	<u>8372448</u>	<u>11057017</u>
4. OTHER FINANCIAL ASSET :		31.03.2021	31.03.2020
		Rs.	Rs.
NON-CURRENT :			
(a) Security Deposits		2812126	2802126
	TOTAL Rs.	<u>2812126</u>	<u>2802126</u>
5. DEFERRED TAX ASSETS:			
Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 26.00% . The net deferred tax liability and charge in the Statement of Profit & Loss account are attributable to the following			
Particulars	Deferred Tax Asset as at 31.03.2020	Current year charge / (credit)	Deferred Tax Asset as at 31.03.2021
	Rs.	Rs.	Rs.
Deferred Tax Asset on account of depreciation	49263	451022	500285
The net deferred tax asset of Rs.451022/- for the period has been recognised in the Statement of Profit & Loss account.			
6. INVENTORIES (at lower of cost and net realizable value):		31.03.2021	31.03.2020
		Rs.	Rs.
(As certified by the Management)			
(a) Finished Goods		22508263	195456877
	TOTAL Rs.	<u>22508263</u>	<u>195456877</u>

Cont'd..

7. TRADE RECEIVABLES:

	31.03.2021 Rs.	31.03.2020 Rs.
Trade receivables outstanding for a period exceeding six months from due date (Unsecured, considered good)	939395	837710
Debts outstanding for a period less than six months from the date they became due for payment (Unsecured, considered good)	116158087	11532189
TOTAL Rs.	117097482	12369899

8. CASH & CASH EQUIVALENTS:

	31.03.2021 Rs.	31.03.2020 Rs.
(a) Balances with Banks	1886750	504186
(b) Cash in Hand	112355	73859
TOTAL Rs.	1999105	578045

9. OTHER CURRENT ASSETS:

	31.03.2021 Rs.	31.03.2020 Rs.
(a) Advance payment to vendors for supply of goods	107344306	109241159
(b) Advances with Revenue Authorities	3005692	3005692
(c) Other receivables	1878940	1878940
TOTAL Rs.	112228938	114125791

10. SHARE CAPITAL:

	31.03.2021 Rs.	31.03.2020 Rs.
Authorised Capital:		
100,000 Equity Shares of Rs. 100/- each	Rs. 10000000	10000000
Issued, Subscribed & Paid-up Capital :		
100,000 Equity Shares of Rs. 100/- each fully paid up	Rs. 10000000	10000000

Notes :

1) Reconciliation of the Number of Shares and amount outstanding at the beginning and at the end of reporting period.

Particulars	31.03.2021	31.03.2020
Equity Shares		
Number of Shares at the beginning of the period	100000	0
Add : Issued during the year	0	100000
Less: Bought back during the year	0	0
Number of Shares at the end of the period	100000	100000

Shareholders holding of total paid up capital

Name of the shareholder	31.03.2021		31.03.2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Mr. K.Mohammed Haris	500	0.5	500	0.5
Mr. K. Mohammed Althaf	500	0.5	500	0.5
Mr. K. Abdul Razak	500	0.5	500	0.5
Mr. K.Mohammed Arif	500	0.5	500	0.5
M/s. Mukka Sea Food Industries Ltd.,	98000	98	98000	98

11. OTHER EQUITY**a) RESERVE AND SURPLUS :**

	31.03.2021 Rs.	31.03.2020 Rs.
Surplus/(Deficit) in Statement of Profit & Loss	Nil	Nil
Opening Balance	(2648413)	
Less : Adjustment for transfer of assets do not form part of the transaction		
Add: Profit/(Loss) for the year	22152497	(2648413)
Retained Earnings	TOTAL Rs. 19504084	(2648413)

Cont'd..

12. BORROWINGS:

a) Non-Current

The long term borrowings are stated at the proceeds received net of repayments and the amounts repayable within next twelve months which have been shown as a current liability under other current liabilities.

(a) Term Loans (Secured)

(i) From banks

- HDFC

31.03.2021
Rs.31.03.2020
Rs.

20000000

0

(b) Loans and advances from related parties (Unsecured)

- from Directors

- others

145999

16134444

0

7863333

Rs.

20145999

23997776

TOTAL Rs.

20145999

23997776

b) Current

(Secured Loans)

Loans repayable on demand - From Banks

- HDFC Bank OD

94764265

100592047

TOTAL Rs.

94764265

100592047

13. OTHER FINANCIAL LIABILITIES:

a) Non-Current

- Rent Deposits

31.03.2021

31.03.2020

Rs.

Rs.

4040000

4040000

TOTAL Rs.

4040000

4040000

b) Current

- TDS & TCS

- Profession tax

- EPF Payable

- ESI Payable

- Outstanding Charges

207173

30942

4600

6800

46996

127530

10139

0

5495261

3279585

TOTAL Rs.

5764169

3444857

14. TRADE PAYABLES:

Trade Payable due to Micro, Small & Medium Enterprises

- Due towards goods purchased

- Due towards services received

31.03.2021

31.03.2020

Rs.

Rs.

151464029

223256623

1779093

2847810

TOTAL Rs.

153243122

226104433

Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made.

Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the Company.

15. CURRENT TAX LIABILITIES (NET)

- Tax expenses

Less: Advance Income Tax

TDS & TCS

31.03.2021

31.03.2020

Rs.

Rs.

16096578

(2000000)

(292313)

(2171673)

TOTAL Rs.

13804265

(2171673)

Cont'd..

16. REVENUE FROM OPERATIONS:

(A) Sale of Products:
 Finished Goods
 - Domestic

	31.03.2021 Rs.	31.03.2020 Rs.
	529998327	172887948
Sub Total Rs.	<u>529998327</u>	<u>172887948</u>

(B) Other Operating Income:

Details of Finished Goods Sold
 - Fish Meal
 - Fish Oil

	331006	6345
Total Rs.	<u>530329333</u>	<u>172894293</u>
	529668327	169046348
	330000	3841600
TOTAL Rs.	<u>529998327</u>	<u>172887948</u>

17. OTHER INCOME:

(a) Other non-operating income
 (b) Profit from Mangalore Fish Meal and Oil Company

	31.03.2021 Rs.	31.03.2020 Rs.
	1024240	617154
	16148172	0
TOTAL Rs.	<u>17172412</u>	<u>617154</u>

18. COST OF MATERIALS CONSUMED:

Purchases
 Freight, Import expenses & duty
 Cost of Materials Consumed

	31.03.2021 Rs.	31.03.2020 Rs.
	298337993	110869038
	10128893	2229090
TOTAL Rs.	<u>308466886</u>	<u>113098128</u>

19. CHANGES IN INVENTORIES OF STOCK -IN-TRADE:

Fish oil & Fish Meal
 Opening stock
 Less : Closing stock
 Changes in inventories of Fish Oil & Fish Meal

	31.03.2021 Rs.	31.03.2020 Rs.
	195456877	238196803
	22508263	195456877
Rs.	<u>172948615</u>	<u>42739926</u>

20. EMPLOYEE BENEFITS EXPENSES:

(a) Salaries & Wages
 (b) Staff welfare expenses
 (c) Contribution to EPF & ESI
 (c) Bonus

	31.03.2021 Rs.	31.03.2020 Rs.
	6353996	4611911
	377019	325610
	612526	424805
	651700	0
TOTAL Rs.	<u>7995241</u>	<u>5362326</u>

21. FINANCE COSTS:

(a) Interest expense:
 - On Vehicle Loans
 - On Short term borrowings
 - On Term Loan
 (b) Other borrowing costs:
 - Bank charges & commission

	31.03.2021 Rs.	31.03.2020 Rs.
	0	64550
	9697273	5436035
	926712	0
	48320	655366
TOTAL Rs.	<u>10672305</u>	<u>6155951</u>

Cont'd.

22. OTHER EXPENSES:

	31.03.2021	31.03.2020
	Rs.	Rs.
Consumption consumables , Stores & Spares	319973	935676
Power, Fuel, Light & Water	1193322	1303747
Export, Travel & Business Promotion Expenses	738636	172786
Rent	60000	30000
Repairs to Plant & Machinery	9400	89895
Repairs to Vehicles	179429.56	131751
Repairs to Others	0	97430
Insurance	303565	218809
Membership and Subscription	125180	0
Postage, Courier & Telephone Charges	1760	42894
Printing & Stationery	5937	7100
Rates and Taxes, excluding taxes on income	419602	552362
Legal & Professional Charges	636620	2278564
Auditor's Remuneration	250000	250000
Travelling & Conveyance	16617	36030
Donation	5000	71100
Bad debts written off	0	400410
Miscellaneous expenses	34678	4040
TOTAL Rs.	4299719	6622593

23. EARNINGS PER EQUITY SHARE:

	31st March 2021	31st March 2020
	Rs.	Rs.
Profit after Tax (PAT)	22152497	(2648413)
From continuing operations (A)	22152497	(2648413)
From discontinued operations (B)	0	0
Total Net Profit	22152497	(2648413)
Weighted average number of equity shares for Basic EPS (C)	100000	100000
(a) Basic earnings per share		
From continuing operations (A/C)	222	(26)
From discontinued operations (B/C)	0	0

24 PAYMENT TO AUDITORS:

	31.03.2021	31.03.2020
	Rs.	Rs.
Audit Fees	250000	250000
TOTAL Rs.	250000	250000

25 RELATED PARTY DISCLOSURES:

- a. List of Related Parties where control exists and with whom the Company had transactions and their relationships:

Description of Relationship	Names of Related Parties
Key Management Personnel :	Mr. K.Mohammed Haris
*****	Mr. K. Mohammed Althaf
*****	Mr. K. Abdul Razak
*****	Mr. K.Mohammed Arif
Holding Co.	M/s Mukka Sea Food Industries Ltd.,
Entities where KMP are interested	M/s Shipwaves Online Private Limited
Associate Companies / Firms	M/s Progress Frozen & Fish Sterilisation
Associate Companies / Firms	M/s Mangalore Fish Meal and Oil Company
Associate Companies / Firms	M/s Ullal Fish Meal and Oil Company
Associate Companies / Firms	M/s Silkwoods International
Relative of KMP	Mrs. Aisha Shabnam
Relative of KMP	Mrs. Razeena Khateerja
Relative of KMP	Mrs. Zareena

Cont'd..

b. Names of related parties and Nature of Transaction, details of transactions with related parties as on 31st March, 2021:

	31.03.2021	31.03.2020
Repayment of Loan		
Mr. K Mohammed Althaf	23260000	
Mrs. Razeena Khateerja	6068453	
Rent paid	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	70800	35400
Rent received	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	1081350	486000
Purchase of goods	31.03.2021	31.03.2020
M/s Mangalore Fish Meal and Oil Company	41675288	-
M/s Ullal Fish Meal and Oil Company	94406038	-
M/s Progress Frozen & Fish Sterilisation	1949220	-
M/s Mukka Sea Food Industries Ltd.,	114002660	101504590
Sale of Goods	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	193588710	56038244
M/s Mangalore Fish Meal and Oil Company	481163	-
Freight Expenses	31.03.2021	31.03.2020
Shipwave Online Private Limited	10647014	-
Rent Recievable	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	76600	81000
Rent Payable	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	11800	5900
Trade Payable	31.03.2021	31.03.2020
M/s Mangalore Fish Meal and Oil Company	45001763	3857888
M/s Ullal Fish Meal and Oil Company	94410250	-
M/s Progress Frozen & Fish Sterilisation	1949220	-
M/s Shipwaves Online Private Limited	989452	1216516
Trade Receivables	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	9063838	(197685493)
M/s Mukka Sea Food Industries Ltd., - Porbandar Branch	484607	500000
Salary paid	31.03.2021	31.03.2020
Aisha Shabnam	120000	-
Razeena Khateerja	120000	-
Zareena	120000	-
Salary payable	31.03.2021	31.03.2020
Aisha Shabnam	70000	-
Razeena Khateerja	90000	-
Zareena	90000	-
Loans and Advances - Asset	31.03.2021	31.03.2020
Silkwinds International	94264363	100164363
Corporate guarantee	31.03.2021	31.03.2020
M/s Mukka Sea Food Industries Ltd.,	1383500000	-

Cont'd.

26 CONTINGENT LIABILITIES

Particulars	31st March 2021	31st March 2020
	Rs.	Rs.
A) Disputed Tax Liability	-	-
B) Corporate guarantee given for :	1383500000	-

27 COMMITMENTS

Particulars	31st March 2021	31st March 2020
	Rs.	Rs.
Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of Advances)	-	-

28 CORPORATE GUARANTEES

With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the group company is not being benefited significantly from such guarantees

29 CORPORATE SOCIAL RESPONSIBILITY

CSR as per Section 135 of Companies Act, 2013 read with Schedule VII thereof, is not applicable for the company

30 SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely manufacture ,processing and export of Seafood /marine products . The business incorporates product groups vis. Fish Oil, fish paste, fish meal etc. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

31 Balance sheet is prepared for the period 01.04.2020-31.03.2021

Cont'd..

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	As at 31st March 2021	As at 31st March 2020
Variable Rate Borrowing	94764265	100592047
Total	94764265	100592047

Sensitivity

The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

	Impact on profit after tax and equity	
	As at 31-03-21	As at 31-03-20
Interest rate - Increases by 100 basis points	947643	1005920
Interest rate - Decreases by 100 basis points	(947643)	(1005920)

(II) Price risk

The Company's investments in quoted equity securities is very minimal, hence there is limited exposure to price risk.

Liquidity Risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(i) Maturities of financial liabilities

Contractual cash flows

31st March, 2021	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	114910264	114910264	94764265	20145999		
Trade Payables	153243122	153243122	153243122			
Total	268153385	268153385	248007387	20145999	0	0

Contractual cash flows

31st March, 2020	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	124589824	124589824	100592047	23997776		
Trade Payables	226104433	226104433	226104433			
Total	350694257	350694257	326696480	23997776	0	0

Cont'd..

NOTE 32 :FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2021

Particulars	Carrying Value	Fair Value
	31-Mar-21	31-Mar-21
Financial Assets		
Amortised Cost		
Loans	7872448	7872448
Trade receivable	117097482	117097482
Cash and cash equivalents	1999105	1999105
Total Assets	126969035	126969035

Particulars	Carrying Value	Fair Value
	31-Mar-21	31-Mar-21
Financial Liabilities		
Amortised Cost		
Borrowings	94764265	94764265
Trade Payable	153243122	153243122
Other Financial Liabilities	5764169	5764169
Total Liabilities	253771555	253771555

The carrying value and fair value of financial instruments by categories as at March 31, 2020

Particulars	Carrying Value	Fair Value
	31-Mar-20	31-Mar-20
Financial Assets		
Amortised Cost		
Loans	118461473	118461473
Trade receivable	12369899	12369899
Cash and cash equivalents	578045	578045
Total Assets	131409417	131409417

Particulars	Carrying Value	Fair Value
	31-Mar-20	31-Mar-20
Financial Liabilities		
Amortised Cost		
Borrowings	100592047	100592047
Trade Payable	226104433	226104433
Other Financial Liabilities	3444857	3444857
Total Liabilities	330141337	330141337

Fair Value Hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits, are considered to be same as their fair values. With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the subsidiary company is not being benefited significantly from such guarantees.

NOTE 33: FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments :

- > Credit risk
- > Liquidity Risk
- > Market Risk

Cont'd..

Credit Risk :

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, and other activities that are in nature of leases.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposures to credit risk as at March 31, 2021 was as follows :

Particulars	31.03.21	31.03.20
Trade receivables	117097482	12369899
Cash and cash equivalents	1999105	578045
Other financial assets	2812126	2802126
Total	121908714	15750070

Credit Risk Management- (ii) Provision for expected credit losses

Category	Description of Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and Deposits	Trade Receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong.	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss	Asset is Written-off		

Year Ended 31st March, 2021

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected Probability of Default	Expected credit Losses	Carrying amount Net of Impairment Provisions
Loss allowance measured at 12 month expected credit losses -	Cash and Bank Balances	1999105	0%	-	1999105
Financial assets for which credit risk has not increased significantly since initial recognition	Loans and advances	8372448	0%	-	8372448
	Security deposits	2812126	0%	-	2812126

Cont'd..

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected Probability of Default	Expected credit Losses	Carrying amount Net of Impairment Provisions
Loss allowance measured at 12 month expected credit losses -	Cash and Bank Balances	578045	0%	-	578045
Financial assets for which credit risk has not increased significantly since initial recognition	Loans and advances	120298176	0%	-	120298176
	Security deposits	2802126	0%	-	2802126

Expected credit loss for trade receivables under simplified approach

Year ended 31st March, 2021

Ageing	0-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	116158087	939395	-	117097482
Expected loss rate	-	-	-	-
Expected credit loss	-	-	-	-
Carrying amount of trade receivables (net of impairment)	116158087	939395	-	117097482

Year ended 31st March, 2020

Ageing	0-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	11532189	837710	-	12369899
Expected loss rate	-	-	-	-
Expected credit loss	-	-	-	-
Carrying amount of trade receivables (net of impairment)	11532189	837710	-	12369899

Note 34 : Income Tax**Income taxes****Income tax expense in the statement of profit and loss comprises**

Particulars	Year Ended 31st March	
	2021	2020
Current Taxes	5552420	-
Earlier Year Taxes	10544158	-
Deferred Taxes	(451022)	(49263)
Income tax expense	15645556	(49263)

Entire deferred income tax for the year ended March 31, 2021 relates to origination and reversal of temporary differences.

Note 35 : Capital Management

The company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of company's capital management is to maximise shareholder's value. The company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

Cont'd..

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net Debts comprises of long term and short term borrowings less cash and bank balances. Equity includes Equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

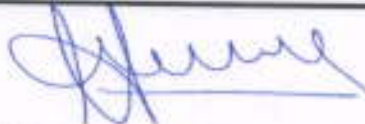
Particulars	31.03.21	31.03.20
Debt	94764265	100592047
Less: Cash and Bank Balances	1999105	578045
Net Debt (A)	92765159	100014002
Equity (B)	29504084	7351587
Net Debt to Equity Ratio (A)/(B)	3.14	13.60

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

For and on behalf of the Board,



(KALANDAN MOHAMMED HARIS)
DIN:03020471
DIRECTOR



(KALANDAN MOHAMMED ALTHAF)
DIN:03051103
DIRECTOR

As per our report of even date,
For Sheikh Abdullah & Co.,
CHARTERED ACCOUNTANTS



Abid Ali, B.Com.,F.C.A.,
Partner
Membership No.217293
DIN: 21217293AAAAHG5044

MANGALURU,
August 03,2021.

