

.....  
\*  
\* **HARIS MARINE PRODUCTS PRIVATE LIMITED.,** \*  
\* **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, 2022** \*  
.....

**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, 2022**

| Particulars                          | Note No. | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--------------------------------------|----------|---------------------|---------------------|
| <b>ASSETS</b>                        |          |                     |                     |
| <b>Non-Current assets</b>            |          |                     |                     |
| Property, Plant and Equipment        | 1        | 16288709            | 21599082            |
| <b>Financial assets</b>              |          |                     |                     |
| Investments                          | 2        | 38485177            | 34148172            |
| Loans                                | 3        | 1900000             | 500000              |
| Other Financial Asset                | 4        | 2812126             | 2812126             |
| Deferred tax Assets                  | 5        | 1465390             | 500285              |
| <b>Total Non Current Assets</b>      |          | <u>60951402</u>     | <u>59559666</u>     |
| <b>Current Assets</b>                |          |                     |                     |
| Inventories                          | 6        | 168906387           | 22508263            |
| <b>Financial Assets</b>              |          |                     |                     |
| Trade Receivables                    | 7        | 13592978            | 117097482           |
| Cash & Cash Equivalents              | 8        | 920911              | 1999105             |
| Loans                                | 3        | 4688024             | 115216754           |
| Other current assets                 | 9        | 12005754            | 4884632             |
| <b>Total Current Assets</b>          |          | <u>200114054</u>    | <u>261706237</u>    |
| <b>Total Assets</b>                  |          | <u>261065456</u>    | <u>321265903</u>    |
| <b>EQUITY AND LIABILITIES</b>        |          |                     |                     |
| <b>Equity</b>                        |          |                     |                     |
| Equity Share Capital                 | 10       | 10000000            | 10000000            |
| Other equity                         | 11       | 42114668            | 19504084            |
| <b>Total Equity</b>                  |          | <u>52114668</u>     | <u>29504084</u>     |
| <b>LIABILITIES</b>                   |          |                     |                     |
| <b>Non- Current Liabilities</b>      |          |                     |                     |
| <b>Financial Liabilities</b>         |          |                     |                     |
| Borrowings                           | 12       | 0                   | 20000000            |
| Other Financial Liabilities          | 13       | 4040000             | 4040000             |
| <b>Total Non Current Liabilities</b> |          | <u>4040000</u>      | <u>24040000</u>     |
| <b>Current Liabilities</b>           |          |                     |                     |
| <b>Financial Liabilities</b>         |          |                     |                     |
| Borrowings                           | 12       | 0                   | 94764265            |
| Trade payables                       | 14       | 196659120           | 153243122           |
| Other Financial Liabilities          | 13       | 1953836             | 5910167             |
| Current tax liabilities (Net)        | 15       | 6297833             | 13804265            |
| <b>Total Current Liabilities</b>     |          | <u>204910788</u>    | <u>267721819</u>    |
| <b>Total Equity And Liabilities</b>  |          | <u>261065456</u>    | <u>321265903</u>    |

Significant Accounting Policies

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

For and on behalf of the Board,



(Kalandan Mohammed Harris)  
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,  
June 30, 2022.



Membership No.217293  
DIN: 22217293ANEJZA6407

**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 MARCH 31, 2022**

| Particulars   | Note No. | 31.03.2022       | 31.03.2021       |
|---|----------|------------------|------------------|
| <b>INCOME</b>   |          |                  |                  |
| Revenue From Operations   | 16       | 428973122        | 530329333        |
| Other Income  | 17       | 6216220          | 17172412         |
| <b>Total Income</b>   |          | <b>435189342</b> | <b>547501745</b> |
| <b>EXPENSES</b>   |          |                  |                  |
| Cost of Materials Consumed  | 18       | 521802011        | 308466886        |
| Changes in inventories of finished goods                              | 19       | (146398125)      | 172948615        |
| Employee benefits expense   | 20       | 6350209          | 7995241          |
| Finance costs   | 21       | 7863266          | 10672305         |
| Depreciation and amortisation expense                                 | 1        | 5310374          | 5320926          |
| Other expenses  | 22       | 10375739         | 4299719          |
| <b>Total Expenses</b>   |          | <b>405303474</b> | <b>509703692</b> |
| <b>Profit Before Extraordinary/Exceptional Items and Tax</b>          |          | <b>29885868</b>  | <b>37798053</b>  |
| <b>EXCEPTIONAL ITEMS</b>  |          |                  |                  |
|   |          | ...              | ...              |
| <b>Profit Before Tax</b>  |          | <b>29885868</b>  | <b>37798053</b>  |
| <b>Tax Expenses</b>   |          |                  |                  |
| Current Tax   |          | 6877109          | 5552420          |
| Earlier years   |          | 1363280          | 10544158         |
| Net current tax expense   |          | 8240389          | 16096578         |
| Deferred Tax  | 5        | (965105)         | (451022)         |
| <b>Profit for the period</b>  |          | <b>22610584</b>  | <b>22152497</b>  |
| <b>Other Comprehensive Income</b>                                     |          |                  |                  |
| Items that will not be reclassified subsequently to profit or loss    |          |                  |                  |
| Remeasurement of the net defined benefit plans                        |          | -                | -                |
| <b>Total other comprehensive income</b>                               |          | <b>-</b>         | <b>-</b>         |
| <b>Total comprehensive income for the period</b>                      |          | <b>22610584</b>  | <b>22152497</b>  |
| <b>Earnings per Equity Share : Basic &amp; Diluted</b>                |          |                  |                  |
| (1) Basic   |          | 226              | 222              |
| (2) Diluted   |          | 226              | 222              |
| <b>Summary of significant accounting policies</b>                     |          |                  |                  |
| 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  
DIN: 2217293ANEJZA6407



MANGALURU,  
June 30, 2022.



**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 CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

(In Rs. except share data)

| Particulars                             | Equity Shares<br>(No. of Shares) | Equity Share capital | Reserves & Surplus | Other Comprehensive Income                   | Total equity attributable to equityholders of company |
|---|----------------------------------|----------------------|--------------------|--|---|
|   |                                  |                      | Retained earnings  | Remeasurement of Defined Benefit Liabilities |   |
| Balance as on April 01, 2020            | 100000                           | 10000000             | (2648413)          | 0  | 7351587   |
| Changes in equity in 2020-21            |                                  |                      |                    |  |   |
| Profit/(loss) for the year              |                                  |                      | 22152497           |  | 22152497  |
| Other comprehensive income for the year |                                  |                      |                    | 0  | 0   |
| At March 31, 2021                       | 100000                           | 10000000             | 19504084           | 0  | 29504084  |
| Changes in equity in 2021-22            |                                  |                      |                    |  |   |
| Profit/(loss) for the year              |                                  |                      | 22610584           |  | 22610584  |
| Other comprehensive income for the year |                                  |                      |                    | 0  | 0   |
| Balance as on March 31, 2022            | 100000                           | 10000000             | 42114668           | 0  | 52114668  |

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

For and on behalf of the Board of Directors

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

  
(Kalandan Mohammed Haris)  
DIN:03020471  
DIRECTOR

  
(Kalandan Mohammed Althaf)  
DIN:03051103  
DIRECTOR

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

MANGALURU,  
June 30, 2022.



Membership No.217293  
DIN No. 22217293ANEJZA6407

**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 MARCH 31, 2022**

| Particulars   | Note No. | 31.03.2022         | 31.03.2021        |
|---|----------|--------------------|-------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>             |          |                    |                   |
| Net Profit before tax                                     |          | 29885868           | 37798053          |
| Adjustment for :  |          |                    |                   |
| Depreciation / Amortization                               |          | 5310374            | 5320926           |
| Interest Expenses   |          | 7863266            | 10672305          |
|   |          | <u>13173640</u>    | <u>15993231</u>   |
| Operating profit before working capital changes           |          | <u>43059508</u>    | <u>53791285</u>   |
| Adjustment for :  |          |                    |                   |
| Inventories   |          | (146398125)        | 172948615         |
| Trade and Other Receivables                               |          | 103504504          | (104727583)       |
| Trade Payables  |          | 43415998           | (72861311)        |
| Other Current Assets                                      |          | (7121122)          | 0                 |
| Other Financial Assets                                    |          | 0                  | (10000)           |
| Loans   |          | 109128731          | 4581421           |
| Other Financial liabilities                               |          | (3956332)          | 2319311           |
|   |          | <u>98573654</u>    | <u>2250453</u>    |
| Net Cash Generated from Operating activity                |          | <u>141633162</u>   | <u>56041738</u>   |
| Income Tax Paid   |          | (15746821)         | (120640)          |
| Net Cash from operating activities                        |          | <u>125886341</u>   | <u>55921098</u>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>             |          |                    |                   |
| Purchase of fixed assets / capital works-in-progress      |          | 0                  | 0                 |
| Non Current Investments                                   |          | (4337005)          | (34148172)        |
| Net cash used in investing activities                     |          | <u>(4337005)</u>   | <u>(34148172)</u> |
| <b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>             |          |                    |                   |
| Changes in borrowings - Non Current                       |          | (20000000)         | (3851778)         |
| Interest Paid   |          | (7863266)          | (10672305)        |
| Changes in borrowings - Current                           |          | (94764265)         | (5827782)         |
| Net Cash from financial activities                        |          | <u>(122627531)</u> | <u>(20351865)</u> |
| <b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> |          | <u>(1078195)</u>   | <u>1421060</u>    |
| Cash and Cash equivalents at the beginning                |          | 1999106            | 578045            |
| Cash and Cash equivalents at the close                    |          | <u>920911</u>      | <u>1999105</u>    |

Significant Accounting Policies |  
The accompanying notes are integral part of the financial statements.

For and on behalf of the Board,

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

(Kalandan Mohammed Haris)  
DIN:03020471  
DIRECTOR



(Kalandan Mohammed Althaf)  
DIN:03051103  
DIRECTOR

*(Signature)*

MANGALURU,  
June 30, 2022.



Abid Ali., B.Com., F.C.A.,  
Partner  
Membership No.217293  
DIN: 22217293ANEJZA6407



**NOTE - I : 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

**Cont'd...**



(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.

Cont'd...



- (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.

Cont'd...



(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:

Cont'd...



#### 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

##### (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

Cont'd...



- (c) **Defined Benefits Plan:**  
Post employment and other long term employee benefits in the form of Gratuity is considered as defined benefit 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.

Cont'd...

**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 March 31, 2022**

**1. PROPERTY, PLANT AND EQUIPMENT:**

| Particulars          | GROSS BLOCK            |                             |                        | ACCUMULATED DEPRECIATION |                       |                        | NET BLOCK              |                        |
|----------------------|------------------------|-----------------------------|------------------------|--------------------------|-----------------------|------------------------|------------------------|------------------------|
|                      | Balance as at 01.04.21 | Additions during the period | Balance as at 31.03.22 | Balance as at 01.04.21   | Charge for the period | Balance as at 31.03.22 | Balance as at 31.03.22 | Balance as at 31.03.21 |
|                      | Rs.                    | Rs.                         | Rs.                    | Rs.                      | Rs.                   | Rs.                    | Rs.                    | Rs.                    |
| Tangible             |                        |                             |                        |                          |                       |                        |                        |                        |
| Land & Building      | 4245522                | -                           | 4245522                | 1926737                  | 78802                 | 2005539                | 2239983                | 2318785                |
| Plant & Machinery    |                        |                             |                        |                          |                       |                        |                        |                        |
| Owned                | 61092359               | -                           | 61092359               | 46924723                 | 3588725               | 50513448               | 10578911               | 14167636               |
| Leased               |                        |                             |                        |                          |                       |                        |                        |                        |
| Furniture & Fixtures | 66887                  | -                           | 66887                  | 65071                    | 0                     | 65071                  | 1816                   | 1816                   |
| Motor Vehicles       | 13768554               | -                           | 13768554               | 8666891                  | 1635709               | 10302600               | 3465954                | 5101663                |
| Computers            | 40900                  | -                           | 40900                  | 31717                    | 7138                  | 38855                  | 2045                   | 9183                   |
| <b>Total Rs.</b>     | <b>79214222</b>        | <b>-</b>                    | <b>79214222</b>        | <b>57615140</b>          | <b>5310374</b>        | <b>62925513</b>        | <b>16288709</b>        | <b>21599082</b>        |
| Previous year        | 79214222               | 0                           | 79214222               | 52294214                 | 5320926               | 57615140               | 21599082               | 26920008               |

Cont'd...



**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 March 31, 2022**

| <b>2 NON CURRENT INVESTMENTS ( at cost ):</b>  | 31.03.2022<br>Rs.               | 31.03.2021<br>Rs.  |
|--|---------------------------------|--------------------|
| (i) Equity instruments (unquoted)<br>Unquoted  | Nil                             | Nil                |
| Unquoted<br>(ii) Investment in Partnership Firms<br>Mangalore Fish Meal and Oil Company            | 38485177                        | 34148172           |
| (iii) Investment in Government Securities<br>National Saving Certificate                           | Nil                             | Nil                |
| <b>TOTAL Rs.</b>   | <u>38485177</u>                 | <u>34148172</u>    |
| <b>3. LOANS:</b>   | 31.03.2022<br>Rs.               | 31.03.2021<br>Rs.  |
| a) NON-CURRENT :<br>(Unsecured, considered good)<br>Other Loans & Advances                         | 1900000                         | 500000             |
| <b>TOTAL Rs.</b>   | <u>1900000</u>                  | <u>500000</u>      |
| b) CURRENT :<br>(Unsecured and Considered Good)<br>Loans and Advances to Employees<br>Other Loans* | 158000<br>4530024               | 72448<br>115144306 |
| <b>TOTAL Rs.</b>   | <u>4688024</u>                  | <u>115216754</u>   |
| Total Loans  | <b>TOTAL Rs.</b> <u>6588024</u> | <u>115716754</u>   |
| * Includes loans to related parties of Rs.   | 0                               | 103812808          |
| <b>4. OTHER FINANCIAL ASSET :</b>  | 31.03.2022<br>Rs.               | 31.03.2021<br>Rs.  |
| NON-CURRENT :<br>(a) Security Deposits   | 2812126                         | 2812126            |
| <b>TOTAL Rs.</b>   | <u>2812126</u>                  | <u>2812126</u>     |

**5. DEFERRED TAX ASSETS:**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25.168% . The net deferred tax liability and charge in the Statement of Profit & Loss account are attributable to the following item :

| Particulars   | Deferred Tax Asset as at 31.03.2021<br>Rs. | Current year charge / (credit)<br>Rs. | Deferred Tax Asset as at 31.03.2022<br>Rs. |
|---|--|---------------------------------------|--|
| Deferred Tax Asset on account of depreciation   | 500285                                     | 965105                                | 1465390                                    |
| The net deferred tax asset of Rs.965105/- for the period has been recognised in the Statement of Profit & Loss account. |  |                                       |  |

**6. INVENTORIES (at lower of cost and net realizable value):**

| (As certified by the Management) | 31.03.2022<br>Rs. | 31.03.2021<br>Rs. |
|----------------------------------|-------------------|-------------------|
| (a) Finished Goods               | 168906387         | 22508263          |
| <b>TOTAL Rs.</b>                 | <u>168906387</u>  | <u>22508263</u>   |

Cont'd...

**7. TRADE RECEIVABLES:**
**TRADE RECEIVABLES - BILLED:**

Unsecured, considered good

Trade receivables

Allowance for doubtful receivables

Credit impaired

Trade receivables

Allowance for doubtful receivables

 31.03.2022  
Rs.

 31.03.2021  
Rs.

|                  |                  |
|------------------|------------------|
| 13592978         | 117097482        |
| 0                | 0                |
| <u>13592978</u>  | <u>117097482</u> |
| 0                | 0                |
| 0                | 0                |
| <u>0</u>         | <u>0</u>         |
| <b>TOTAL Rs.</b> | <b>TOTAL Rs.</b> |
| <u>13592978</u>  | <u>117097482</u> |

**Trade receivables ageing schedule**

| Particulars 31.03.2022                         | Outstanding for following periods from due date of payment |                    |                 |                   |                 |
|--|--|--------------------|-----------------|-------------------|-----------------|
|  | Less than 6 months   | 6 months to 1 year | 1 to 2 years    | More than 2 years | Total           |
| Undisputed Trade receivables – considered good | 1304079  | 0                  | 939395          | 0                 | 2243474         |
| Undisputed Trade receivables – credit impaired | 0  | 0                  | 0               | 0                 | 0               |
| Disputed Trade receivables considered good     | 0  | 0                  | 11349504        | 0                 | 11349504        |
| Disputed Trade receivables credit impaired     | 0  | 0                  | 0               | 0                 | 0               |
|  | 1304079  | 0                  | 12288899        | 0                 | 13592978        |
| Allowance for doubtful receivables             | 0  | 0                  | 0               | 0                 | 0               |
| <b>Total Rs.</b>                               | <b>1304079</b>   | <b>0</b>           | <b>12288899</b> | <b>0</b>          | <b>13592978</b> |

**Trade receivables ageing schedule**

| Particulars 31.03.2021             | Outstanding for following periods from |                    |                 |                   |                  |
|------------------------------------|--|--------------------|-----------------|-------------------|------------------|
|                                    | Less than 6 months                     | 6 months to 1 year | 1 to 2 years    | More than 2 years | Total            |
| Undisputed Trade receivables –     | 104808583                              | 0                  | 939395          | 0                 | 105747978        |
| Undisputed Trade receivables –     | 0                                      | 0                  | 0               | 0                 | 0                |
| Disputed Trade receivables         | 0                                      | 0                  | 11349504        | 0                 | 11349504         |
| Disputed Trade receivables credit  | 0                                      | 0                  | 0               | 0                 | 0                |
|                                    | 104808583                              | 0                  | 12288899        | 0                 | 117097482        |
| Allowance for doubtful receivables | 0                                      | 0                  | 0               | 0                 | 0                |
| <b>Total Rs.</b>                   | <b>104808583</b>                       | <b>0</b>           | <b>12288899</b> | <b>0</b>          | <b>117097482</b> |

**Relationship with struck off companies**

| Name of struck off company 31.03.2022 | Nature of transactions | Transactions during the year | Balance outstanding | Relationship |
|---------------------------------------|------------------------|------------------------------|---------------------|--------------|
| NA                                    |                        |                              |                     |              |

**8. CASH & CASH EQUIVALENTS:**

(a) Balances with Banks

(b) Cash in Hand

 31.03.2022  
Rs.

 31.03.2021  
Rs.

|                  |                  |
|------------------|------------------|
| 802057           | 1886750          |
| 118854           | 112355           |
| <b>TOTAL Rs.</b> | <b>TOTAL Rs.</b> |
| <u>920911</u>    | <u>1999105</u>   |

Cont'd...



**9. OTHER CURRENT ASSETS:**

|                                       | 31.03.2022      | 31.03.2021     |
|---------------------------------------|-----------------|----------------|
|                                       | Rs.             | Rs.            |
| (a) Advances with Revenue Authorities | 10096814        | 3005692        |
| (b) Other receivables*                | 1908940         | 1878940        |
| <b>TOTAL Rs.</b>                      | <b>12005754</b> | <b>4884632</b> |

Includes Related Party Rs. 30000

**10. SHARE CAPITAL:**

|   | 31.03.2022   | 31.03.2021 |
|---|--------------|------------|
|   | Rs.          | 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                                     | 31.03.2022 | 31.03.2021 |
|---|------------|------------|
| Equity Shares                                   |            |            |
| Number of Shares at the beginning of the period | 100000     | 100000     |
| Add : Issued during the year                    | 0          | 0          |
| 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    | 31.03.2022         |              | 31.03.2021         |              |
|----------------------------|--------------------|--------------|--------------------|--------------|
|                            | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Mr. K.Mohammed Haris       | 500                | 0.50%        | 500                | 0.50%        |
| Mr. K. Mohammed Althaf     | 500                | 0.50%        | 500                | 0.50%        |
| Mr. K. Abdul Razak         | 500                | 0.50%        | 500                | 0.50%        |
| Mr. K.Mohammed Arif        | 500                | 0.50%        | 500                | 0.50%        |
| M/s Mukka Proteins Limited | 98000              | 98.00%       | 98000              | 98.00%       |

Shares held by Promoters

| Promoter Name              | 31.03.2022         |              | 31.03.2021         |              | % Change during the year |
|----------------------------|--------------------|--------------|--------------------|--------------|--------------------------|
|                            | No. of shares held | % of Holding | No. of shares held | % of Holding |                          |
| Mr. K.Mohammed Haris       | 500                | 0.50%        | 500                | 0.50%        | -                        |
| Mr. K. Mohammed Althaf     | 500                | 0.50%        | 500                | 0.50%        | -                        |
| Mr. K. Abdul Razak         | 500                | 0.50%        | 500                | 0.50%        | -                        |
| Mr. K.Mohammed Arif        | 500                | 0.50%        | 500                | 0.50%        | -                        |
| M/s Mukka Proteins Limited | 98000              | 98.00%       | 98000              | 98.00%       | -                        |

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

|   | 31.03.2022                | 31.03.2021      |
|---|---------------------------|-----------------|
|   | Rs.                       | Rs.             |
| Surplus/(Deficit) in Statement of Profit & Loss   | Nil                       | Nil             |
| Opening Balance   | 19504084                  | (2648413)       |
| Less : Adjustment for transfer of assets do not form part of the transaction envisaged under the Share Purchase Agreement |                           |                 |
| Add: Profit/(Loss) for the year   | 22610584                  | 22152497        |
| Retained Earnings   | <b>TOTAL Rs. 42114668</b> | <b>19504084</b> |

**12. BORROWINGS:**

|  | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
|  | Rs.        | Rs.        |
| 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   | 0          | 20000000   |

Cont'd...

- (b) Loans and advances from related parties (Unsecured)  
 - from Directors  
 - others

|           |   |          |
|-----------|---|----------|
| Rs.       | 0 | 0        |
| TOTAL Rs. | 0 | 20000000 |

- b) Current  
 (Secured Loans)  
 Loans repayable on demand - From Banks  
 - HDFC Bank OD

|           |   |          |
|-----------|---|----------|
|           | 0 | 94764265 |
| TOTAL Rs. | 0 | 94764265 |

**13. OTHER FINANCIAL LIABILITIES:**

- a) Non-Current  
 - Rent Deposits

|           |            |            |
|-----------|------------|------------|
|           | 31.03.2022 | 31.03.2021 |
| Rs.       | Rs.        | Rs.        |
|           | 4040000    | 4040000    |
| TOTAL Rs. | 4040000    | 4040000    |

- b) Current  
 - TDS & TCS  
 - Outstanding for reimbursement charges  
 - Profession tax  
 - EPF Payable  
 - ESI Payable  
 - Outstanding Charges

|           |         |         |
|-----------|---------|---------|
|           | 73965   | 207173  |
|           | 145999  | 145999  |
|           | 2800    | 4600    |
|           | 41674   | 46996   |
|           | 0       | 10139   |
|           | 1689398 | 5495261 |
| TOTAL Rs. | 1953836 | 5910167 |

**14. TRADE PAYABLES:**

- Outstanding dues to micro and small enterprises ('MSME')  
 - Due towards goods purchased

|     |            |            |
|-----|------------|------------|
|     | 31.03.2022 | 31.03.2021 |
| Rs. | Rs.        | Rs.        |
|     | 0          | 0          |

- Outstanding dues to creditors other than micro and small enterprises  
 - Due towards goods purchased  
 - Due towards services received

|           |           |           |
|-----------|-----------|-----------|
|           | 196559760 | 151464029 |
|           | 99360     | 1779093   |
| TOTAL Rs. | 196659120 | 153243122 |

**Trade payables ageing schedule**

| Particulars 31.03.2022 | Outstanding for following periods from due date of payment |              |              |                   |           |
|------------------------|--|--------------|--------------|-------------------|-----------|
|                        | Less than 1 year   | 1 to 2 years | 2 to 3 years | More than 3 years | Total     |
| MSME                   | 133369343  | 0            | 0            | 0                 | 133369343 |
| Others                 | 62683162   | 606615       | 0            | 0                 | 63289777  |
| Disputed dues MSME     | 0  | 0            | 0            | 0                 | 0         |
| Disputed dues others   | 0  | 0            | 0            | 0                 | 0         |
| Total Rs.              | 196052505  | 606615       | 0            | 0                 | 196659120 |

**Trade payables ageing schedule**

| Particulars 31.03.2021 | Outstanding for following periods from due date of payment |              |              |                   |           |
|------------------------|--|--------------|--------------|-------------------|-----------|
|                        | Less than 1 year   | 1 to 2 years | 2 to 3 years | More than 3 years | Total     |
| MSME                   | 142350684  | 0            | 0            | 0                 | 142350684 |
| Others                 | 10698057   | 194380       | 0            | 0                 | 10892437  |
| Disputed dues MSME     | 0  | 0            | 0            | 0                 | 0         |
| Disputed dues others   | 0  | 0            | 0            | 0                 | 0         |
| Total Rs.              | 153048742  | 194380       | 0            | 0                 | 153243122 |

**Relationship with struck off companies**

| Name of struck off company 31.03.2022 | Nature of transactions | Transactions during the year | Balance outstanding | Relationship |
|---------------------------------------|------------------------|------------------------------|---------------------|--------------|
| NA                                    |                        |                              |                     |              |

Cont'd...



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.

| <b>15. CURRENT TAX LIABILITIES (NET)</b>                  | 31.03.2022             | 31.03.2021       |
|---|------------------------|------------------|
|   | Rs.                    | Rs.              |
| - Tax expenses  | 6877109                | 16096578         |
| Less: Advance Income Tax                                  | -                      | 2000000          |
| TDS & TCS   | 579276                 | 292313           |
| <b>TOTAL Rs.</b>  | <b>6297833</b>         | <b>13804265</b>  |
| <br>  |                        |                  |
| <b>16. REVENUE FROM OPERATIONS:</b>                       | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| (A) Sale of Products:                                     |                        |                  |
| Finished Goods  |                        |                  |
| - Domestic  | 428973122              | 529998327        |
| <b>Sub Total Rs.</b>                                      | <b>428973122</b>       | <b>529998327</b> |
| <br>  |                        |                  |
| (B) Other Operating Income:                               | -                      | 331006           |
| <b>Total Rs.</b>  | <b>428973122</b>       | <b>530329333</b> |
| <br>  |                        |                  |
| Details of Finished Goods Sold                            |                        |                  |
| - Fish Meal   | 417720952              | 529668327        |
| - Fish Soluble Paste                                      | 11252170               | 0                |
| - Fish Oil  | -                      | 330000           |
| <b>TOTAL Rs.</b>  | <b>428973122</b>       | <b>529998327</b> |
| <br>  |                        |                  |
| <b>17. OTHER INCOME:</b>                                  | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| (a) Other non-operating income                            | 1879215                | 1024240          |
| (b) Profit from Mangalore Fish Meal and Oil Company       | 4337005                | 16148172         |
| <b>TOTAL Rs.</b>  | <b>6216220</b>         | <b>17172412</b>  |
| <br>  |                        |                  |
| <b>18. COST OF MATERIALS CONSUMED:</b>                    | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| (a) Purchases   | 509269366              | 298337993        |
| (b) Freight, Import expenses & duty                       | 12532644               | 10128893         |
| <b>TOTAL Rs.</b>  | <b>521802011</b>       | <b>308466886</b> |
| <br>  |                        |                  |
| <b>19. CHANGES IN INVENTORIES OF STOCK -IN-TRADE:</b>     | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| Fish oil & Fish Meal                                      |                        |                  |
| Opening stock   | 22508263               | 195456877        |
| Less : Closing stock                                      | 168906387              | 22508263         |
| <b>Changes in inventories of Fish Oil &amp; Fish Meal</b> | <b>Rs. (146398125)</b> | <b>172948615</b> |
| <br>  |                        |                  |
| <b>20. EMPLOYEE BENEFITS EXPENSES:</b>                    | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| (a) Salaries & Wages                                      | 5181069                | 6353996          |
| (b) Staff welfare expenses                                | 582408                 | 377019           |
| (c) Contribution to EPF & ESI                             | 369960                 | 612526           |
| (d) Bonus   | 216772                 | 651700           |
| <b>TOTAL Rs.</b>  | <b>6350209</b>         | <b>7995241</b>   |
| <br>  |                        |                  |
| <b>21. FINANCE COSTS:</b>                                 | 31.03.2022             | 31.03.2021       |
|   | Rs.                    | Rs.              |
| (a) Interest expense:                                     |                        |                  |
| - On Short term borrowings                                | 6514470                | 9697273          |
| - On Term Loan  | 1348505                | 926712           |

Cont'd...

- (b) Other borrowing costs:  
- Bank charges & commission

|           |                |                 |
|-----------|----------------|-----------------|
|           | 292            | 48320           |
| TOTAL Rs. | <u>7863266</u> | <u>10672305</u> |

**22. OTHER EXPENSES:**

|  | 31.03.2022      | 31.03.2021     |
|--|-----------------|----------------|
|  | Rs.             | Rs.            |
| Consumption consumables , Stores & Spares    | 775091          | 319973         |
| Commission                                   | 500000          | -              |
| Power, Fuel, Light & Water                   | 1254002         | 1193322        |
| Export, Travel & Business Promotion Expenses | 1016949         | 738636         |
| Rent   | 405000          | 60000          |
| Repairs to Plant & Machinery                 | 171334          | 9400           |
| Repairs to Vehicles                          | 122856          | 179430         |
| Repairs to Others                            | 96742           | -              |
| Insurance                                    | 245154          | 303565         |
| Membership and Subscription                  | 298480          | 125180         |
| Postage, Courier & Telephone Charges         | -               | 1760           |
| Printing & Stationery                        | 950             | 5937           |
| Rates and Taxes, excluding taxes on income   | 3380370         | 419602         |
| Legal & Professional Charges                 | 767812          | 636620         |
| Auditor's Remuneration                       | 400000          | 250000         |
| Travelling & Conveyance                      | -               | 16617          |
| Donation                                     | 71000           | 5000           |
| Miscellaneous expenses                       | 870000          | 34678          |
| TOTAL Rs.                                    | <u>10375739</u> | <u>4299719</u> |

**23. EARNINGS PER EQUITY SHARE:**

|  | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
|  | Rs.        | Rs.        |
| Profit after Tax (PAT)                                     | 22610584   | 22152497   |
| From continuing operations (A)                             | 22610584   | 22152497   |
| From discontinued operations (B)                           | 0          | 0          |
| Total Net Profit   | 22610584   | 22152497   |
| Weighted average number of equity shares for Basic EPS (C) | 100000     | 100000     |
| (a) Basic earnings per share                               |            |            |
| From continuing operations (A/C)                           | 226        | 222        |
| From discontinued operations (B/C)                         | 0          | 0          |

**24 PAYMENT TO AUDITORS:**

|            | 31.03.2022    | 31.03.2021    |
|------------|---------------|---------------|
|            | Rs.           | Rs.           |
| Audit Fees | 400000        | 250000        |
| TOTAL Rs.  | <u>400000</u> | <u>250000</u> |

**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 :<br>*****<br>*****<br>*****<br>Holding Co.  | Mr. K.Mohammed Haris<br>Mr. K. Mohammed Althaf<br>Mr. K. Abdul Razak<br>Mr. K.Mohammed Arif<br>M/s Mukka Proteins Limited   |
| Entities where KMP are interested<br>Associate Companies / Firms<br>Associate Companies / Firms<br>Associate Companies / Firms<br>Associate Companies / Firms<br>Associate Companies / Firms<br>Relative of KMP<br>Relative of KMP<br>Relative of KMP | M/s Shipwaves Online Private Limited<br>M/s Progress Frozen & Fish Sterilisation<br>M/s Mangalore Fish Meal and Oil Company<br>M/s Ullal Fish Meal and Oil Company<br>M/s Silkwinds International<br>Mrs. Aisha Shabnam<br>Mrs. Razeena Khateer<br>Mrs. Zareena |

Cont'd...



|   |            |            |
|---|------------|------------|
| Trade Receivables                             | 31.03.2022 | 31.03.2021 |
| M/s Mukka Proteins Limited - Porbandar Branch | 0          | 484607     |
| M/s Mukka Proteins Limited                    | 0          | 9063838    |
| Salary paid                                   | 31.03.2022 | 31.03.2021 |
| Aisha Shabnam                                 | 480000     | 120000     |
| Razeena Khateeja                              | 480000     | 120000     |
| Zareena                                       | 480000     | 120000     |
| Salary payable                                | 31.03.2022 | 31.03.2021 |
| Aisha Shabnam                                 | 132750     | 70000      |
| Razeena Khateeja                              | 355000     | 90000      |
| Zareena                                       | 405000     | 90000      |
| Loans and Advances - Asset                    | 31.03.2022 | 31.03.2021 |
| Silkwinds International                       | 0          | 94264363   |
| Umayya Banu                                   | 30000      | 0          |
| Corporate guarantee                           | 31.03.2022 | 31.03.2021 |
| M/s Mukka Proteins Limited                    | 1383500000 | 1383500000 |

## 26 CONTINGENT LIABILITIES

| Particulars                                    | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
|  | Rs.        | Rs.        |
| A) Disputed Tax Liability                      |            |            |
| (i) Income Tax Liability (refer note ii below) | 10069234   | 10069234   |
| B) Corporate guarantee given for :             | 1383500000 | 1383500000 |

- ii During the financial year 2017-18 a search and seizure operation under Section 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities on the Company's premises. The company has filed income tax return u/s 153C of the Income tax Act for the Assessment year 2012-13 to 2017-18. The company has received assessment order under section 153C for AY 2012-13 to 2017-18 and under section 143(3) for AY 2018-19 wherein Income tax department raised demand against the company for AY 2016-17 & 2017-18. Company appealed against the orders to Commissioner of Income Tax (Appeals).

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

No provisions has been made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

## 27 COMMITMENTS

| Particulars   | 31.03.2022 | 31.03.2021 |
|---|------------|------------|
|   | 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

Cont'd...

b. Names of related parties and Nature of Transaction, details of transactions with related parties as on 31.03.2022:

| <b>Transaction during the period</b>            |            |             |
|---|------------|-------------|
|   | 31.03.2022 | 31.03.2021  |
| <b>Repayment of Loan</b>                        |            |             |
| Mr. K Mohammed Althaf                           | -          | 2,32,60,000 |
| Mrs. Razeena Khateeja                           | -          | 60,68,453   |
| <b>Rent paid</b>                                | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 60000      | 70800       |
| Mr. K Mohammed Haris                            | 115000     |             |
| Mr. K Mohammed Althaf                           | 115000     |             |
| Mr. K Mohammed Arif                             | 115000     |             |
| <b>Rent received</b>                            | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 1080000    | 1081350     |
| <b>Purchase of goods</b>                        | 31.03.2022 | 31.03.2021  |
| M/s Mangalore Fish Meal and Oil Company         | 63209856   | 41675288    |
| M/s Ullal Fish Meal and Oil Company             | 93799450   | 94406038    |
| M/s Progress Frozen & Fish Sterilisation        | 3102000    | 1949220     |
| M/s Atlantic Marine Private Limited             | 5625000    | 0           |
| M/s Mukka Proteins Limited                      | 171322400  | 114002660   |
| <b>Sale of Goods</b>                            | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 45757090   | 193588710   |
| M/s Mukka Proteins Limited - Feeding            | 10000      |             |
| M/s Mukka Proteins Limited - Fish Soluble Paste | 11252170   |             |
| M/s Mangalore Fish Meal and Oil Company         | 4106550    | 481163      |
| M/s Ullal Fish Meal and Oil Company             | 4563710    | 0           |
| <b>Freight Expenses</b>                         | 31.03.2022 | 31.03.2021  |
| Shipwave Online Private Limited                 | 12194744   | 10647014    |
| <b>Year End Balances</b>                        |            |             |
| <b>Rent Recievable</b>                          | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 843000     | 76600       |
| <b>Rent Payable</b>                             | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 11800      | 11800       |
| Mr. K Mohammed Haris                            | 65000      | 0           |
| Mr. K Mohammed Althaf                           | 65000      | 0           |
| Mr. K Mohammed Arif                             | 115000     | 0           |
| <b>Rent Deposits - Liability</b>                | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 2500000    | 2500000     |
| <b>Rent Deposits - Asset</b>                    | 31.03.2022 | 31.03.2021  |
| M/s Mukka Proteins Limited                      | 55000      | 55000       |
| <b>Outstanding for reimbursement charges</b>    | 31.03.2022 | 31.03.2021  |
| Mr. K Mohammed Althaf                           | 0          | 145999      |
| <b>Trade Payable</b>                            | 31.03.2022 | 31.03.2021  |
| M/s Mangalore Fish Meal and Oil Company         | 71348203   | 45001763    |
| M/s Ullal Fish Meal and Oil Company             | 62021140   | 94410250    |
| M/s Mukka Proteins Limited                      | 52089242   | 0           |
| M/s Progress Frozen & Fish Sterilisation        | 0          | 1949220     |
| M/s Shipwaves Online Private Limited            | 0          | 989452      |

Cont'd...



|   |            |            |
|---|------------|------------|
| Trade Receivables                             | 31.03.2022 | 31.03.2021 |
| M/s Mukka Proteins Limited - Porbandar Branch | 0          | 484607     |
| M/s Mukka Proteins Limited                    | 0          | 9063838    |
| Salary paid                                   | 31.03.2022 | 31.03.2021 |
| Aisha Shabnam                                 | 480000     | 120000     |
| Razeena Khateeja                              | 480000     | 120000     |
| Zareena                                       | 480000     | 120000     |
| Salary payable                                | 31.03.2022 | 31.03.2021 |
| Aisha Shabnam                                 | 132750     | 70000      |
| Razeena Khateeja                              | 355000     | 90000      |
| Zareena                                       | 405000     | 90000      |
| Loans and Advances - Asset                    | 31.03.2022 | 31.03.2021 |
| Silkwinds International                       | 0          | 94264363   |
| Umayya Banu                                   | 30000      | 0          |
| Corporate guarantee                           | 31.03.2022 | 31.03.2021 |
| M/s Mukka Proteins Limited                    | 1383500000 | 1383500000 |

## 26 CONTINGENT LIABILITIES

| Particulars                                    | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
|  | Rs.        | Rs.        |
| A) Disputed Tax Liability                      |            |            |
| (i) Income Tax Liability (refer note ii below) | 10069234   | 10069234   |
| B) Corporate guarantee given for :             | 1383500000 | 1383500000 |

- ii During the financial year 2017-18 a search and seizure operation under Section 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities on the Company's premises. The company has filed income tax return u/s 153C of the Income tax Act for the Assessment year 2012-13 to 2017-18. The company has received assessment order under section 153C for AY 2012-13 to 2017-18 and under section 143(3) for AY 2018-19 wherein Income tax department raised demand against the company for AY 2016-17 & 2017-18. Company appealed against the orders to Commissioner of Income Tax (Appeals).

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

No provisions has been made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes . The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

## 27 COMMITMENTS

| Particulars   | 31.03.2022 | 31.03.2021 |
|---|------------|------------|
|   | 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

Cont'd...

**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.

For and on behalf of the Board,



(KALANDAN MOHAMMED HARRIS) \* (KALANDAN MOHAMMED ALTHAF)  
DIN:03020471                      DIN:03051103  
DIRECTOR                              DIRECTOR



MANGALURU,  
June 30, 2022.

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: 22217293ANEJZA6407







# SHEIKH ABDULLAH & CO.,

## CHARTERED ACCOUNTANTS

CHURCH BUILDING, KODIALBAIL, MANGALURU - 575 003.

Tel. : 0824 - 2440339 / 2440415 / 4256762 (Off)

e-mail : sheikhabdullahandco@gmail.com

### 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, 2022 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and total comprehensive income, changes in equity 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 there under, 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 for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 the 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 Requirements**

1. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- I. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
- 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



- IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Mangaluru,  
June 30, 2022.

---

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: 22217293ANEJZA6407



## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" of our Report to the Members of HARIS MARINE PRODUCTS PRIVATE LIMITED of even date**

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has no intangible assets.
  - (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of its inventories:
- (a) (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.
  - (b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not applicable to the company.
- (iii) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has provided loans & advances in the nature of loans to other parties & stood guarantee, or provided security to one company during the year, prima facie, not prejudicial to the Company's interest.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the repayments are generally been regular.



- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) 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.
- (v) 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. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.
- (vi) As informed to us, The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

| S.No. | Name of the Statue   | Nature of Dues | Amount (Rs.) | Period to which the Amount Relates | Forum where dispute is pending |
|-------|----------------------|----------------|--------------|------------------------------------|--------------------------------|
| 1.    | Income Tax Act, 1961 | Income Tax     | 62,52,733    | A Y 2016-17                        | CIT(A), Panaji-2               |
| 2.    | Income Tax Act, 1961 | Income Tax     | 38,16,501    | A Y 2017-18                        | CIT(A), Panaji-2               |



- (viii) In our opinion and according to the information and explanations given to us, there is no any transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.  
(b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.  
(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.  
(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.  
(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As auditor, we did not receive any whistle-blower complaint during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) 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. Identification of related parties were made and provided by the management of the company.
- (xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appointed any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.



- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix.) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

Mangaluru,  
June 30, 2022.



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: 22217293ANEJZA6407



## **ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HARIS MARINE PRODUCTS PRIVATE LIMITED of even date

**Report on the Internal Financial Controls Over Financial Reporting 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 at March 31, 2022 in conjunction with our audit of the Ind AS 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 March 31, 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.

Mangaluru  
June 30, 2022.



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: 22217293ANEJZA6407