

Independent Auditor's Report

To the Members of **MUKKA SEA FOOD INDUSTRIES LIMITED (Earlier known as "MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED")**

Opinion

We have audited the accompanying standalone financial statements of **MUKKA SEA FOOD INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

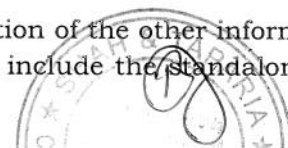
We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note 43 to the accompanying standalone financial statements with regard to management's evaluation of uncertainty due to the outbreak of COVID-19 and its impact on future operations of the Company. Our report is not modified in respect of above 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 Director's Report, but does not include the standalone financial



statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we will read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

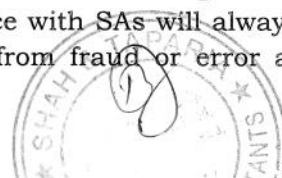
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered



material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



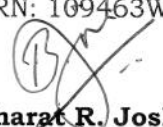
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 according to information and 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:

- a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements under Note 30.
- b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2020.

For **SHAH & TAPARIA**
Chartered Accountants
FRN: 109463W


Bharat R. Joshi
Partner

Membership No. : 130863
UDIN : 20130863AAAAHA4992



Place : Mumbai
Date : 13/11/2020

“Annexure A” to Independent Auditor’s Report

Referred to in paragraph 1 under the heading “Report on Other Legal and regulatory Requirements” of our Report of even date to the financial statements of the company for the year ended March 31, 2020

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular programme of physical verification of its fixed assets by which certain fixed assets were physically verified during the year by management. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has granted unsecured loan to two companies covered in the register maintained under section 189 of the Act, in respect of which:
 - a. The terms and conditions of the grant of such loan are, in our opinion, prima facie not prejudicial to the Company’s interest.
 - b. In respect of the aforesaid loan, the parties are generally regular in repayment of loan.
 - c. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion and according to information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of loans, investments, guarantees and security.
- (v) The company has not accepted any deposits from the public.
- (vi) As informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act, in respect of any of the activities carried out by the company.
- (vii) (a) According to information and explanation given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Services Tax, Custom Duty and any other material statutory dues with the appropriate authorities. According to the information and explanation given to us, no material undisputed amounts payable in respect of the provident fund, employees' state insurance,

income-tax, goods and services tax were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no material dues of Goods and Service Tax, and any other material statutory dues which have not been deposited with the appropriate authorities on account of any disputes. However, according to information and explanation given to us, the following dues of Income Tax have not been deposited by the company on account of disputes: -

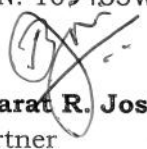
S.No.	Name of the Statute	Nature of Dues	Amount (Rs.) *	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	69,13,940	A.Y. 2013-14	Commissioner of Income Tax (Appeals), Panaji-2
2	Income Tax Act, 1961	Income Tax	36,79,438	A.Y. 2014-15	Commissioner of Income Tax (Appeals), Panaji-2
3	Income Tax Act, 1961	Income Tax	92,12,839	A.Y. 2015-16	Commissioner of Income Tax (Appeals), Panaji-2
4	Income Tax Act, 1961	Income Tax	68,81,134	A.Y. 2016-17	Commissioner of Income Tax (Appeals), Panaji-2
5	Income Tax Act, 1961	Income Tax	62,81,375	A.Y. 2017-18	Commissioner of Income Tax (Appeals), Panaji-2
6	Income Tax Act, 1961	Income Tax	1,75,43,339	A.Y. 2018-19	Commissioner of Income Tax (Appeals), Panaji-2

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The Company has not taken any loan from the government and has not issued any debentures during the year.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise moneys by way of initial public offer or further public offer including debt instruments. The term loans outstanding at the beginning of the current year and those raised during the year have been applied for the purposes for which those were raised.

- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations give to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with the directors or persons connected with them. Hence the clause is not applicable to the company.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For **SHAH & TAPARIA**
Chartered Accountants
FRN: 109463W


Bharat R. Joshi
Partner

Membership No. : 130863
UDIN : 20130863AAAAHA4992



Place : Mumbai
Date : 13/11/2020

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Mukka Sea Food Industries Limited

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

We have audited the internal financial controls over financial reporting of **Mukka Sea Food Industries Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

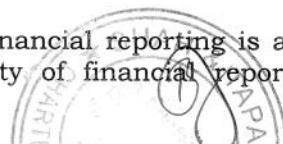
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



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


Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH & TAPARIA**
Chartered Accountants
FRN: 109463W


Bharat R. Joshi
Partner

Membership No. : 130863
UDIN : 20130863AAAAHA4992



Place : Mumbai
Date : 13/11/2020

MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
CIN: U05004KA2010PLC055771

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at	
		31st March 2020	31st March 2019
		₹	₹
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2	44,00,53,253	42,26,16,991
Capital Work in Progress	2	1,22,00,652	-
Intangible Assets	2	3,35,000	4,63,595
Investment Property	3	1,46,27,454	1,50,33,772
Financial Assets		-	-
Investment	4	6,67,61,979	9,72,70,343
Loans	5	4,77,370	5,92,370
Other Financial Asset	6	60,74,397	61,36,397
Income Tax Assets	8	1,29,60,380	1,05,00,000
Total Non-Current Assets		55,34,90,485	55,26,13,468
Current assets			
Inventories	9	90,23,54,939	89,16,56,335
Financial Assets		-	-
Trade Receivables	10	54,40,82,141	24,82,82,290
Cash and Cash Equivalents	11	73,35,400	29,13,540
Other bank balances	12	16,04,818	21,91,974
Loans	5	15,17,83,802	6,80,81,522
Other Financial Assets	6	7,37,57,260	7,35,42,876
Other Current Assets	13	33,93,03,147	12,73,49,378
Total Current Assets		2,02,02,21,508	1,41,40,17,916
Total Assets		2,57,37,11,992	1,96,66,31,384
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	5,50,00,000	5,50,00,000
Other Equity	15	52,03,46,419	39,79,52,784
Total Equity		57,53,46,419	45,29,52,784
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities		-	-
Borrowings	16	9,83,99,575	14,35,47,152
Other Financial Liabilities	17	-	-
Provisions	18	1,04,21,908	15,82,138
Deferred Tax Liabilities (Net)	7	2,04,50,536	2,59,03,712
Other Non-Current Liabilities	19	41,28,877	44,29,388
Total Non-Current Liabilities		13,34,00,897	17,54,62,390
Current Liabilities			
Financial Liabilities		-	-
Borrowings	16	98,72,04,668	66,40,10,932
Trade Payables	20	76,89,46,456	56,24,51,998
Other Financial Liabilities	17	5,55,38,685	3,43,66,140
Other Current Liabilities	19	1,24,63,834	4,42,60,324
Provisions	18	25,96,153	5,41,804
Income Tax Liabilities	21	3,82,14,881	3,25,85,011
Total Current Liabilities		1,86,49,64,677	1,33,82,16,208
Total Equity and Liabilities		2,57,37,11,992	1,96,66,31,384

Significant Accounting Policies

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

As per our report of even date attached

For Shah & Taparia
Chartered Accountants
FRN: 109463W

Bhargav Joshi

Partner
M.No. 130863

For and on behalf of the Board of Directors

Kalandan
Mohammed Haris

Director
DIN : 03020471

Kalandan
Mohammed Althaf

Director
DIN : 03051103

Jessica Juliana
Mendonca

Company Secretary
M. No. : ACS A25316

MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier Known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
CIN: U05004KA2010PLC055771

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Year ended	Year ended
		31st March, 2020	31st March, 2019
		₹	₹
REVENUE			
Revenue from Operations	22	5,45,72,26,315	4,07,37,44,269
Other Income	23	8,14,42,619	3,01,19,988
Total Revenue		5,53,86,68,934	4,10,38,64,257
EXPENSES			
Cost of Materials Consumed	24	4,82,84,43,896	3,87,41,67,980
Changes in Inventories of Finished Goods	25	(1,06,98,604)	(39,64,70,300)
Employees Benefit Expenses	26	7,15,49,545	4,77,85,365
Finance Costs	27	6,59,13,169	4,33,78,187
Depreciation & Amortization Expenses	2,3,4	2,80,11,252	2,19,81,620
Other Expenses	28	36,72,78,210	30,08,39,723
Total Expenses		5,35,04,97,468	3,89,16,82,575
Profit Before Extraordinary/Exceptional Items and Tax		18,81,71,466	21,21,81,682
EXCEPTIONAL ITEMS	29	-	(68,91,979)
Profit Before Tax		18,81,71,466	20,52,89,703
Tax Expenses :			
Current Tax		4,37,77,130	4,37,75,851
Earlier years		1,94,57,367	-
Deferred Tax		(34,40,614)	74,41,628
Profit for the period		12,83,77,583	15,40,72,225
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit plans		(59,83,948)	2,39,239
Total other comprehensive income		(59,83,948)	2,39,239
Total comprehensive income for the period		12,23,93,635	15,43,11,464
Earnings per Equity Share : Basic & Diluted		233.41	280.13

Significant Accounting Policies

1

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

As per our report of even date attached

For Shah & Taparia

Chartered Accountants

FRN: 109463W

Bharat Joshi

Partner

M.No. 130863

Place : Mumbai

Date : 13/11/2020

For and on behalf of the Board of Directors

**Kalandan
Mohammed
Haris**

Director
DIN : 03020471

**Kalandan Mohammed
Althaf**

Director
DIN : 03051103

**Jessica Juliana
Mendonca**

Company Secretary
M. No. : ACS A25316



MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
CIN: U05004KA2010PLC055771
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Equity Shares (No. of Shares)	Equity Share capital	Other Equity		Retained earnings	Remeasurement of Defined Benefit Liabilities	Total equity attributable to equityholders of company
			Reserves & Surplus	Other Comprehensive Income			
At 31st March 2018	5,50,000	5,50,00,000	24,34,82,140	1,59,180			29,86,41,320
Changes in equity in 2018-19							
Profit/(loss) for the year			15,40,72,225	-			15,40,72,225
Other comprehensive income for the year			-	2,39,239			2,39,239
At 31st March 2019	5,50,000	5,50,00,000	39,75,54,365	3,98,419			45,29,52,784
Changes in equity in 2019-20							
Profit/(loss) for the year			12,83,77,583	-			12,83,77,583
Other comprehensive income for the year			-	(59,83,948)			(59,83,948)
At 31st March 2020	5,50,000	5,50,00,000	52,59,31,948	(55,85,529)			57,53,46,419

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

For Shah & Taparia
Chartered Accountants
FRN: 109463W


Bharat Joshi
Partner
M.No. 130863
Place : Mumbai

For and on behalf of the Board of Directors


Kalandan Mohammed Althaf
Director
DIN: 03020471


Kalandan Mohammed Harris
Director
DIN: 03051103



Jessica Juliana Mendonca
Company Secretary
M. No. : ACS A25316

MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
CIN: U05004KA2010PLC055771
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Year Ended 31st March 2020	Year Ended 31st March 2019
		₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		18,81,71,466	20,52,89,703
Adjustment for :			
Depreciation / Amortization		2,80,11,252	2,19,81,620
Interest Expenses		5,16,87,805	4,07,25,874
Interest on Capital & Remuneration from partnership firm		(3,26,32,945)	(99,26,274)
Rent Received		(1,02,01,442)	(44,43,204)
Deferred Subsidy		(2,97,875)	(3,18,005)
Interest Income		(18,80,090)	(24,33,558)
Loss on Sale of Car		-	1,95,374
		<u>3,46,86,705</u>	<u>4,57,81,827</u>
Operating profit before working capital changes		<u>22,28,58,171</u>	<u>25,10,71,531</u>
Adjustment for :			
Inventories		(1,06,98,604)	(39,64,70,300)
Trade and Other Receivables		(59,39,53,664)	(16,03,73,938)
Trade Payables		20,64,94,459	6,39,46,354
Other Current Liabilities		(3,17,99,126)	4,39,83,940
Provisions		28,97,609	8,68,133
Other Financial liabilities		2,11,72,545	2,65,62,523
		<u>(40,58,86,781)</u>	<u>(42,14,83,289)</u>
Net Cash Generated from Operating activity		<u>(18,30,28,610)</u>	<u>(17,04,11,758)</u>
Income Tax Paid		(5,76,04,627)	(4,53,34,934)
Net Cash from operating activities		<u>(24,06,33,237)</u>	<u>(21,57,46,691)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets / capital works-in-progress		(5,71,13,253)	(13,55,86,966)
Sale proceeds from FA		-	7,00,137
Interest received		18,80,090	24,33,558
Interest on Capital & Remuneration Received from KGN Products		3,26,32,945	99,26,274
Rent Received		1,02,01,442	44,43,204
Net (Increase) / Decrease in Investments		3,05,08,364	(7,63,64,723)
Net cash used in investing activities		<u>1,81,09,588</u>	<u>(19,44,48,517)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
Changes in borrowings - Non Current		(4,51,47,577)	8,61,88,449
Interest Paid		(5,16,87,805)	(4,07,25,874)
Changes in borrowings - Current		32,31,93,735	26,83,79,345
Net Cash from financial activities		<u>22,63,58,353</u>	<u>31,38,41,919</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>38,34,705</u>	<u>(9,63,53,289)</u>
Cash and Cash equivalents at the beginning		51,05,514	10,14,58,802
Cash and Cash equivalents at the close		<u>89,40,218</u>	<u>51,05,514</u>

Significant Accounting Policies

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

As per our report of even date attached

For Shah & Taparia
Chartered Accountants
FRN: 109463W

Bharat Joshi

Partner
M.No. 130863

Place : Mumbai
Date : 13/11/2020

For and on behalf of the Board of Directors

Kalandan Mohammed Haris

Director
DIN : 03020471

Kalandan Mohammed Althaf

Director
DIN : 03051103

Jessica Juliana Mendonca

Company Secretary
M. No. : ACS A25316



MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
Notes to the Standalone Financial Statements for the Period ended on 31st March 2020

NOTE - 1 : Preparation of Financial Statements

(A) Corporate Information

Mukka Sea Foods Industries Pvt Ltd 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 with effect from April 1, 2018 in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

(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. Effective April 1, 2018, the Company has voluntarily adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. 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. Estimation of defined benefit obligation
- ii. Useful life of PPE, investment property and intangible assets
- iii. Identification of Government Grants
- iv. Estimation of tax expenses and tax payable
- v. Probable outcome of matters included under Contingent liabilities

(C) Summary of Significant Accounting Policies.

(I) Revenue recognition

- a The company derives revenue mainly from Domestic and Export Sales of Fish Meal, Fish Oil and Fish Soluble Paste. Effective 01st April 2018, the company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the full retrospective approach. Accordingly, the comparative amounts of revenue have been retrospectively adjusted.

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.



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Notes to the Standalone Financial Statements for the Period ended on 31st March 2020

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

(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

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 excepted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(IV) Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense.

(V) Impairment of assets



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Notes to the Standalone Financial Statements for the Period ended on 31st March 2020

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:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(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

(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



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Notes to the Standalone Financial Statements for the Period ended on 31st March 2020

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

Depreciation and amortisation.

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

(XIII) Intangible assets

(a) Initial Recognition

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

(b) Subsequent

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

(c) Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:
Software - 3 Years

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

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

(d) Derecognition

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

(XIV) Trade and Other Payables

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

(XV) Borrowings

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

(XVI) Borrowing Cost



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Notes to the Standalone Financial Statements for the Period ended on 31st March 2020

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

(XVII) Provisions, Contingent Liabilities & Contingent Assets.

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

XVIII Employee benefits

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

(a) Short Term Employee Benefits.

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

(b) Defined Contribution Plan:

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

(c) Defined Benefits Plan:

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

Gratuity

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

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

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

(XIX) Contribution Equity

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

(XX)

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

(XXI) Rounding of amounts

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



Note : 2 Plant , Property and Equipments

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 01.04.19 Rs.	Additions during the year Rs.	Sold/Transferred during the year Rs.	Balance as at 31.03.20 Rs.	Charge for the year Rs.	Balance as at 01.04.19 Rs.	Balance as at 31.03.20 Rs.	Balance as at 31.03.19 Rs.
Tangible Land & Building	18,72,36,220	82,00,275	-	19,54,36,495	43,09,470	62,21,827	1,05,31,297	18,10,14,392
Plant & Machinery	24,13,96,377	1,58,89,649	-	25,72,86,026	1,51,73,363	7,16,94,596	8,68,67,959	16,97,01,781
Owned	5,03,72,518	1,65,31,260	-	6,69,03,778	39,03,696	17,66,576	56,70,271	4,86,05,943
Leased	-	-	-	-	-	-	-	-
Office equipment	26,34,484	6,37,078	-	32,71,561	5,87,844	1,84,738	7,72,562	24,49,746
Furniture, Fixtures	61,79,877	3,38,983	-	65,18,860	5,72,821	10,40,770	16,13,591	51,39,107
Motor Vehicles	2,15,28,062	30,91,126	-	2,46,19,188	23,40,887	74,69,348	98,10,235	1,40,58,714
Computers	35,50,448	2,24,230	-	37,74,678	5,88,259	19,03,140	24,91,399	16,47,308
Total Rs.	51,28,97,986	4,49,12,601	-	55,78,10,587	2,74,76,339	9,02,80,995	11,77,57,334	44,00,53,253
Previous year	37,41,62,940	14,27,09,193	(39,74,147)	51,28,97,986	2,14,43,144	7,19,16,488	9,02,80,995	30,22,46,452
Intangible Softwares	7,65,900	-	-	7,65,900	1,28,595	3,02,305	4,30,900	4,63,595
Total Rs.	7,65,900	-	-	7,65,900	1,28,595	3,02,305	4,30,900	4,63,595
Previous year	4,45,400	3,20,500	-	7,65,900	1,32,159	1,70,146	3,02,305	2,75,254
Capital work in progress	-	-	-	-	-	-	-	-
Extraction Plant	-	1,22,00,652	-	1,22,00,652	-	-	1,22,00,652	-
Total Rs.	-	1,22,00,652	-	1,22,00,652	-	-	1,22,00,652	-
Previous year	74,42,727	-	(74,42,727)	-	-	-	-	74,42,727



MUKKA SEA FOOD INDUSTRIES LIMITED
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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at 31st March 2020	As at 31st March 2019
	₹	₹
NOTE 3 : Investment Property		
Building	1,50,33,772	1,54,40,090
Details of Investment properties		
Gross carrying amount	1,50,33,772	1,54,40,090
Add: Additions during the year	-	-
Less : Depreciation charge	1,50,33,772	1,54,40,090
	4,06,318	4,06,318
	1,46,27,454	1,50,33,772
NOTE - 4 : Investments :		
I. Investment carried at Cost		
(i) Equity instruments (unquoted) in Subsidiary		
Foreign Company		
Ocean Aquatic Protiens LLC		
94,500 (31st March 2019 : 1,05,000) Nos of Equity Shares of Omani Rial 1/- each	1,69,85,670	1,88,72,967
Indian Company		
Atlantic Marine Products Private Limited		
50,990 (31st March 2019 : Nil) Nos of Equity Shares of Rs. 100/- each	50,99,000	-
Haris Marine Products Private Limited		
98,000 (31st March 2019 : Nil) Nos of Equity Shares of Rs. 100/- each	98,00,000	-
(ii) Equity instruments (unquoted) in Associate		
M.S.F.I Bangladesh Ltd.		
14,700 (31st March 2019 : 14,700) No of Shares of M.S.F.I Bangladesh Ltd.	9,50,334	9,50,334
(iii) Investment in Government Securities		
National Saving Certificate	14,000	14,000
II . Investment carried at fair value through profit and loss		
(iv) Investment in Partnership Firms (Joint Ventures)		
Progress Frozen And Fish Sterilization	3,37,43,378	-
KGN Marine Products	1,69,596	3,40,74,643
Altantic Marine Products	-	4,33,58,399
	6,67,61,979	9,72,70,343
Total non-current investments		
Aggregate amount of unquoted investments	3,28,35,004	1,98,23,301
Aggregate amount of investment in Partnership firms	3,39,12,975	7,74,33,042
Aggregate amount of investment in Government Securities	14,000	14,000
Investment in Partnership Firms		
(i) KGN Marine Products		



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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	Share %	As at	As at
		31st March 2020	31st March 2019
Name of the Partners		₹	₹
		Capital as on	
		31.03.2020	31.03.2019
Musthak Haji Majid Vadhriya	17.50%	5,44,944	41,21,547
Musthakim Mustak Vadhriya	17.50%	5,25,819	58,02,422
Ahmed Haji Rafik Vadhriya	12.50%	4,13,570	40,32,572
Mohammed Haji Rafik Vadhriya	12.50%	5,30,736	46,49,737
Mohammed Hanif Yusuf Kapdiya	20.00%	1,69,596	64,23,807
Mukka Sea food Industries Ltd	20.00%	1,69,596	3,40,74,643

(ii) Altantic Marine Products*

Name of the Partners	Share %	Capital as on	
		31.03.2020	31.03.2019
Mukka Sea Food Industries Ltd	51.00%	NA	4,33,58,397
Nanubhai Harjibhai Baraiya	49.00%	NA	3,41,00,476

* During the year 2019-20, the firm has been converted into Private Limited company and hence there is no capital outstanding as on 31/03/2020

(iii) Progress Frozen And Fish Sterilization

Name of the Partners	Share %	Capital as on	
		31.03.2020	31.03.2019
Rafik Hajimajid Vadhariya	7.00%	56,99,378	-
Mustakim Mustak Vadhariya	14.00%	1,05,03,827	-
Mustak Hajimajid Vadhariya	14.00%	97,66,300	-
Ahmed Rafik Vadhariya	7.00%	86,53,888	-
Mohamed Hajirafik Vadhariya	7.00%	92,09,224	-
Mukka Sea Food Industries Ltd	51.00%	3,37,43,378	-

NOTE - 5 : LOANS :

a) NON-CURRENT :

(Unsecured and Considered Good)

Loans and Advances to Employees

4,77,370	5,92,370
4,77,370	5,92,370

b) CURRENT :

(Unsecured and Considered Good)

Loans and Advances to Employees

Other Loans*

13,92,072	4,81,522
15,03,91,730	6,76,00,000
15,17,83,802	6,80,81,522
15,22,61,172	6,86,73,892

Total Loans

* Includes loans to related parties of Rs. 13.99 crores (P.Y. Rs. 5.71 crores).

NOTE - 6 : OTHER FINANCIAL ASSET :

a) NON-CURRENT :

Security Deposit

60,74,397	61,36,397
60,74,397	61,36,397



MUKKA SEA FOOD INDUSTRIES LIMITED
(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
b) CURRENT :		
Security Deposit	1,85,000	-
Rent Receivable	1,04,86,064	67,50,519
Insurance Receivable	2,58,27,151	3,71,08,021
Export Benefit Receivables	3,17,49,922	2,79,97,992
Interest Receivable	34,45,474	16,86,344
Other Receivables	20,63,649	-
	<u>7,37,57,260</u>	<u>7,35,42,876</u>
Total Other Financial Assets	<u>7,98,31,657</u>	<u>7,96,79,273</u>

NOTE - 7 : DEFERRED TAX LIABILITIES / ASSETS (NET) :

Opening balance	2,59,03,712	1,82,48,078
Add/(Less) : Arising on account of timing difference during the year	(54,53,176)	76,55,634
Deferred Tax Liabilities (Net)	<u>2,04,50,536</u>	<u>2,59,03,712</u>
	<u>2,04,50,536</u>	<u>2,59,03,712</u>

NOTE - 8 : INCOME TAX ASSETS :

Advances with Revenue Authorities	1,26,80,000	1,05,00,000
Income Tax Refund Receivable	2,80,380	-
	<u>1,29,60,380</u>	<u>1,05,00,000</u>

NOTE - 9 : INVENTORIES :

Finished Goods	90,23,54,939	89,16,56,335
	<u>90,23,54,939</u>	<u>89,16,56,335</u>

NOTE - 10 : TRADE RECEIVABLES :

(Unsecured and Considered Good)

Trade receivables outstanding for a period exceeding six months from due date	5,49,177	21,00,000
Debts outstanding for a period less than six months from the date they became due for payment	54,35,32,964	24,61,82,290
	<u>54,40,82,141</u>	<u>24,82,82,290</u>

NOTE - 11 : CASH AND CASH EQUIVALENTS :

Cash in hand	7,42,313	4,60,384
Balances with Bank in Current Account	65,93,087	24,53,156
	<u>73,35,400</u>	<u>29,13,540</u>

NOTE - 12 : OTHER BALANCES WITH BANK :

Balances with Bank

Fixed Deposits (Held as Margin money deposits against guarantees and LC)	16,04,818	21,91,974
	<u>16,04,818</u>	<u>21,91,974</u>



MUKKA SEA FOOD INDUSTRIES LIMITED

(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)

Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
NOTE - 13 : OTHER ASSET :		
a) CURRENT :		
(Unsecured and Considered Good)		
Balance With Government Authorities : GST	5,36,18,051	4,64,47,907
Prepaid Expenses	1,01,58,432	47,95,987
Advances Given to Suppliers	27,55,26,664	7,61,05,484
	33,93,03,147	12,73,49,378
Total Other Assets	33,93,03,147	12,73,49,378

NOTE - 14 : SHARE CAPITAL :

Authorised		
800,000 Equity Shares (P.Y. 800,000) of Rs.100/- each. With Voting rights.	8,00,00,000	8,00,00,000
Issued, Subscribed and Paid up		
550,000 Equity Shares (P.Y. 550,000) of Rs.100/- each fully paid with Voting rights	5,50,00,000	5,50,00,000
	5,50,00,000	5,50,00,000

Notes :

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

Particulars	As at 31-03-2020	As at 31-03-2019
<u>Equity Shares</u>		
Number of Shares at the beginning of the period	5,50,000	5,50,000
Add : Issued during the year	-	-
Less: Bought back during the year	-	-
Number of Shares at the end of the period	5,50,000	5,50,000

2) Rights, preferences and restrictions attached to equity shares

The Company has only one type of equity share having par value of Rs. 100/- each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid. Whenever dividend is proposed by the Board of Directors, the same is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their

3) Details of Shares held by each Shareholder holding more than 5% Shares

Name of the shareholder	No of Shares as on 31/3/2020 and % Shares	No of Shares as on 31/3/2019 and % Shares
Mr. K Mohammed Haris	2,26,717	2,26,718
% Shareholding	41.22%	41.22%



MUKKA SEA FOOD INDUSTRIES LIMITED

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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
Mr. K Mohammed Althaf	1,21,001	1,21,002
% Shareholding	22.00%	22.00%
Mr. K Mohammed Arif	1,21,001	1,21,002
% Shareholding	22.00%	22.00%
Mr. K Mohammed Razak	55,000	55,000
% Shareholding	10.00%	10.00%

NOTE - 15 : OTHER EQUITY**a) RESERVE AND SURPLUS :****Surplus/(Deficit) in Statement of Profit & Loss**

Opening Balance

39,75,54,365 24,34,82,140

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

12,83,77,583 15,40,72,225

Retained Earnings

52,59,31,948 39,75,54,365**b) Other Comprehensive Income**

Remeasurement of Defined Benefit Liability

(55,85,529) 3,98,419

(55,85,529) 3,98,41952,03,46,419 39,79,52,784**NOTE -16: BORROWINGS****a) Non-Current**

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

Secured

In Foreign Currency

Kotak Mahindra Bank - Term Loan

9,77,11,710

In Indian Currency

Vehicle Loan

45,66,502

9,77,11,710 45,66,502

Less: Current Maturities

(2,94,43,999) (11,07,220)

Net

6,82,67,712 34,59,282**Unsecured**

From Others

Loan from Directors

Loan from Others

22,56,870 11,62,41,870

2,38,46,000 2,38,46,000



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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
From Bank		
HDFC Bank Business Loan	75,00,000	-
Less: Current Maturities	(34,71,007)	-
	3,01,31,863	14,00,87,870
Total		
	9,83,99,575	14,35,47,152
Total Non Current Borrowings		
b) Current		
Secured		
Loans repayable on demand - From Banks		
Cash Credit Facility from HDFC Bank	21,03,30,880	-
Packing Credit (Foreign Currency) from HDFC Bank	43,07,12,787	-
Packing Credit (Foreign Currency) from Kotak Mahindra Bank	34,61,61,000	-
Canara Bank Packing Credit	-	63,12,86,523
Canara Bank Export Bill Discounting	-	3,27,24,409
	98,72,04,668	66,40,10,932
Total Secured Current Loan		

Security particulars of Canara Bank Export Bill Discounting & Packing Credit (facility limit of Rs. 7000.00 lakhs.)

a. Primarily secured by:

Hypothecation of Stock of Raw Materials, Packing Materials, Containers and finished goods like sterilised fish meal, fish oil, fish soluble paste.

b. Collaterally secured by :

- EMT of landed properties , industrial plots comprising of factory buildings and other commercial properties standing in the name of the Company.
- Plant and Machinery and equipments
- Personal guarantees of Directors of the company.

Security particulars of HDFC Bank Cash Credit Facility & Packing Credit (facility limit of Rs. 6500.00 lakhs.)

a. Primarily secured by:

Hypothecation of current assets and movable fixed assets. The charge to be shared on 1st pari-passu basis with Kotak Bank / Canara Bank.

b. Collaterally secured by :

- EMT of landed properties , industrial plots comprising of factory buildings and other commercial / residential properties.
- Personal guarantees of Directors / Shareholders of the company.

Security particulars of Kotak Mahindra Bank Foreign Currency Term Loan & Packing Credit (facility limit of Rs. 5000.00 lakhs.)

a. Primarily secured by:

First pari-passu hypothecation charge to be shared with HDFC Bank on all existing and future receivables / current assets/ movable assets / movable fixed assets of the borrower.

b. Collaterally secured by :

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Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
-EMT of landed properties , industrial plots comprising of factory buildings and other commercial / residential properties in the name of companies / group company / directors / shareholders.		
- Personal guarantee of Directors and Shareholders		
- Corporate Guarantee of Haris Marine Products Private Limited		
NOTE -17: OTHER FINANCIAL LIABILITIES		
a) Non-Current	-	-
a) Current		
Current Maturity of Long Term Borrowings	3,29,15,006	11,07,220
Rent Deposit	39,05,000	39,70,000
Statutory Dues Payable	25,27,783	27,92,543
Outstanding Expenses	1,61,90,895	76,23,409
Payable for Investment in Ocean Aquatic Protein LLC, Oman	-	1,88,72,968
	5,55,38,685	3,43,66,140
Total Other Financial Liabilities	5,55,38,685	3,43,66,140
NOTE -18 : PROVISIONS :		
a) NON-CURRENT PROVISIONS :		
(1) Provision for employee benefits:		
Gratuity	1,04,21,908	15,82,138
	1,04,21,908	15,82,138
a) CURRENT PROVISIONS :		
(1) Provision for employee benefits:		
Gratuity	18,16,153	2,41,804
(2) Other Provisions		
Provision for Doubtful Loans and Advances	7,80,000	3,00,000
	25,96,153	5,41,804
Total Provisions	1,30,18,061	21,23,942
NOTE -19 : OTHER LIABILITIES :		
a) NON-CURRENT :		
Deferred Subsidy	41,28,877	44,29,388
	41,28,877	44,29,388



MUKKA SEA FOOD INDUSTRIES LIMITED
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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
b) CURRENT :		
Advances received from Customers	1,21,84,814	4,39,83,940
Deferred Subsidy	2,79,020	2,76,384
	1,24,63,834	4,42,60,324
Total Other Liabilities	1,65,92,711	4,86,89,712

NOTE - 20 : TRADE PAYABLE :

Trade Payable due to Micro, Small & Medium Enterprises	17,95,57,086	-
Trade Payable due to Others	58,93,89,371	56,24,51,998
	76,89,46,456	56,24,51,998

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. Interest accrued and due to suppliers under the Act is Nil. There is no interest paid during the year and interest accrued and not paid as on end of the financial year is Nil. Dues to suppliers registered under MSMED Act have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE -21 : INCOME TAX LIABILITIES :

Provision for Income Tax (Net of Tax Paid)	3,82,14,881	3,25,85,011
	3,82,14,881	3,25,85,011

NOTE - 22 : REVENUE FROM OPERATIONS :

Sale of Goods		
Export	3,03,52,02,583	2,52,82,79,675
Domestic	2,25,07,17,112	1,41,29,67,598
	5,28,59,19,694	3,94,12,47,273
Other Operating Income		
Export Benefits	17,03,95,823	13,15,40,298
Discount received	6,12,923	6,38,694
Deferred Income(Subsidy on Machinery)	2,97,875	3,18,005
	17,13,06,621	13,24,96,997
	5,45,72,26,315	4,07,37,44,269

NOTE - 23 : OTHER INCOME :

Interest Income	18,80,090	24,33,558
Rent Income	1,02,01,442	44,43,204
Foreign Exchange Fluctuation Gain	3,64,24,226	1,06,45,138
Profit from Firm/Company	2,43,92,904	63,33,320
Interest on Capital from Partnership Firm	41,40,041	23,92,954
Remuneration from Partnership Firm	41,00,000	12,00,000
Sundry Balances Written back	-	25,39,743
Other Non - Operating Income	3,03,916	1,32,072
	8,14,42,619	3,01,19,988



MUKKA SEA FOOD INDUSTRIES LIMITED
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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
NOTE - 24 : COST OF MATERIAL CONSUMED		
Cost of Material Consumed	4,82,84,43,896	3,87,41,67,980
Cost of Materials Consumed	4,82,84,43,896	3,87,41,67,980
NOTE - 25 : Change in Inventories		
Finished Goods	89,16,56,335	49,51,86,035
Opening Stock	90,23,54,939	89,16,56,335
Closing Stock	(1,06,98,604)	(39,64,70,300)
Change in Inventory		
NOTE - 26 : EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	6,14,76,719	4,28,88,270
Contribution to Provident & Other Funds.	42,46,962	18,58,113
Staff Welfare Expenses	58,25,864	30,38,982
	7,15,49,545	4,77,85,365
NOTE - 27 : FINANCE COST		
Interest Expense	5,16,87,805	4,07,25,874
Other Borrowing Costs	1,42,25,364	26,52,313
	6,59,13,169	4,33,78,187
NOTE - 28 : OTHER EXPENSES		
Direct / Manufacturing Expenses		
Consumption of Consumables , Stores & Spares	1,77,76,599	5,76,69,257
Labour Charges	2,47,64,578	65,21,315
Power, fuel and Water Charges	2,02,48,063	1,41,88,191
Processing Charges	88,26,325	62,89,592
Laboratory Expenses	12,69,263	13,12,801
Miscellaneous Expenses	49,71,077	4,35,830
	7,78,55,904	8,64,16,985
Selling and Administrative Expenses		
Travelling Expenses	66,68,030	66,32,647
Fright Outward	6,60,37,001	4,12,43,486
Legal and Professional Charges	1,04,84,803	71,34,528
Repairs to Plant & Machinery	25,84,681	28,97,019
Export Expenses	13,30,41,631	11,72,37,645
Advertisement & Business Promotion Expenses	58,29,129	72,03,818
Rent	61,27,853	53,71,550



MUKKA SEA FOOD INDUSTRIES LIMITED

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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	As at	As at
	31st March 2020	31st March 2019
	₹	₹
Repairs to Buildings	46,75,226	14,84,647
Vehicle Expenses	19,14,709	25,36,075
Insurance	42,31,751	73,82,005
Auditor's Remuneration		
For Audit	18,00,000	18,00,000
Donation	35,94,824	27,95,252
Expenditure for Corporate Social Responsibility	29,99,540	23,63,000
Miscellaneous Expenses	3,94,33,127	83,41,067
	28,94,22,305	21,44,22,737
	36,72,78,210	30,08,39,723

NOTE - 29 : Exceptional Items

Loss of Stock	-	(4,40,00,000)
Insurance Receivable	-	3,71,08,021
	-	(68,91,979)



MUKKA SEA FOOD INDUSTRIES LIMITED
 (Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)
 Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Note 30 : Contingent Liabilities

Particulars	31st March 2020	31st March 2019
A) Disputed Tax Liability		
(i) Income Tax Liability (refer note ii below)	5,05,12,065	-
B) Corporate Guarantee given	10,00,00,000	9,00,00,000

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 153A of the Income tax Act for the Assessment year 2012-13 to 2017-18. The company has received assessment order under section 153A 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. 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.

Note 31 : Commitments

	31st March 2020	31st March 2019
Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of Advances)	-	-

Note 32 : Earning Per Share

	31st March 2020	31st March 2019
Profit after Tax (PAT)	12,83,77,583	15,40,72,225
From continuing operations (A)	12,83,77,583	15,40,72,225
From discontinued operations (B)	-	-
Total Net Profit		
Weighted average number of equity shares for Basic EPS (C)	5,50,000	5,50,000
(a) Basic earnings per share		
From continuing operations (A/C)	233.41	280.13
From discontinued operations (B/C)	-	-

Note 33 : Corporate social responsibility expenditure

Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the mandatory spend of Rs. 26,47,596 (previous year Rs. 15,02,098)

Particulars	As at 31st March 2020	As at 31st March 2019
Revenue expenditure on CSR activities	29,99,540	23,63,000
Total	29,99,540	23,63,000



MUKKA SEA FOOD INDUSTRIES LIMITED
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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Note 34 : 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 viz. Fish Oil, fish paste, fish meal etc. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Note 35 :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.

Note 36 : Related party disclosures

1. Names of related parties and related party relationship:

Related parties where control exists

Subsidiary

MSFI Bangla Ltd

Ocean Aquatic Protiens LLC

Haris Marine Products Private Limited (Subsidiary w.e.f. 30th October, 2019)

Atlantic Marine Products Private Limited (Subsidiary w.e.f. 14th November, 2019)

Related parties with whom transactions have taken place during the year

Key Managerial Personnel (KMP)

Mr. K Mohammed Althaf

Mrs. Umaiy banu

Mr. K Mohammed Haris

Mr. K Mohammed Arif

Relatives of Key Managerial Peronnel

Mr. K Abdul Razak

Associate Companies / Firms / Joint Ventures

KGN Marine Products

Progress Frozen And Fish Sterilization

Atlantic Marine Products (Ceased w.e.f. 14th November, 2019)

Entities where KMP are interested

Haris Marine Products (Ceased to be related party w.e.f. 30th October, 2019)

Shipwaves Online Private Limited

Al Hasan Education Trust

Bismi Fisheries Private Limited

United Fish Meal FZC, Dubai

Shipwaves Online LLC, Dubai

Ocean Aquatic Products

2. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties :



MUKKA SEA FOOD INDUSTRIES LIMITED

(Earlier known as MUKKA SEA FOOD INDUSTRIES PRIVATE LIMITED)

Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Particulars	Transactions with Related Parties	
	For the year ended	
	31st March 2020	31st March 2019
Remuneration		
Mr. K Mohammed Althaf	72,00,000	72,00,000
Mrs. Umaiy banu	24,00,000	24,00,000
Mr. K Mohammed Haris	96,00,000	96,00,000
Mr. K Mohammed Arif	48,00,000	48,00,000
Remuneration to Relative of KMP		
Mr. K Abdul Razak	30,00,000	30,00,000
Loan Taken		
Mr. K Mohammed Althaf	93,56,600	4,45,00,000
Mr. K Mohammed Haris	1,96,10,713	5,63,50,000
Mr. K Mohammed Arif	2,23,240	1,96,00,000
Mr. K Abdul Razak	2,09,272	5,43,50,000
Loan Repaid		
Mr. K Mohammed Althaf	3,62,74,000	1,82,18,193
Mr. K Mohammed Haris	4,72,19,259	3,90,60,500
Mr. K Mohammed Arif	2,09,49,240	-
Mr. K Abdul Razak	3,89,42,326	2,81,00,000
Expenses incurred on behalf of Mukka Sea Food Industries Ltd		
Progress Frozen And Fish Sterilization	36,99,206	-
KGN Marine Products	8,04,040	31,70,525
Rent paid		
K Mohammed Haris	2,40,000	2,16,000
K Abdul Razak	3,00,000	2,25,000
Haris Marine Products	4,50,000	7,29,000
Haris Marine Products Private Limited	4,50,000	-
Rent Received		
Shipwaves Online Private Limited	3,00,000	75,000
Ocean Aquatic Protiens LLC	69,37,368	11,10,000
Haris Marine Products	15,000	-
Haris Marine Products Private Limited	30,000	-
Interest Paid		
Mr. K Mohammed Althaf	17,88,680	12,47,270
Mr. K Mohammed Haris	20,09,171	12,94,414
Mr. K Mohammed Arif	12,64,603	2,57,979
Mr. K Abdul Razak	23,78,658	11,93,859
Interest Received		
Ocean Aquatic Protiens LLC	17,69,429	-
Loan given		
Shipwaves Online Private Limited	3,01,21,600	5,71,00,000
Ocean Aquatic Protiens LLC	5,27,70,130	-
Investments Made		
Ocean Aquatic Protiens LLC	-	1,88,72,967



MUKKA SEA FOOD INDUSTRIES LIMITED

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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Investments Sold		
Mr. K Mohammed Haris	19,39,529	-
Purchase of goods		
Haris Marine Products	2,75,84,774	52,07,59,415
Haris Marine Products Private Limited	5,60,38,245	-
KGN Marine Products	3,65,71,555	43,61,98,162
Progress Frozen & fish sterilisation	57,63,64,405	-
Atlantic Marine Products	21,58,06,375	19,67,79,070
Atlantic Marine Products Private Limited	21,69,09,169	-
Ocean Aquatic Proteins LLC, Oman	18,17,06,079	5,86,69,490
United Fish Meal FZC, Dubai	-	5,92,39,083
Bismi Fisheries Private Limited	34,27,09,640	53,65,75,000
Sale of Goods		
Ocean Aquatic Proteins LLC, Oman	97,78,235	72,05,578
United Fish Meal FZC, Dubai	-	3,67,85,951
Atlantic Marine Products	-	2,24,000
KGN Marine Products	-	39,33,430
Bismi Fisheries Private Limited	-	3,92,000
Haris Marine Products	-	7,75,91,780
Haris Marine Products Private Limited	10,15,04,590	-
Donation Expenses		
Al Hasan Educational Trust	9,00,000	19,00,000
Freight Expenses		
Shipwave Online Private Limited	12,94,35,646	11,98,20,935
Shipwaves Online LLC	3,74,453	-

Year end Balances

Particulars	Transactions with Related Parties	
	For the year ended	
	31st March 2020	31st March 2019
Remuneration Payable		
Mr. K Mohammed Althaf	12,498	2,480
Mr. K Mohammed Haris	79,629	93,265
Mr. K Mohammed Arif	-	9,06,847
Mr. K Abdul Razak	7,279	71,039
Mrs. Umaiy banu	12,260	7,92,487
Rent Payable		
K Mohammed Haris	2,34,000	18,000
K Abdul Razak	22,500	22,500
Haris Marine Products	81,000	81,000
Trade and other Payable		
KGN Marine Products	3,67,48,329	10,45,00,582
Atlantic Marine Products	-	6,98,45,629
Bismi Fisheries Private Limited	-	9,25,75,000
Atlantic Marine Products Private Limited	7,21,62,367	-
Progress Frozen And Fish Sterilization	20,23,00,426	-
Shipwaves Online Private Limited	1,17,54,993	-
KGN Marine Products - Reimb of Expenses	39,74,565	31,70,525
Progress Frozen & fish sterilisation	36,99,206	-



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Notes to the Standalone Financial Statements for the Year ended on 31st March, 2020

Trade and other Receivables		
United Fish Meal FZC, Dubai	-	1,54,21,565
Ocean Aquatic Proteins LLC, Oman	94,81,361	4,47,54,854
Haris Marine Products	-	8,75,65,127
Haris Marine Products Private Limited	18,59,91,161	-
Rent Receivable - Ocean Aquatic Proteins LLC, Oman	41,65,071	3,70,000
Rent Receivable - Shipwaves Online Private Limited	1,64,154	54,000
Interest Receivable - Ocean Aquatic Proteins LLC, Oman	17,59,130	-
Rent Receivable - Haris Marine Products Private Limited	5,900	-
Investment Sale Value Receivable from Mr. K Mohammed Haris	20,63,649	-
Unsecured Borrowings		
Mr. K Mohammed Althaf	18,64,407	2,87,81,807
Mr. K Mohammed Haris	3,92,464	2,80,01,010
Mr. K Mohammed Arif	-	2,07,26,000
Mr. K Abdul Razak	-	3,87,33,054
Mrs. Umaiy banu	-	-
Loans and Advances outstanding		
Shipwaves Online Private Limited	8,72,21,600	5,71,00,000
Ocean Aquatic Proteins LLC	5,27,70,130	-
Advance to Suppliers		
Shipwaves Online Private Limited	1,24,47,495	1,73,34,213
Haris Marine Products Private Limited	-	-
Ocean Aquatic Proteins LLC	10,64,05,426	-
Atlantic Marine Products Private Limited	5,68,89,891	-
Progress Frozen And Fish Sterilization	1,80,39,112	-
Corporate guarantee given		
Shipwaves Online Private Limited	-	1,00,00,000
Haris Marine Products	-	8,00,00,000
Haris Marine Products Private Limited	10,00,00,000	-

Note 37 : Employee Benefits Obligation

The Company accounts for Gratuity Liability at actuarial valuation at the end of the year i.e. 31st March. Accordingly these Liabilities have been computed by the actuary as at 31st March, 2020.

Employee Benefits

Defined benefits Plans – As per Actuarial valuation as on March 31, 2020

Assumptions as at	Funded Gratuity 2019-20	Funded Gratuity 2018-19
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	6.80%	7.70%
Rate of increase in Compensation	7.00%	7.00%
Changes in present value of obligations		
PVO at beginning of period	18,23,943	17,09,054
Interest cost	1,24,028	1,31,597
Current Service Cost	22,93,580	4,36,537
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	79,96,510	(4,53,245)
PVO at end of period	1,22,38,061	18,23,943



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Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	-	-
Adjustment to Opening Fair Value of Plan Assets	-	-
Actual Return on Plan Assets Excl. Interest	-	-
Interest Income	-	-
Contributions	-	-
Benefit Paid	-	-
Fair Value of Plan Assets at end of period	-	-
Expense recognized in the statement of P & L A/C		
Current Service Cost	22,93,580	4,36,537
Interest cost	1,24,028	1,31,597
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	-	-
Expense recognized in the statement of P & L A/C	24,17,608	5,68,134
Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	79,96,510	(4,53,245)
Asset limit effect	-	-
Return on Plan Assets excluding net Interest	-	-
Unrecognized Actuarial (Gain)/Loss for the previous Period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	79,96,510	(4,53,245)
Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	18,23,943	17,09,054
Adjustment to Opening Fair Value of Plan Assets	-	-
Expenses as above	24,17,608	5,68,134
Contribution paid	-	-
Other Comprehensive Income	79,96,510	(4,53,245)
Closing Net Liability	1,22,38,061	18,23,943

Note 38 : Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

Note 39 : Income Tax

Income taxes

Income tax expense in the statement of profit and loss comprises

Particulars	Year Ended 31st March	
	2020	2019
Current Taxes	4,37,77,130	₹ 4,37,75,851
Earlier Year Taxes	1,94,57,367	-
Deferred Taxes	(34,40,614)	74,41,628
Income tax expense	5,97,93,883	5,12,17,479

Entire deferred income tax for the year ended March 31, 2020 and March 31, 2019 relates to origination and reversal of temporary differences.



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A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	Year Ended 31st March	
	2020	2019
Profit before income taxes	₹ 18,81,71,466	₹ 20,52,89,703
Enacted tax rates in India	25.17%	34.94%
Computed expected tax expense	4,73,58,995	7,17,36,434
Effect of exempt income	(65,09,906)	(29,20,375)
Effect of Earlier year taxes	1,94,57,367	-
Effect of Transition to Ind AS	-	(2,09,99,455)
Effect of non deductible expenses	20,58,697	20,79,080
Effect of tax on depreciation	(37,22,768)	(61,19,833)
Effect of Interest on Income Tax	45,92,112	-
Effect of deferred tax asset (liability)	(34,40,614)	74,41,628
Income tax expense	5,97,93,883	5,12,17,479



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Note 40 : Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial Assets				
Amortised Cost				
Loans	15,22,61,172	6,86,73,892	15,22,61,172	6,86,73,892
Trade receivable	54,40,82,141	24,82,82,290	54,40,82,141	24,82,82,290
Cash and cash equivalents	73,35,400	29,13,540	73,35,400	29,13,540
Other bank balances	16,04,818	21,91,974	16,04,818	21,91,974
Other financial assets	7,37,57,260	7,35,42,876	7,37,57,260	7,35,42,876
Total Assets	77,90,40,791	39,56,04,573	77,90,40,791	39,56,04,573

Particulars	Carrying Value		Fair Value	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial Liabilities				
Amortised Cost				
Borrowings	1,08,56,04,243	80,75,58,084	1,08,56,04,243	80,75,58,084
Trade Payable	76,89,46,456	56,24,51,998	76,89,46,456	56,24,51,998
Other Financial Liabilities	1,24,63,834	4,42,60,324	1,24,63,834	4,42,60,324
Total Liabilities		1,41,42,70,406	1,86,70,14,533	1,41,42,70,406

Fair Value Hierarchy



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

Note 41 Financial Risk Management

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

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

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

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company has medium exposure to said market risk.

(I) Interest Risk

The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	As at	As at
	31st March 2020	31st March 2019
Variable Rate Borrowing	98,72,04,668	66,40,10,932
Total	98,72,04,668	66,40,10,932



Sensitivity

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

	Impact on profit after tax and equity	
	As at 31-03-20	As at 31-03-19
Interest rate - Increases by 100 basis points	(98,72,047)	(66,96,023)
Interest rate - Decreases by 100 basis points	98,72,047	66,96,023

(II) Price risk

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

(III) Foreign currency risk

	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Trade and other payables				
USD	2,48,139	1,87,06,184	-	-
Advance to Suppliers				
USD	3,39,771	2,56,13,943	6,81,240	4,23,79,707
Trade Receivable				
USD	20,08,675	15,14,25,773	19,57,661	9,74,66,201
Advances from Customers				
USD	1,55,000	1,16,84,815	36,000	25,04,863
Loan Given				
USD	7,00,000	5,27,70,130	-	-



Sensitivity

	Impact on (profit)/loss after tax and equity	
	As at 31-03-19	As at 31-03-19
Interest rate - Increases in USD rate by 1%	(19,94,188)	(18,05,892)
Interest rate - Decreases in USD rate by 1%	19,94,188	18,05,892

Liquidity Risk :

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

(i) Maturities of financial liabilities

Contractual cash flows

	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
31st March, 2020						
Borrowings	1,11,85,19,249	1,11,85,19,249	1,02,01,19,674	6,19,90,559	3,64,09,016	-
Trade Payables	76,89,46,456	76,89,46,456	76,89,46,456	-	-	-
Total	1,88,74,65,705	1,88,74,65,705	1,78,90,66,130	6,19,90,559	3,64,09,016	-
31st March, 2019						
Borrowings	80,86,65,304	80,86,65,304	66,51,18,202	14,13,00,501	22,46,601	-
Trade Payables	56,24,51,998	56,24,51,998	56,24,51,998	-	-	-
Total	1,37,11,17,302	1,37,11,17,302	1,22,75,70,200	14,13,00,501	22,46,601	-



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

Exposure to credit risk
The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposures to credit risk as at March 31, 2020 and 2019 was as follows :

Particulars	31.03.20 ₹	31.03.19 ₹
Trade receivables	54,40,82,141	24,82,82,290
Cash and cash equivalents	73,35,400	29,13,540
Other Bank balances	16,04,818	21,91,974
Other financial assets	7,98,31,657	7,96,79,273
Total	63,28,54,016	33,30,67,078

Category	Description of Category Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Basis for recognition of expected credit loss provision		
		Investments	Loans and Deposits	Trade Receivables
High quality assets, low credit risk		12-month expected credit losses	12-month expected credit losses	L.ife time expected credit losses



Medium risk, moderate credit risk Doubtful assets, credit impaired		Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not	12-month expected credit losses	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
		<p>Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss</p>	Asset is Written-off			



Year Ended 31st March, 2020

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected Probability of Default	Expected credit Losses	Carrying amount Net of Impairment Provisions
Loss allowance measured at 12 month expected credit losses -	Cash and Bank Balances	89,40,218	0%	-	89,40,218
Financial assets for which credit risk has not increased significantly since initial recognition	Loans and advances Security deposits	15,22,61,172 60,74,397	0% 0%	- -	15,22,61,172 60,74,397

Year Ended 31st March, 2019

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected Probability of Default	Expected credit Losses	Carrying amount Net of Impairment Provisions
Loss allowance measured at 12 month expected credit losses -	Cash and Bank Balances	51,05,515	0%	-	51,05,515
Financial assets for which credit risk has not increased significantly since initial recognition	Loans and advances Security deposits	6,86,73,892 61,36,397	0% 0%	- -	6,86,73,892 61,36,397



Expected credit loss for trade receivables under simplified approach
Year ended 31st March, 2020

Ageing	0-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	54,35,32,964	5,49,177	-	54,40,82,141
Expected loss rate	-	-	-	-
Expected credit loss	-	-	-	-
Carrying amount of trade receivables (net of impairment)	54,35,32,964	5,49,177	-	54,40,82,141

Year ended 31st March, 2019

Ageing	0-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	24,61,82,290	21,00,000	-	24,82,82,290
Expected loss rate	-	-	-	-
Expected credit loss	-	-	-	-
Carrying amount of trade receivables (net of impairment)	24,61,82,290	21,00,000	-	24,82,82,290

Note 42 : Capital Management

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

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



Particulars	31.03.20	31.03.19
Debt	1,08,56,04,243	80,75,58,084
Less: Cash and Bank Balances	89,40,218	51,05,515
Net Debt (A)	1,07,66,64,025	80,24,52,570
Equity (B)	57,53,46,419	45,29,52,784
Net Debt to Equity Ratio (A)/(B)	187.13%	177.16%

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

Note 43 : Assessment of impact of Covid-19 pandemic

The management has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions the management expects to fully recover the carrying amount of inventories, trade receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

