Avanti Frozen Foods Inc.,
Balance Sheet as at March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2022 INR	As at March 31, 2021 INR
Equity and liabilities			
Shareholder's Funds			
Equity share capital	3	7,207	7,207
Other equity	4	(1,42,88,148)	(1,47,39,863)
Non -Current Liabilities			
Financial liabilities			
Borrowings	5 (a)	6,46,44,968	6,26,16,510
Other current liabilities		-	-
Current Liabilities			
Financial liabilities			
Other current liabilities	6	36,08,418	22,63,945
Total		**5,39,72,445**	**5,01,47,799**
Assets			
Non-current Assets			
Intangible Assets	9	2,78,36,367	3,89,86,893
Current assets			
Financial assets			
Trade receivables	7	38,18,629	28,59,820
Cash and bank balances	8	2,23,17,450	83,01,086
Total		**5,39,72,445**	**5,01,47,799**

The accompanying notes are an integral part of the Financial Statements.
As per our attached report of even date

Avanti Frozen Foods Inc.,

Statement of Profit and Loss for the Year Ended March 31, 2(

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Income:			
Revenue from operations	10	1,58,90,929	6,13,08,446
Total		**1,58,90,929**	**6,13,08,446**
Expenses:			
Employee benefit expense	11	8,95,871	16,37,797
Marketing Expenses	12	-	5,09,20,585
Finance costs	13	8,34,251	21,09,414
Depreciation and amortization expense	9	1,23,71,719	2,09,92,942
Other expenses	14	10,77,643	10,44,708
Total		**1,51,79,484**	**7,67,05,446**
Profit/(Loss) before tax		**7,11,445**	**(1,53,96,999)**
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the period		**7,11,445**	**(1,53,96,999)**
Other comprehensive income			
Items that will not be reclassified to profit and loss		-	-
Income tax relating to items that will not be reclassified to profit and loss		-	-
Total comprehensive income		**7,11,445**	**(1,53,96,999)**
Earnings per equity share			
Basic and diluted	15	71.14	(1,539.70)

The accompanying notes are an integral part of the Financial Statements.

As per our attached report of even date

Avanti Frozen Foods Inc.,
Statement of Cash Flows for the Year Ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
		INR	**INR**
A	**Cash Flows from/(used in) Operating Activities**		
	Net Profit before Tax and Extraordinary Items	7,11,445	(1,53,96,999)
	Adjustments for:		
	Depreciation and amortisation expense	1,23,71,719	2,09,92,942
	Finance cost	8,34,251	21,09,414
	Operating Profit before Working Capital Changes	**1,39,17,415**	**77,05,357**
	Adjustments for (increase) / decrease in operating assets:		
	Inventories		
	Trade receivables	(9,58,809)	(28,59,820)
	Loans		
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	13,44,472	22,63,945
	Provisions		
	Cash Generated from Operation	**1,43,03,078**	**71,09,482**
	Income tax (paid)/refund	-	-
	Net Cash from/(used in) Operating Activities	**1,43,03,078**	**71,09,482**
B	**Cash Flows from/(used in) Investing Activities**		
	Intantgible assets acquired	(12,21,193)	(5,99,79,835)
	Foreign currency translation reserve	(2,59,729)	(89,516)
	Net Cash from/(used in) Investing Activities	**(14,80,922)**	**(6,00,69,351)**
C	**Cash Flows from/(used in) Financing Activities**		
	Interest paid on borrowings	(6,25,318)	(19,71,899)
	Proceeds issue of equity shares	-	
	Proceeds/(repayment) of borrowings	18,19,525	6,24,78,995
	Net Cash from/(used in) Financing Activities	**11,94,208**	**6,05,07,096**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**1,40,16,364**	**75,47,227**
	Cash and cash equivalents		
	At the beginning of the year	83,01,086	7,53,859
	At the end of the year	**2,23,17,450**	**83,01,086**

Note: 1.The above Statement of Cash Flows has been prepared under the 'Indirect Method' set out in Ind As -7, 'Statement of Cash Flows' specified under section 133 of the Companies Act,

The accompanying notes are an integral part of the Financial Statements.
As per our attached report of even date

Avanti Frozen Foods Inc.,
Statement of Changes in Equity for the Year Ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

a) Equity

	As at March 31, 2022 INR	As at March 31, 2021 INR
Balance as at the beginning of the year	7,207	7,207
Changes in equity during the year	-	-
Balance as at the end of the year	**7,207**	**7,207**

b) Other Equity

	As at March 31, 2021 INR	As at March 31, 2020 INR
Share premium	7,13,493	7,13,493
Retained earnings	(1,46,85,554)	(1,53,96,999)
Foreign exchange translation reserve	(3,16,086)	(56,357)
Total	**(1,42,88,147)**	**(1,47,39,863)**

i) Share premium

	As at March 31, 2021 INR	As at March 31, 2020 INR
Balance as at the beginning of the year	7,13,493	7,13,493
Received during the year	-	-
Balance as at the end of the year	**7,13,493**	**7,13,493**

ii) Retained earnings

	As at March 31, 2021 INR	As at March 31, 2020 INR
Balance as at the beginning of the year	(1,53,96,999)	-
Profit/(loss) for the year	7,11,445	(1,53,96,999)
Balance as at the end of the year	**(1,46,85,554)**	**(1,53,96,999)**

iii) Foreign currency translation reserve

	As at March 31, 2021 INR	As at March 31, 2020 INR
Balance as at the beginning of the year	(56,357)	33,159
Exchange difference on translation of financial statements	(2,59,729)	(89,516)
Balance as at the end of the year	**(3,16,086)**	**(56,357)**

The accompanying notes are an integral part of the Financial Stateme
As per our attached report of even date

Avanti Frozen Foods Inc.,
Notes to Financial Statements for the Year Ended March 31, 2022

1 Corporate information

Avanti Frozen Foods Inc., (the Company) was incorporated in the State of Delaware on April 22, 2019. The Company is a wholly owned subsidiary of Avanti Frozen Foods Private Limited, India (Avanti India) The Company is incorporated with the main object of trading in shrimp and other sea food.

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

(i) **Basis of preparation**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) **Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

• Certain financial assets and liabilities that are measured at fair value;

2.2 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Critical estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving critical estimate or judgements are;

- Estimation of defined benefit obligation
- Expected credit loss of financial assets

2.4 Significant accounting policies

A. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Director of the Company has been identified as the chief operating decision maker.

B. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its primary economic environment in which the Company operates ('the functional currency') is $ (United States Dollar). The financial statements are presented in Indian rupees (₹), which is the Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

C. Revenue recognition

The Company earns revenue primarily from sale of processed shrimps. Revenue is recognized 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.

To recognize revenues, we apply the following five step approach:
(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

D. 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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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 amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise 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.

E. Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

F. Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

G. Cash and cash equivalents

Cash and cash equivalents in balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

For the purpose of statement of cash flows, cash and cash equivalents cash and short-term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash.

H. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

I. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

J. Investments and other financial assets

(i) 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss:
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets
A financial asset is derecognised only when;
the Company has transferred the rights to receive cash flows from the financial asset or
retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

K. 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).

L. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

M. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on tangible assets is calculated on a straight-line basis as per the estimated useful lives of assets. The estimated useful lives of the related assets range from 3 to 10 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

N. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

Customers list

Customer lists are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Goodwill

Goodwill on account of demerger is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Amortisation methods and periods

Intangible assets with finite useful life are amortized over their respective individual estimated useful lives (5 years, in case of customer list) on a straight line basis.

O. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the year end which are unpaid. The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

P. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Q. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

R. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provisions is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

S. Contributed 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.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

U. Earnings per share

i Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

ii Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

X Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee.

Avanti Frozen Foods Inc.,
Notes to Financial Statements for the Year Ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

3 Share capital

	As at March 31, 2022 INR	As at March 31, 2021 INR
Authorised Shares 100,000 shares of $0.01 per share		
Issued, Subscribed and fully paid up -10,000 shares of $0.01 per share	7,207	7,207
Total	**7,207**	**7,207**

4 Other equity

	As at March 31, 2022 INR	As at March 31, 2021 INR
Share premium	7,13,493	7,13,493
Retained earnings	(1,46,85,554)	(1,53,96,999)
Foreign exchange translation reserve	(3,16,087)	(56,357)
Total	**(1,42,88,148)**	**(1,47,39,863)**

Share premium

	As at March 31, 2022 INR	As at March 31, 2021 INR
Balance as at the beginning of the year	7,13,493	7,13,493
Received during the year	-	-
Closing Balance	**7,13,493**	**7,13,493**

Retained earnings

	As at March 31, 2022 INR	As at March 31, 2021 INR
Balance as at the beginning of the year	(1,53,96,999)	-
Profit/(loss) for the year	7,11,445	(1,53,96,999)
Closing Balance	**(1,46,85,554)**	**(1,53,96,999)**

Foreign Exchange Translation Reserve

	As at March 31, 2022 INR	As at March 31, 2021 INR
Balance as at the beginning of the year	(56,357)	33,159
Exchange difference on translation of financial statements	(2,59,729)	(89,516)
Closing Balance	**(3,16,086)**	**(56,357)**

Avanti Frozen Foods Inc.,
Notes to Financial Statements for the Year Ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

5 Borrowings

	As at March 31, 2022 INR	As at March 31, 2021 INR
a) Non-current borrowings		
Unsecured		
From Avanti Frozen Foods Private Limited	6,44,36,035	6,24,78,995
Interest accrued on unsecured loans	2,08,933	1,37,515
	6,46,44,968	**6,26,16,510**

6 Other current liabilities

	As at March 31, 2022 INR	As at March 31, 2021 INR
Liabilities for expenses		
Accounts Payable	10,30,977	6,46,841
Payroll Liabilities	25,77,441	16,17,103
	36,08,418	**22,63,945**

7 Trade receivables

	As at March 31, 2022 INR	As at March 31, 2021 INR
Trade receivables	38,18,629	28,59,820
	38,18,629	**28,59,820**

8 Cash and bank balances

	As at March 31, 2022 INR	As at March 31, 2021 INR
Cash and cash equivalents		
Balances with banks		
On current accounts	2,23,17,450	83,01,086
	2,23,17,450	**83,01,086**

Avanti Frozen Foods Inc.,

Notes to Financial Statements for the Year Ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

9 Intangible Assets - Customers list

	Amount INR
<u>Gross block</u>	
As at April 01, 2020	-
Additions	5,99,79,835
Disposals	-
As at March 31, 2021	**5,99,79,835**
Additions	-
Disposals	-
Translaton exchange differences	18,78,758
As at March 31, 2022	**6,18,58,594**
<u>Amortisation</u>	
Up to April 01, 2020	-
Charge for the year	2,09,92,942
Disposals	-
Up to March 31, 2021	**2,09,92,942**
Charge for the year	1,23,71,719
Disposals	-
Translaton exchange differences	6,57,565
Up to March 31, 2022	**3,40,22,226**
<u>Net block</u>	
As at March 31, 2021	**3,89,86,893**
As at March 31, 2022	**2,78,36,367**

Avanti Frozen Foods Inc.,
Notes to Financial Statements for the Year Ended Marcl
(All amounts in Indian Rupees, unless otherwise stated)

10 Revenue from operations

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Sale of Products	-	-
Sale of Services	1,58,90,929	6,13,08,446
	1,58,90,929	**6,13,08,446**

11 Employees benefit expense

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Salary, wages, allowances and other benefits	8,95,871	16,37,797
	8,95,871	**16,37,797**

12 Marketing expenses

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Marketing expenses	-	5,09,20,585
	-	**5,09,20,585**

13 Finance cost

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Interest on unsecured loans	8,34,251	21,09,414
	8,34,251	**21,09,414**

14 Other expenses

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Rent	3,58,348	6,55,118.64
Audit fees	6,34,575	2,60,558.55
General expenses	84,720	1,29,030.36
	10,77,643	**10,44,708**

15 Earnings per share

Particulars	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
Profit after tax	7,11,445	(1,53,96,999.30)
Weighted average number of shares	10,000	10,000
Basic earnings per share	71.14	(1,539.70)
Diluted earnings per share	71.14	(1,539.70)

Avanti Frozen Foods Inc.,
Notes to Financial Statements for the Year Ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

16 Segmental information

Business segment

The Company is predominantly engaged in the business of trading in shrimp and other sea food. The Director has been identified as the Chief Operating Decision maker (CODM). There is only one segment in the Company.

17 Related party disclosures:

(i) Names of related parties and description of relationship

Holding company — Avanti Frozen Foods Private Limited

(ii) Transactions with related parties;

	As at March 31, 2022 INR	As at March 31, 2021 INR
Holding company		
Unsecured loan taken	6,44,36,035	6,44,36,035
Interest on unsecured loan taken	1,41,822	1,41,822

(iii) Year end balances;

	As at March 31, 2022 INR	As at March 31, 2021 INR
Holding company		
Unsecured loan taken	6,44,36,035	6,44,36,035
Interest payable on unsecured loan taken	1,41,822	1,41,822

18 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year’s classification.