



**KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED**  
Ship Builders, Repairers, Charterers and Marine Contractors  
CIN: U74120MH2015PLC269596

Date: 8<sup>th</sup> September, 2021

To,  
Department of Corporate Services,  
The Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001

Scrip Code	Symbol	ISIN
543273	KMEW	INEOCJD01011

**Sub: Annual Report for the Financial year 2020-21**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report for the Financial Year 2020-21.

Kindly take the same on your records and oblige.

Thanking You,  
For **Knowledge Marine & Engineering Works Limited**

  
**Sonali Gor**  
**Company Secretary & Compliance Officer**  
M. No. A51569

# ANNUAL REPORT 2020-2021



## KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED



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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

		
<b>Mr. Saurabh Daswani</b> Managing Director	<b>Mrs. Kanak Kewalramani</b> Whole-time Director & CFO	<b>Mr. Mukesh Daswani</b> Non-Executive Director

	
<b>Mr. Ashish Mohandas</b> Independent Director	<b>Mr. Sandip Zaveri</b> Independent Director

### **KEY MANAGERIAL PERSONAL AUDITORS**

**Chief Executive Officer**  
Mr. Sujay Kewalramani

**Chief Operating Officer**  
Mr. Dinesh Kewalramani

**Chief Technical Officer**  
Mr. Pinkesh Kewalramani

**Company Secretary**  
Ms. Sonali Gor

**STATUTORY AUDITOR**  
M/s. R. V. Luharuka & Co LLP

**INTERNAL AUDITOR**  
M/s. RSSA & Associates

### **REGISTRAR & SHARE TRANSFER AGENTS & BANKERS**

HDFC Bank  
IndusInd Bank

### **LINK INTIME INDIA PRIVATE LIMITED**

C-101, 1 Floor, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai, Maharashtra,  
INDIA-400083

### **REGISTERED OFFICE**

Office No. 402, Sai Samarth Business Park,  
Deonar Village Road, Govandi (East) Mumbai  
Maharashtra - 400088

## MANAGEMENT'S SPEECH

Dear Shareholders,

It gives us immense pleasure to present 6<sup>th</sup> Annual Report of the company. The year gone by was a pleasing and progressive year for the Company. We have not only secured two contracts in the previous year but our Company got its shares listed in the SME Platform of BSE, spreading our wings to the public at large.

During the year 2020-2021 the COVID-19 pandemic was just beginning to make its impact felt around the world. But the impact of the pandemic was nil to our Company as our services fell under essential services. All our crew safely stayed on board and worked routinely and not a single day of downtime was observed. The commitment of our crew and our employees is truly humbling and on behalf of KMEW family, we sincerely thank them for their efforts.

**Financial Parameters:** - Our Company was incorporated in the year 2015 with a vision to own and operate marine craft for the Government of India and Private players. Our Company has an approximate asset value of around Rs. 30 crores and an order book of over Rs. 100 crores. From 2015, we have grown our fleet from 1 to 7 Marine crafts (including the one owned by our Associate company) currently.

We have secured two more contracts of Rs. 14.14 crores aggregate value. This includes (1) the work order from Visakhapatnam Port Trust for a contract price of Rs. 5.02 crores for a period of 5 years extendable by 2 more years for supplying 20 knots speed Patrol Boat along with Manning crew, and (2) the work order from Deendayal Port Trust for a contract price of Rs. 9.12 crores for supplying 2 nos. mooring launches for a period of 5 years. We have submitted bids to the tune of Rs. 248.00 crores and there is fair chance of success in these projects for maintaining a seamless growth.

The Company has exhibited massive growth and strength on all key financial parameters. There has been a significant growth in revenue, EBITDA and PAT. In financial year 2020-2021, our revenue from operations, EBITDA and PAT has increased by 53.62%, 88.05% and 88.87% respectively during the year as compared to previous year on standalone basis.

**Our Strategies:-** Going ahead our strategy is to continue to grow our fleet through acquisition of vessels from the secondary market at relatively lower values or building new vessels as per the business plan and requirements. Our focus to provide value added port service is essential to facilitate the logistics platform, that enables and encapsulates the entire gamut of supply chain.



**Future Outlook:-** India's dredging sector is poised for strong growth over the coming years as the government is coming up with various policies, programs, schemes etc. to boost Indian shipping and dredging companies. The GOI through its Sagarmala Project is intending to spend almost 8.57 Lakh crores in the marine Industry to develop 14 coastal economic zones and coastal economic units and enhancing port connectivity by 2035, which is going to build a sky scrapping demand for dredging activities in India.

Further, working towards the vision of Honorable Prime Minister towards combining all the rivers of our country, organizations like IWAI are coming up with Dredging opportunities worth thousands of crores rupees. With an increase in E-Commerce business and transportation resulting into high amount of traffic, the major and minor ports are continuously looking forward to enhance current capacity which in turn is generating opportunities for Dredging as well as Small Craft Business.

Government is also actively promoting the industry via its various schemes such as: Ship Building Scheme wherein 20% of the contract price or fair price of the ship will be given as subsidy whereby reducing the capital cost.

The Make in India Scheme wherein all the small crafts which is almost 450 in numbers are to be made in India via an Indian Shipyard.

The government in the last couple of months have also come out with new draft dredging policy which will generate immense opportunities in this sector.

***KMEW and its shareholders:***

Moreover, our key characteristics and inherent strengths like tenacity to change, resilience, robust business continuity plan, technology adaptation, unmatched services and most importantly efficient and hardworking team kept our flag flying high.

Finally, on behalf of the Management, we would like to thank our customers, business partners, vendors, employees, investors and shareholders for their steadfast support. Standing at a critical juncture in India's growth and development story in the post-COVID world, we, at Knowledge Marine, reaffirm our commitment to continue being innovative, agile and focused on sustainability to partner our nation's progress.

***Take care and Stay Safe!***

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW

India has a coastline of almost 7500 kilometers, encompassing one of the biggest peninsulas in the world. According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. It is serviced by 12 major ports and 200 notified minor and intermediate ports. The total 200 non-major ports are in the following states: Maharashtra (48); Gujarat (42); Tamil Nadu (15); Karnataka (10); Kerala (17); Andhra Pradesh (12); Odisha (13); Goa (5); West Bengal (1); Daman and Diu (2); Lakshadweep (10); Pondicherry (2); and Andaman & Nicobar Islands (23).

Government of India (GoI) plans to modernize these ports and has approved a project called Sagarmala. The ports and shipping industry in India plays a vital role in sustaining growth in the country's trade and commerce. The Indian Government has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects. The government has also initiated the National Maritime Development Programme (NMDP), an initiative to develop the maritime sector with a planned outlay of US\$11.8 billion. Total number of vessels calling Indian Major Ports and Minor Ports per annum exceeds 30,000 Ships.

Dredging plays a vital role in smooth movement of large vessels and ships, which are responsible for transporting goods between countries and facilitating international trade. It is the process of removal of sediments and debris from the bottom of oceans and harbors to create navigable waterways for shipping traffic usually near ports.

We are classified into dredging (not shipping) Industry, which we believe to be an uncontested market space with presence of few Indian players.

### KMEW AT A GLANCE

Incorporated in 2015, KMEW is engaged in Owning and operating of Marine Crafts; and Repair and maintenance/refits of Marine Crafts and Marine Infrastructure.

We provide following marine engineering services- Dredging at various ports of India; Carrying out repair & refit services of naval & merchant ships; Conducting hydrographic & magnetometer surveys; Providing technical solutions for maintenance and operations of vessels.

Over the years, we have become an established player in the small- marine craft business segment in India and have evolved from a small ship-repair unit to a ship-owning Company.

### TIMELINE OF OUR JOURNEY


<b>2015- BEGINING</b>	Began with managing repair and refit operations of ships
<b>2016-2017</b> <b>-GROWTH-</b> Attained Work Contract from Kolkata Port	Received first long term work order from the Government Port i.e. Kolkata Port for a period of 7 years for a contract amount of Rs. 21.69 crores.
<b>-ACQUISITION &amp; CONVERSION-</b> Acquisition & Conversion of Hopper Barge River Pearl 2 into Grab Dredger	

<p>Attained Work Contract from Kandla Port for salvage of steel walkway and replacing it with newly fabricated walkway</p>	
<p><b>2018- CEREMONY</b></p> <p>Flagging off ceremony of River Pearl 1 by Shri Mansukh Mandaviya (Minister of State for Ministry of Shipping GOI)</p>	
<p><b>2019</b></p> <p><b>-NEW HEIGHTS</b></p> <p>Induction of TSHD River Pearl 4 at Kolkata Channel by Shri Vinit Kumar, (Chairman Kolkata Port Trust)</p>	
<p><b>- EXPANSION</b></p> <p>Construction of Pilot Boat River Pearl 3 and starting of the work at Vizag Port.</p>	
<p><b>2020- COMPLETIONS</b></p>	<p>Completion of 1 million Cubic Meters of Dredging under single order at Kolkata Port.</p> <p>Successful completion of two and half years of employment of River Pearl 1 and River Pearl 2.</p>
<p><b>2021</b></p> <p><b>-LISTING CEREMONY</b></p> <p>Company got listed on BSE SME Platform on 22nd March, 2021</p>	
<p><b>-AWARD OF CONTRACTS</b></p>	<p>Award of two more contracts from Visakhapatnam Port for a period of 5 years and Deendayal Port for a period of 5 years.</p>



## OUR FLEET OF LATEST MARINE CRAFTS

Presently, we own a versatile fleet of marine crafts costing over Rs. 30 crores.

<p><b>RIVER PEARL 1</b></p> <p><b>Description:</b> Survey-cum-pilot Launch deployed at Kolkata</p> <p><b>Vessel Tonnage:</b> Gross Tonnage 113 Tons Net Tonnage 34 Tons</p> <p><b>Vessel Speed:</b> 12 Knots</p>	 <p>A blue and white survey-cum-pilot launch named 'RIVER PEARL 1' is shown on the water. The vessel has a white superstructure and a blue hull. The name 'RIVER PEARL 1' is visible on the side of the hull.</p>
<p><b>RIVER PEARL 2</b></p> <p><b>Description:</b> Grab Hopper Dredger deployed at Kolkata Port</p> <p><b>Vessel Tonnage:</b> Gross Tonnage 622 Tons Net Tonnage 201 Tons</p> <p><b>Vessel Speed:</b> 6 Knots</p>	 <p>A large black and white grab hopper dredger named 'RIVER PEARL 2' is shown on the water. The vessel has two large cranes on its deck and is equipped with various dredging equipment.</p>
<p><b>RIVER PEARL 3</b></p> <p><b>Description:</b> Pilot Boat deployed at Vizag Port</p> <p><b>Vessel Tonnage:</b> Gross Tonnage 34.66 Tons Net Tonnage 10.39 Tons</p> <p><b>Vessel Speed:</b> 14 Knots</p>	 <p>A blue and white pilot boat named 'RIVER PEARL 3' is shown on the water. The vessel has a white superstructure and a blue hull. The word 'PILOT' is written in red on the side of the superstructure. The name 'RIVER PEARL 3' is visible on the side of the hull.</p>

<p><b>RIVER PEARL 4</b></p> <p><b>Description:</b> Trailing Suction Hopper Dredger deployed at Kolkata Port  <b>Vessel Tonnage:</b> Gross Tonnage 1520 Tons Net Tonnage 456 Tons  <b>Vessel Speed:</b> 10 Knots</p>	
<p><b>RIVER PEARL 5 (Under Construction)</b></p> <p><b>Description:</b> Fast Patrol Boat for Coastal and Port Security. Will be deployed at Visakhapatnam Port  <b>Vessel Tonnage:</b> Gross Tonnage 33 Tons Net Tonnage 10 Tons  <b>Vessel Speed:</b> 20Knots</p>	
<p><b>RIVER PEARL 06 (Under Construction)</b></p> <p><b>Description:</b> Mooring Launches Will be deployed at Vadinar, Deendayal Port  <b>Vessel Tonnage:</b> Gross Tonnage 16 Tons Net Tonnage 5 Tons  <b>Vessel Speed:</b> 10 Knots</p>	
<p><b>RIVER PEARL 7 (Under Construction)</b></p> <p><b>Description:</b> Mooring Launches Will be deployed at Vadinar, Deendayal Port  <b>Vessel Tonnage:</b> Gross Tonnage 16 Tons Net Tonnage 5 Tons  <b>Vessel Speed:</b> 10 Knots</p>	

**OUR STABLE & SECURED BUSINESS MODEL**

- **Assurance of continuous flow of revenue stream**

Our long-term contracts with the clients which is generally of 5 to 7 years, assures continuous flow of revenue stream in the Company, which easily allows us to meet with the operating expenses.

Our marketing team is continuously involved in identifying, evaluating and bidding for the dredging & allied contracts which are of best interest to us, assuring the maintenance of strong order book.

- **Flexibility in operations**

Our owned fleet of marine crafts allows us with abundant flexibility in executing the work effectively and efficiently, which gives us a competitive edge over other players which depends on hiring of crafts.

- **Strong EBITDA and PAT Ratios**

With the robust market opportunities combined with our diverse fleet, we stand at a very strong position which is reflected in our EBITDA and PAT Ratios.

Our average EBITDA and PAT ratio for last two years have remain strong at 37% and 19%, and we expect it to grow further in near future.

- **High return on capital employed (ROCE)**

Even though our business model is capital intensive in nature, still the rate of ROCE earned by us is huge. In F.Y. 2020-21, our ROCE stood at 25%, which provides us with ample scope to scale up our business with investments in new marine crafts.

- **Short payback period**

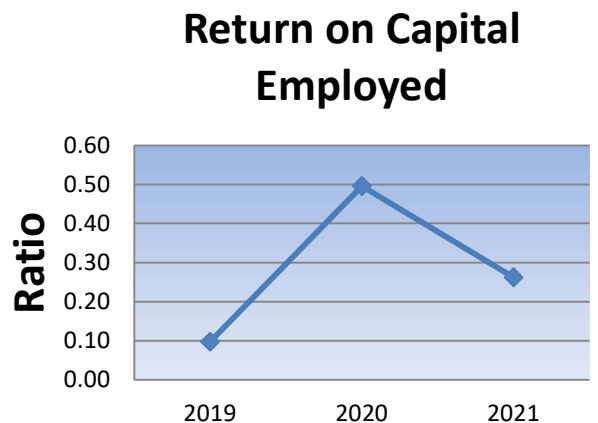
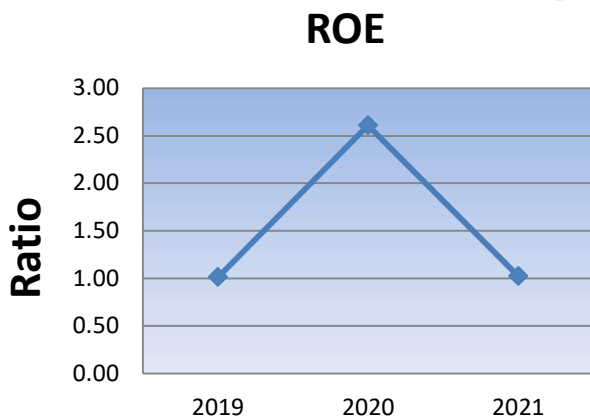
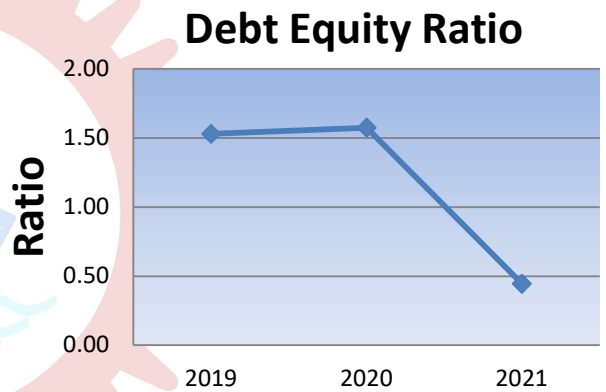
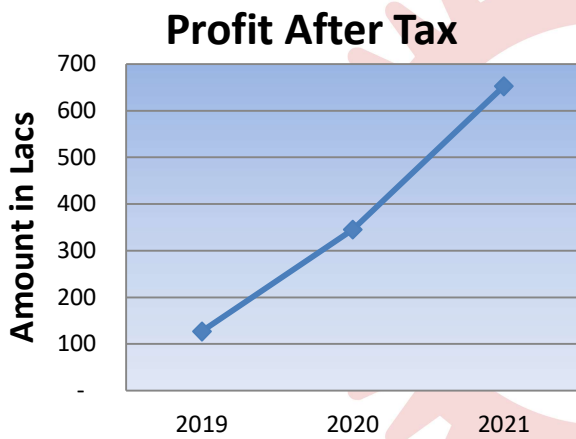
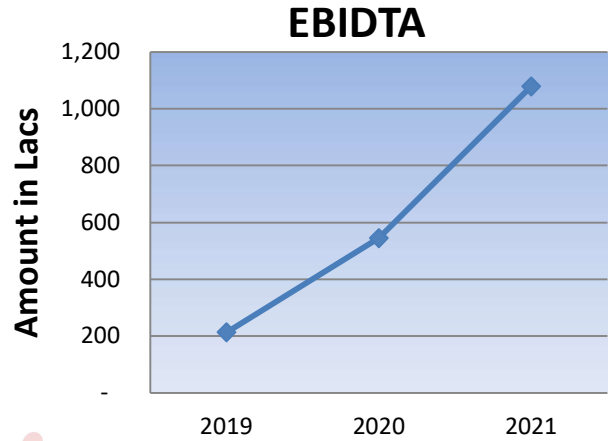
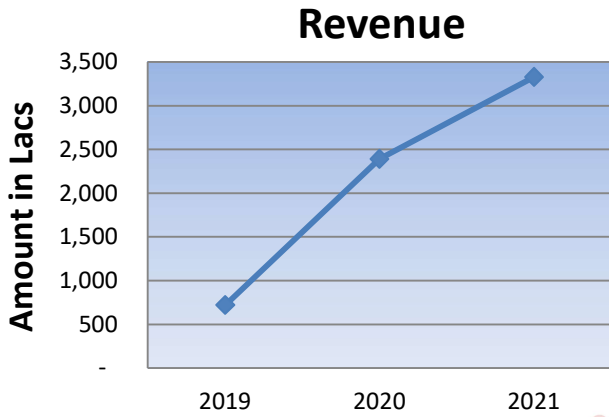
In F.Y. 2020-21, our revenue from operations and EBITDA stood at Rs. 33.28 crores and Rs. 13.29 crores (40%) respectively, which has been generated on marine crafts having gross book value as Rs. 35.13 crores, which depicts a very short payback period towards the fleet cost.

**OUR FOOTPRINTS ACROSS MAJOR PORTS OF INDIA SO FAR**

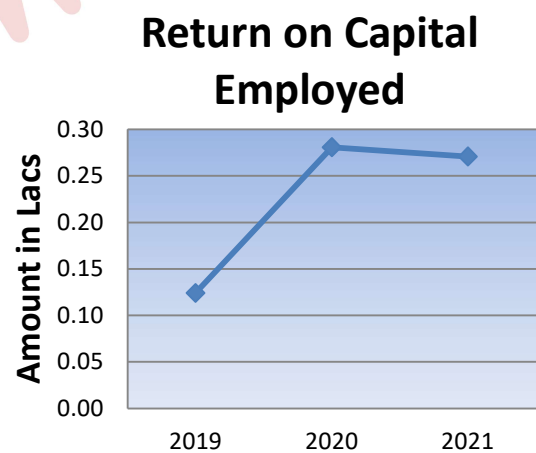
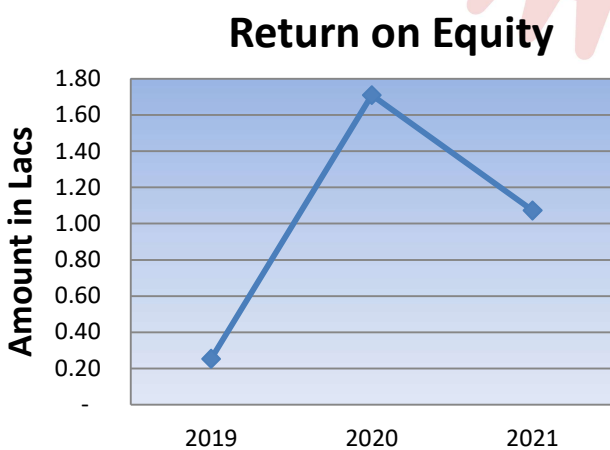
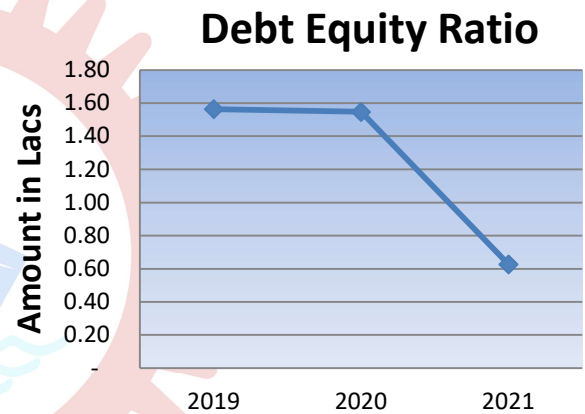
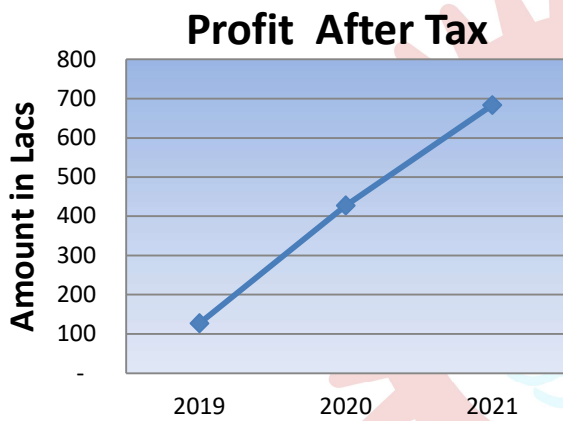
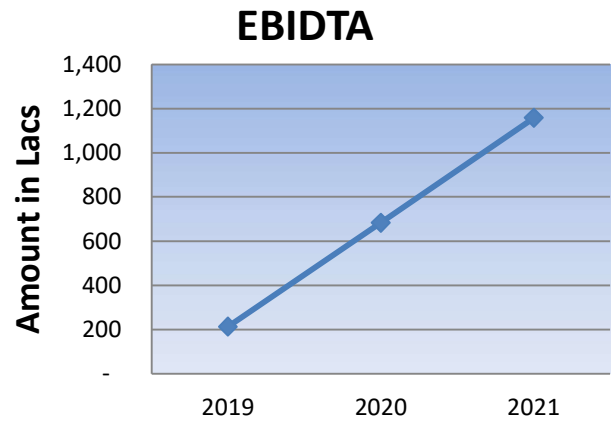
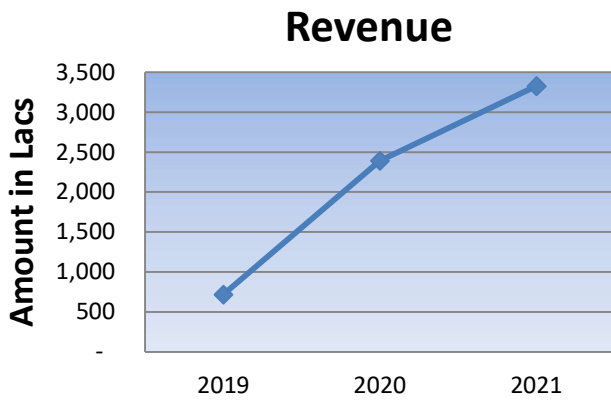


## FINANCIAL ANALYSIS

### Standalone Financial Performance



## Consolidated Financial Performance



## DIRECTORS' REPORT

To  
The Members of,  
**Knowledge Marine & Engineering Works Limited**  
(Formerly knowns as "Knowledge Marine & Engineering Works Private Limited")

Your directors with great pleasure present herewith their 6<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2021.

### FINANCIAL SUMMARY:

The financial highlights of the Company for the year under review are summarized below:

(INR in Lacs.)

Particulars	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from Operations	2631.21	1712.78	3328.22	2390.88
Other Income	7.46	59.13	13.36	27.08
<b>Total Revenue</b>	<b>2638.66</b>	<b>1771.91</b>	<b>3341.58</b>	<b>2417.96</b>
Total Expenses	1732.05	1344.25	2389.47	1885.50
Profit Before Exceptional Items and Tax	906.62	427.66	952.11	532.46
Exceptional Items	-	-	4.33	-
<b>Profit Before Tax</b>	<b>906.62</b>	<b>427.66</b>	<b>947.77</b>	<b>532.46</b>
Tax Expenses:				
Current Year Tax	174.52	71.38	180.22	96.20
Relating to Prior Years	-	-	-	-
Deferred tax	79.67	57.89	84.34	57.89
MAT Credit	-	47.05	-	47.05
Total Tax Expenses	254.20	82.23	264.57	107.05
<b>Profit After Tax</b>	<b>652.41</b>	<b>345.43</b>	<b>683.20</b>	<b>425.41</b>
<b>Earnings Per Share</b>	<b>8.57</b>	<b>4.61</b>	<b>9.04</b>	<b>6.05</b>

### NATURE OF COMPANY'S BUSINESS

Your Company has two major business segments Owning, chartering, Operating and technical maintenance of Marine Crafts, Repair and Maintenance/refits of Marine crafts and Marine infrastructure.

### STATE OF COMPANY'S AFFAIR – STANDALONE

During the year under review, Revenue from operations has been increased from Rs. 1712.78 Lacs in FY 2019-20 to Rs. 2631.21 Lacs in FY 2020-21. Your directors are glad to inform that there is significant increase in Percentage of profit of the company from 20.17% in the last year to 24.79% in the current financial year.

Your Directors are putting all their efforts to economize the cost and improve the profitability of the Company. Your Directors are hopeful for the bright future of the Company in the years to come.

### STATE OF COMPANY'S AFFAIR – CONSOLIDATED

During the year under review, Revenue from operations has been increased from Rs. 2390.88 Lacs in FY 2019-20 to Rs. 3328.22 Lacs in FY 2020-2021.

In the FY 2020-21 the Company is holding 50% shareholding in KMEW Offshore Private Limited, 70% in M/s Indian Ports Dredging Private Limited and 74% in M/s. Knowledge Infra Ports Private Limited.

In accordance with the Companies Act, 2013 and other applicable Accounting Standard on consolidated financial statements, your directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2021, the audited consolidated financial statements forms part of this report.

### **CHANGE IN THE NATURE OF BUSINESS**

There were no changes in the nature of the business of the Company during the year under review.

### **DIVIDEND**

With a view to deploy the profits into the future expansion of your Company, Board of Directors has not recommended any dividend for the year.

### **RESERVE**

No amount is transferred to General Reserve during the year under review.

### **LISTING AT BSE SME PLATFORM**

During the year under the review, the Company came up with IPO. The IPO lot size was 3000 Shares and the minimum order quantity was 3000 Shares at the rate of Rs. 37 per share.

The Knowledge Marine & Engineering Works Limited IPO subscribed 2.87 times. The public issue subscribed 3.65 times in the retail category and 2.09 times in the NII category by Mar 12, 2021. The KMEW received trading approval on March 19, 2021 from BSE.

Company got listed on BSE SME Platform on 22<sup>nd</sup> March, 2021.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Company's Board comprises of following Directors and Key Managerial Personnel (KMP):

Sr. No.	Name	Designation	DIN
1	Mr. Saurabh Daswani	Managing Director	07297445
2	Mrs. Kanak Kewalramani	Whole-Time Director & Chief Financial Officer	06678703
3	Mr. Mukesh Daswani	Non-Executive Director	08323099
4	Mr. Sandip Zaveri	Independent Director	00158876
5	Mr. Ashish Mohandas	Independent Director	08708036
6	Mr. Sujay Kewalramani	Chief Executive Officer	KMP
6	Mr. Dinesh Kewalramani	Chief Operating Officer	KMP
7	Ms. Sonali Gor	Company Secretary & Compliance Officer	KMP

Mr. Sujay Kewalramani has been appointed as Chief Executive Officer of the Company w.e.f February 01, 2021.

Mr. Mukesh Daswani (holding DIN 08323099), Director of the Company, would retire by rotation, at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under the Companies Act, 2013.

## NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year under review Board of Directors met 10 (Ten) times and Independent Directors once during the year ended 31st March, 2021, details of which are summarized below:

Sr. No.	Date of Meeting	No. of Directors attended the meeting
1	25/06/2020	5 (Five)
2	30/07/2020	5 (Five)
3	03/09/2020	5 (Five)
4	16/10/2020	5 (Five)
5	17/10/2020	5 (Five)
6	05/11/2020	5 (Five)
7	09/11/2020	4 (Four)
8	19/01/2021	4 (Four)
9	02/03/2021	5 (Five)
10	17/03/2021	5 (Five)

The Board as on 31st March, 2021 comprises of 5 (Five) Directors out of which two Directors are Non-Executive Independent Directors, one Non-Executive Director and one is Whole-Time Director and one Director is Managing Director who is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. The Company satisfies the criteria of having minimum no of independent directors in the board as per the provisions of Companies Act 2013.

## NUMBER OF MEETINGS ATTENDED BY DIRECTORS

Sr. No.	Name of Director	No. of Meeting attended	Number of Membership in Boards of Other Companies*	NO. of Membership/ Chairmanship in Other Companies*
1	Mr. Saurabh Daswani	10 (Ten)	NIL	NIL
2	Mrs. Kanak Kewalramani	10 (Ten)	NIL	NIL
3	Mr. Mukesh Daswani	8 (Eight)	NIL	NIL
4	Mr. Sandip Zaveri	10 (Ten)	1(One)	NIL
5	Mr. Ashish Mohandas	10 (Ten)	NIL	NIL

\*Excludes directorships in Private Limited Companies, Section 25 Companies, Foreign Companies. Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship/Grievance Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of **Knowledge Marine & Engineering Works Limited**.

## DECLARATION OF INDEPENDENT DIRECTOR

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

## DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work Place and has an Internal Complaints Committee. There were no cases filed during the year under review.



## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

## **RISK MANAGEMENT POLICY**

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. Company recognizes that the risk is an integral part of business and is committed to managing the risk in proactive and efficient manner. The Company had adopted Risk Management System to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the system establishes a structured and disciplined approach to Risk Management.

The management is however, of the view that none of the risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case of any of these risks materialize. The risk management framework is reviewed periodically by the Board and Audit Committee.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(3) (c) of the Companies Act, 2013 and also on the basis of discussions with the Statutory Auditors of the Company from time to time, the Board of Directors, to the best of its knowledge and ability confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) they have prepared the Annual Accounts for the Financial Year ended March 31, 2021 on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

- (a) The Company has a proper and adequate system of internal financial controls commensurate with its nature and size of business and meets the following objectives:
- (b) Providing assurance regarding the effectiveness and efficiency of operations;
- (c) Efficient use and safeguarding of resources;
- (d) Compliance with policies, procedures and applicable laws and regulations; and
- (e) Transactions being accurately recorded and reported timely.

- (f) The Company has a budgetary control system to monitor expenditures and operations against budgets on an ongoing basis.

**MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which financial statements relates as on the date of this report.

**INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our <http://www.kmew.in>

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

**REPORTING OF FRAUDS**

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board under Section 143(12) of the Act and the rules made thereunder.

**PARTICULARS OF EMPLOYEES**

The details of employees remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is applicable and given in Annexure B

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO**

Conservation of energy, technology absorption is not applicable as company was not engaged in the manufacturing activity. Whereas no foreign exchange earned during the period. However, following was the foreign outflow during the period under this report: -

Particulars	Amount in other currency	Amount in INR	Remarks
PnI Insurance Payment of vessel RP2, RP3 and RP4	15,000 USD	Rs. 11,17,827/-	Protection & Indemnity cover of all the crews of the vessel River Pearl 2, River Pearl 3 and River Pearl 4.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of Loans and Investments and guarantees covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements forming part of Annual Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

During the year under review, the Company did not enter into any Material transaction (as defined in the Company's policy on related party transactions) with the related parties. All related party transactions are placed before the Audit Committee for review. Prior omnibus approval is obtained for related party transactions on a yearly basis for transactions which are repetitive in nature. All other transactions of the Company with related parties were in the ordinary course of business and at an arm's length. Accordingly,

the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Details of transactions with related parties are disclosed in the Notes to the Financial Statements, forming a part of this Annual Report.

## **DETAILS OF COMMITTEE OF DIRECTORS (AS ON 31ST MARCH, 2021)**

### **A. AUDIT COMMITTEE**

The composition of Audit Committee consists of two independent directors and Whole-Time Director & CFO. The terms of reference stipulated by the Board to the Audit Committee are as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Attendance of Committee members during 2020-21 is as follows:

<b>Name</b>	<b>Chairman/Member</b>	<b>No. of Audit committee meetings</b>	<b>No. of Audit Committee meetings attended</b>
Mr. Sandip Zaveri (Independent Director)	Chairman	2	2
Mr. Ashish Mohandas (Independent Director)	Member	2	2
Mrs. Kanak Kewalramani (Whole-Time Director & CFO)	Member	2	2

### **B. NOMINATION AND REMUNERATION COMMITTEE**

**Composition of Nomination and Remuneration Committee:**

<b>Name</b>	<b>Chairman/Member</b>	<b>No. of NRC meetings</b>	<b>No. of NRC meetings attended</b>
Mr. Ashish Mohandas (Independent Director)	Chairman	2	2
Mr. Sandip Zaveri (Independent Director)	Member	2	2
Mr. Mukesh Daswani (Non-Executive Director)	Member	2	2

## **ANNUAL RETURN**

In accordance with the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the companies are required to publish a copy of the Annual Return on its website, The Extract of Annual Return is available on our website [www.kmew.in](http://www.kmew.in).

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy provides adequate safeguard against victimization of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism. The Policy is available on the website of the Company <http://www.kmew.in>.

## **POLICIES OF THE COMPANY**

The Board of Directors has formulated the following policies which are available on web site of the company <http://www.kmew.in>.

1. Code Of Business Conduct for Directors and Senior Executives
2. Nomination and Remuneration Policy
3. Vigil Mechanism / Whistle Blower Policy
4. Insider Trading - Code of Conduct
5. Fair Disclosure Policy

6. Preservation of Documents and Archival Policy
7. Policy on Determination of Materiality of Events/Information
8. Policy for Related Party Policy
9. Sexual Harassment Policy

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As on March 31, 2021, the Company has Two subsidiary company and one Associate Company. The detail of the same areas under: -

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Corporate Identification Number</b>	<b>Nature of Company</b>	<b>Percentage of shareholding</b>
1	KMEW Offshore Private Limited	U74999MH2017PTC291379	Associate Company	50%
2	Indian Ports Dredging Private Limited	U74999MH2017PTC292712	Subsidiary Company	70%
3	Knowledge Infra Ports Private Limited	U74999MH2019PTC324093	Subsidiary Company	74%

A statement containing the salient features of the financial statement of subsidiary in the prescribed form AOC-1 is provided as Annexure A to this Directors' Report. The statement also provides the details of performance, financial position of the subsidiary.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Management's discussion and analysis is set out in this Annual Report.

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

## **STATUTORY AUDITORS**

The Board considers the Re-appointment of M/s. R.V. Luharuka & Co LLP, Chartered Accountants (FRN:100164W/W1000174), as the Statutory Auditor of the Company, from the Financial Year 2021-22, the said audit firm is being appointed pursuant to section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, for a term of 5 (Five) consecutive financial years, from the conclusion of the Sixth Annual General Meeting (AGM) of the Company, till the conclusion of the Eleventh Annual General Meeting of the Company, at such remuneration (including certification fees), reimbursement of out of pocket expenses and other terms and conditions as may be approved by the Board of Directors of the Company, post discussion with the said statutory audit firm.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Deepak Kewaliya & Co., Practicing Company Secretary was appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2020-21.

Secretarial audit report of the Company as provided by M/s. Deepak Kewaliya & Co.; Practicing Company Secretary is annexed to this Report as Annexure-C.

## INTERNAL AUDITOR

Pursuant to the Section 138 and other applicable provisions, if any, of the Companies Act, 2013, M/s. RSSA & Associates, Chartered Accountants was appointed as the Internal Auditors of the Company for the financial year 2020-21.

## MAINTENANCE OF COST RECORDS AND COST AUDITORS

During the year under review, provisions of the Section 148 of Companies Act, 2013, is not applicable to the Company. Therefore, maintenance of cost records and appointment of cost auditor is not required.

## AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks.

## SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

## CHANGES IN SHARES CAPITAL

During the year under review, the Company, in its Annual General Meeting held on September 30, 2020, has increased its Authorized Share Capital to Rs. 10,50,00,000 (Rupees Ten Crores Fifty Lakhs only) divided into 10,50,000 (Ten Lakhs Fifty Thousand only) Equity Shares of Rs. 10 (Ten) each.

In the Extra-Ordinary General Meeting held on October 17, 2020 has increased its paid-up capital via bonus issue of shares to Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs only) divided into 75,00,000 (Seventy-Five Lakhs) Equity Shares of Rs. 10 (Ten) each.

Pursuant to the Initial Public Offering at Bombay Stock Exchange (SME) Company issued 27,36,000 equity shares and increased its paid-up capital to Rs. 10,23,60,000/- (Rupees Ten Crores Twenty-Three Lakhs and Sixty Thousand) divided into 1,02,36,000 (One crore Two Lakhs Thirty six Thousand) Equity Shares at a face value of Rs. 10 (Ten) each.

## CORPORATE GOVERNANCE

Regulation 15(2) (a) of the Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 is not applicable to SME Listed Companies. Hence compliance with Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 are not applicable to company.

## FORMAL ANNUAL EVALUATION:

An annual evaluation of the Board's own performance, Board committees and individual directors was carried out pursuant to the provisions of the Act in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
1.	Each Individual director	Nomination and Remuneration Committee	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and guidance provided, key performance aspects in case of executive directors etc.
2.	Independent directors	Entire Board of Directors excluding the director who is being	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be

		evaluated	discussed, meaningful and constructive contribution, and guidance provided etc.
3.	Board, and its committees	All directors	Board composition and structure; effectiveness of Board processes, information and functioning, fulfilment of key responsibilities, performance of specific duties and obligations, timely flow of information etc. The assessment of committees based on the terms of reference of the committees and effectiveness of the meetings.

### **HUMAN RESOURCES**

Your Company treats its “human resources” as one of its most important assets. Your Company continuously invests in retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### **ACKNOWLEDGEMENT**

Your directors place on records their sincere thanks to business associates, shareholders, consultants and various government authorities for their continued support. The Directors also thank the executive, employees and staff of the Company for their valuable services and support during the year.

**For and on behalf of the Board of Director  
Knowledge Marine & Engineering Works Limited**

**Saurabh Daswani  
Managing Director  
DIN: 07297445**

**Kanak Kewalramani  
Director & CFO  
DIN: 06678703**

**Date: 06/09/2021  
Place: Mumbai**

**ANNEXURE- A**  
**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part “A”: Subsidiaries**

Sl. No.	Particulars		
	Sl. No.	1	2
	Name of the subsidiary	Indian Ports Dredging Private Limited	Knowledge Infra Ports Private Limited
	The date since when subsidiary was acquired	21.03.2017	15.04.2019
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April-March	April-March
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
	Share capital	1,00,000	1,00,000
	Reserves & surplus	77,65,958	38,74,983
	Total assets	83,05,880	5,09,27,162
	Total Liabilities	83,05,880	5,09,27,162
	Investments	4,82,447	-
	Turnover	4,72,36,977	22,73,47,723
	Profit before taxation	15,96,865	1,97,773
	Provision for taxation	4,01,899	1,58,877
	Profit after taxation	11,94,966	38,895
	Proposed Dividend	NIL	NIL
	% of shareholding (in percentage)	70	74

Names of subsidiaries which are yet to commence operations- NIL

Names of subsidiaries which have been liquidated or sold during the year- NIL

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associate Company	KMEW Offshore Private Limited
Latest audited Balance Sheet Date	31/03/2021
Shares of Associate held by the company on the year end	Equity
No. of shares	7,50,000
Amount of Investment in Associate Company	Rs. 75,00,000/-
Extent of Holding (in %)	50
Description of how there is significant influence	Holding 50% shares in the Associate Company
Reason why the associate/joint venture is not consolidated	Considered in Consolidation
Net worth attributable to shareholding as per latest audited Balance Sheet	3,14,98,208

Profit/Loss for the year	23,20,660
Considered in Consolidation	Yes
Not Considered in Consolidation	-

There are no Joint Venture Company.

1. Names of associates or joint ventures which are yet to commence operations: - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year.- NIL

**For and on behalf of the Board of Director  
Knowledge Marine & Engineering Works Limited**

**Date: 06/09/2021  
Place: Mumbai**

**Saurabh Daswani  
Managing Director  
DIN: 07297445**

**Kanak Kewalramani  
Director & CFO  
DIN: 06678703**





## Annexure B

The information as required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2018 is given hereunder.

**1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Sr No.	Name of Director/KMP	Ratio to Remuneration of Median Remuneration
<b>Executive Directors</b>		
i.	Saurabh Daswani	29.47
ii.	Kanak Kewalramani	29.47
<b>Non-Executive Directors</b>		
i.	Mukesh Daswani	-
ii.	Sandip Zaveri	-
iii.	Ashish Mohandas	-

\* Non-executive Directors were paid sitting fees. Sitting fee do not constitute an element of remuneration.

**2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

Sr No.	Name of Director/KMP	Percentage Increase in Remuneration
i.	Saurabh Daswani	8.33%
ii.	Kanak Kewalramani	8.33%
iii.	Mukesh Daswani	-
iv.	Sandip Zaveri	-
v.	Ashish Mohandas	-
vi.	Sujay Kewalramani	-
vii.	Dinesh Kewalramani	0.00%
viii.	Pinkesh Kewalramani	-
ix.	Sonali Gor	0.00%

Note: Mr. Sujay Kewalramani, Chief Executive Officer, and Mr. Pinkesh Kewalramani, Chief Technical Officer, has joined the Company on 1<sup>st</sup> February 2021 and 1<sup>st</sup> April, 2020 respectively so previous year comparative data are not available.

**3. The percentage increase in the median remuneration of employees in the financial year:** There is a decrease of 27% in the median remuneration of employees in the financial year due to increase in number of employees in the current financial year and taking all the employees on contract basis to the direct payroll of the Company.

**4. The number of permanent employees on the rolls of company**

There were 73 permanent employees on the rolls of the Company as on March 31, 2021.

**5. Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with percentile increase in the managerial remuneration:**

Average percentile increases in the salaries of the employee other than the Managerial personal in the Financial Year 2020-2021 was **247.46%** and the increase in the salary of the Managerial Personal was **65.63%**. Such huge increase in percentage of salaries of the employee is because in the year 2019-2020 the employees (crew on board of the vessel) were on contract basis and in the year 2020-2021 all the employees were taken on direct payroll of the Company. The increase in managerial personal is due to the appointment of various KMPs in the Company during the year.

There is no direct relationship between the average increase in remuneration and Company performance. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. The individual performance is also one of the major criteria in increase of remuneration.

**6. Affirmation that the remuneration is as per the remuneration policy of the company:**

The Directors hereby confirm that the Company is paying remuneration to Directors & Employees as per the remuneration policy of the Company.

**7. Statement showing details of employees of the company as per Rule 5(2) and Rule 5(3) of the companies Act, 2013:**

NA

**8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

During the financial year none of the employee received remuneration in excess of that drawn by the Managing Director or Whole-time director of the Company.

**For and on behalf of the Board of Director  
Knowledge Marine & Engineering Works Limited**

**Saurabh Daswani  
Managing Director  
DIN: 07297445**

**Kanak Kewalramani  
Director & CFO  
DIN: 06678703**

**Date: 06/09/2021  
Place: Mumbai**



**Annexure-C**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Knowledge Marine & Engineering Works Limited**  
Office No. 402, Sai Samarth Business Park,  
Deonar Village Rd. Govandi East,  
Mumbai – 400 088–  
Email – info@kmew.in

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Knowledge Marine Engineering & Works Limited hereinafter referred as the “Company”).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 & The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the period under review)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the period under review)**and

(h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not applicable during the period under review)**

(i) The Securities and Exchange Board of India (Issue & Listing of Non-Convertible & Redeemable Preference Shares) Regulations, 2013; **(Not applicable during the period under review)**

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard the meeting of Board of Directors (SS-1) and for General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out unanimously and no dissent was captured and recorded as part of the minutes.

**I further report** that based on the review of compliance mechanism of the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Deepak Kewaliya & Co.,**  
Practicing Company Secretary

Place: Mumbai  
Date: 27<sup>th</sup> August, 2021  
UDIN: A022333C000848015

**CS Deepak Kewaliya**  
Mem No: ACS – 22333  
CoP No: 21607

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Knowledge Marine and Engineering Works Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Knowledge Marine and Engineering Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act'), as amended in the manner so required and give a true and fair view in accordance with the accounting principles generally accepted in India, as specified under Section 133 of the Act, of the state of affairs of the Company as at 31<sup>st</sup> March 2021 and its profit, its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 Statement 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### **Emphasis of Matter**

We draw your attention to Note 6 to these financial results, which describe the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable value of its assets and the net realisable value of other assets. Based on information available as of the date, Management believes that no further adjustments are required to the financial results. Our opinion is not modified in respect of the above matters.

### **Key Audit Matters**

Key Audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the Financial Statements and Auditor's Report thereon.**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

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, profit and loss (financial performance) and cash flow in accordance with the accounting principles generally accepted in India, and as specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone 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.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Standalone 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 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.

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

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

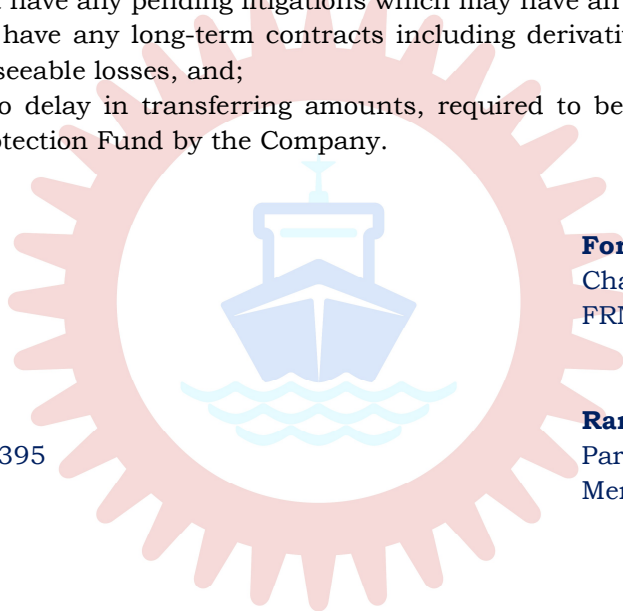
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31<sup>st</sup> March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 of the aforesaid financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in “Annexure –II” to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the Rule 11 of Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanation given to us:
- i. Company does not have any pending litigations which may have an impact its financial position;
  - ii. Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses, and;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Dated: 28th June 2021  
UDIN – 21031765AAAAAX6395



**For R V Luharuka & Co LLP**  
Chartered Accountants  
FRN No. 105662W / W100174

**Ramesh Luharuka**  
Partner  
Membership No: 031765



**Annexure I to the Independent Auditor's Report of even date to the members of Knowledge Marine & Engineering Works Ltd., on the financial statements for the twelve months period ended 31<sup>st</sup> March 2021.**

(Referred to in Paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. In respect of the Company's fixed assets
  - a. Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on verification of the fixed assets.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the company, hence not applicable.
- ii. In respect of the Company's Inventory
  - a. As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
  - b. Company is in the business of providing services related to Shipping and does not have any physical inventories. But during the year, Company has consumed certain items while providing the services and as the management these items are purchased as per the requirement and consumed accordingly. As per the management representation, there is no consumable in hand during the end of the financial year.
- iii. In our opinion and according to the information and explanations given to us, the company has granted guarantee against the secured borrowings of its subsidiaries / associates, and has entered into contracts / transactions with the persons and manner as specified u/s 184 and covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), in respect of which Company has entered into the Contract at arm's length price as prevailing in the market.
- iv. In our opinions and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 ('the Act'), in respect of the grant of loans, making investments and providing guarantees and securities, as applicable. Company has made an investment in group Company of Rs.76.44 lacs which is within the limit as specified under section 186 of the Companies Act 2013, i.e. below 100% of the free reserves available with the Company.

Further, Company has provided Corporate Guarantee on behalf of its associate Company (which is not wholly owned subsidiary). As per section 186 of Companies Act 2013, Company provide guarantee only to its wholly owned subsidiary or otherwise guarantee should be within the limit as specified under the section. Here, the Company has provided the guarantee within the limit.

- v. Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act For the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable.
- vii. According to the information and explanations given to us:-
- a. According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including income tax, GST, cess and any other material statutory dues, as applicable, with the appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- b. There are no material dues of GST, income tax, PF and any other statute due which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government.
- ix. In our opinion and according to the information and explanations provided by the management, the Company has utilised the monies raised by way of initial public offer of equity shares and term loans for the purposes for which they were raised.  
Company has raised Rs.10.12 crores by issuing 2,736,000 shares of Rs.10 each at a price of Rs. 37 each through initial public offer which exhibits the security premium of Rs. 27 per share. As on 31<sup>st</sup> March 2021, the proceeds except for the issue expenses were held as fixed deposits to be applied for the purpose of business as described into prospectus in the coming year.
- x. To the best of our knowledge and according to the information and explanations given to us by the management, no fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanations provided by the management, the Company being a public limited Company and managerial remuneration has been paid / provided is 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 given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures

during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

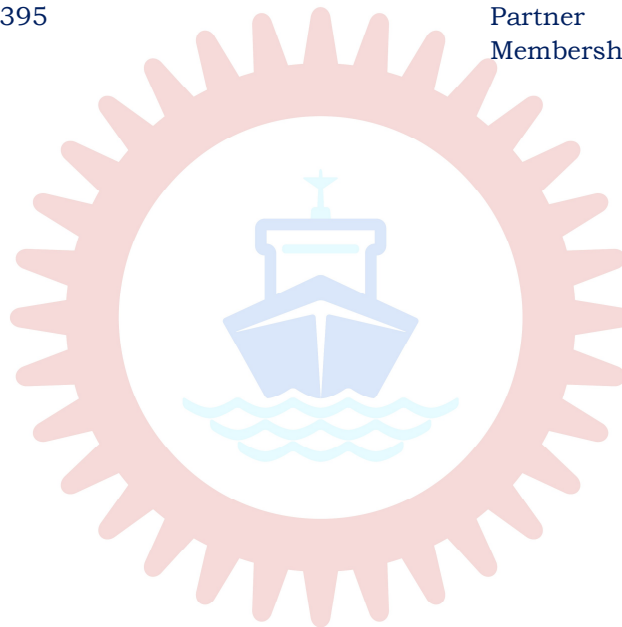
xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

xvi. In our opinion and according to the information given to us, the company is not required to be registered under section 45-1A 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 R V Luharuka & Co LLP**  
Chartered Accountants  
FRN No. 105662W / W100174

Place: Mumbai  
Dated: 28th June 2021  
UDIN – 21031765AAAAAX6395

**Ramesh Luharuka**  
Partner  
Membership No: 031765



## **Annexure II to the Independent Auditor's Report of even date to the members of Knowledge Marine & Engineering Works Limited on the financial statements for the 12 months period ended on 31<sup>st</sup> March 2021**

Referred to in paragraph 2(g) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021.

### **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 **Knowledge Marine & Engineering Works Limited** as of March 31, 2021 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**

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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent 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 with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Financial Statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements**

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 with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements, 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, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Dated: 28th June 2021  
UDIN – 21031765AAAAAX6395



**For R V Luharuka & Co LLP**  
Chartered Accountants  
FRN No. 105662W / W100174

**Ramesh Luharuka**  
Partner  
Membership No: 031765

## AUDITED BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2021

		(Amount in Rs)		
PARTICULARS	NOTES	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	
<b>A) EQUITY AND LIABILITIES</b>				
1. Equity				
(a) Equity Share capital	<b>B</b>	10,23,60,000	2,50,00,000	
(b) Other Equity	<b>B</b>	15,11,46,770	6,28,97,733	
		<b>25,35,06,770</b>	<b>8,78,97,733</b>	
2. Non-Current Liabilities				
(a) Long Term Borrowings	<b>C</b>	7,38,97,979	8,55,10,690	
(b) Deferred Tax Liabilities (Net)	<b>D</b>	1,74,40,679	94,73,117	
(d) Long Term Provision	<b>E</b>	4,72,613	-	
		<b>9,181,271</b>	<b>9,49,83,807</b>	
3. Current Liabilities				
(a) Short Term Borrowings	<b>C</b>	3,90,69,997	5,28,53,654	
(b) Trade Payables	<b>F</b>			
(i) Outstanding dues of MSME		3,63,909	59,10,710	
(ii) Outstanding dues of creditors other than MSME		13,68,186	90,41,123	
(c) Other Current Liabilities	<b>G</b>	-	80,60,391	
(d) Short Term Provisions	<b>H</b>	2,31,01,126	1,60,31,520	
		<b>6,39,03,218</b>	<b>9,18,97,398</b>	
<b>Total</b>		<b>40,92,21,259</b>	<b>27,47,78,938</b>	
<b>B) ASSETS</b>				
1. Non-Current Assets				
(a) Fixed Assets	<b>S</b>			
I) Tangible Assets				
(i) Gross Block		27,32,44,426	24,77,09,875	
(ii) Depreciation		3,42,93,229	1,70,40,283	
(iii) Net Block		<b>23,89,51,197</b>	<b>23,06,69,592</b>	
(b) Capital Work in Progress		2,85,36,190	-	
(c) Non-Current Investment	<b>I</b>	1,04,07,587	1,56,22,815	
		<b>3,89,43,777</b>	<b>1,56,22,815</b>	
2. Current Assets				
(a) Trade Receivables	<b>J</b>	46,62,449	1,01,78,374	
(b) Cash and Cash equivalents	<b>K</b>	9,85,58,268	53,50,076	
(c) Other Current Assets	<b>L</b>	2,81,05,569	1,29,58,081	
		<b>13,13,26,285</b>	<b>2,84,86,531</b>	
<b>Total</b>		<b>40,92,21,259</b>	<b>27,47,78,938</b>	
See accounting policies and accompanying notes forming part of the financial statements Balance Sheet Abstract and Company Profile.				

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765  
Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**      **Kanak Kewalramani**  
(Managing Director)      (Whole Time Director & CFO)  
DIN: 07297445      DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

## **AUDITED PROFIT AND LOSS ACCOUNT AS ON 31<sup>st</sup> MARCH, 2021**

(Amount in Rs.)

	PARTICULARS	NOTES	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Revenue From Operations	M	26,31,20,927	17,12,77,812
2	Other Income	N	7,45,660	59,12,876
	<b>Total Revenue (1+2)</b>		<b>26,38,66,587</b>	<b>17,71,90,688</b>
3	Expenditure			
(a)	Direct Expenses	O	11,05,31,927	8,37,84,000
(c)	Employee Benefit Expenses	P	1,89,15,137	1,25,25,272
(d)	Finance Cost	Q	1,21,43,690	93,41,905
(e)	Depreciation and Amortisation Expenses	S	1,72,52,946	1,17,37,433
(f)	Other Expenses	R	1,43,61,055	1,70,36,538
4	<b>Total Expenditure 3(a) to 3(f)</b>		<b>17,32,04,754</b>	<b>13,44,25,148</b>
5	<b>Profit/(Loss) Before Tax</b>		<b>9,06,61,833</b>	<b>4,27,65,540</b>
6	Tax Expense:			
(a)	Tax Expense for Current Year		1,74,52,820	71,38,424
(b)	MVAT Credit		-	47,04,758
(c)	Deferred Tax		79,67,562	57,89,014
	<b>Net Current Tax Expenses</b>		<b>2,54,20,382</b>	<b>82,22,680</b>
7	<b>Profit/(Loss) for the Year (5-6)</b>		<b>6,52,41,451</b>	<b>3,45,42,860</b>
8	<b>Earning per Equity Share</b>	T		
	(a) Basic		<b>8.57</b>	<b>4.61</b>
	(b) Diluted		<b>8.57</b>	<b>4.61</b>

As per our report of even date  
In terms of our report attached

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**Saurabh Daswani**  
(Managing Director)  
DIN: 07297445

**Kanak Kewalramani**  
(Whole Time Director & CFO)  
DIN: 06678703

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

## CASH FLOW STATEMENT

(Amount in Rs.)

PARTICULARS	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
A) Cash Flow from Operating Activities:		
Net Profit before tax	9,06,61,833	4,27,65,540
Adjustment for:		
Depreciation and amortization	1,72,52,946	1,17,37,433
Interest Paid	1,21,43,690	92,27,898
Interest Income	(6,09,740)	(4,59,036)
<b>Operating profit before working capital changes</b>	<b>11,94,48,729</b>	<b>6,32,71,835</b>
Changes in Working Capital		
(Increase)/Increase in Current Assets	(1,51,47,488)	(1,64,99,557)
(Increase)/Decrease in Current Liabilities	70,69,606	1,85,20,579
(Decrease)/Decrease in Current Assets	55,15,925	-
(Decrease)/Decrease in Current Liabilities	(80,60,391)	(5,32,76,509)
Increase/(Decrease) in Trade Payables	(1,32,19,738)	-
Increase/(Decrease) in Other Current Liabilities	4,72,613	-
<b>Cash generated from operations</b>	<b>9,60,79,257</b>	<b>1,20,16,348</b>
Less: - Income Tax paid	(1,83,17,234)	(24,33,666)
<b>Net cash flow from operating activities A</b>	<b>7,77,62,023</b>	<b>95,82,682</b>
B) Cash Flow from Investing Activities:		
Decrease in Capital Working Progress	-	7,52,86,291
Purchase of Fixed Assets	(5,40,70,741)	(16,58,95,824)
Investment made in Unquoted Shares	52,15,228	(33,55,732)
Interest Income	6,09,740	4,59,036
<b>Net cash flow from investing activities B</b>	<b>(4,82,45,773)</b>	<b>(9,35,06,229)</b>
C) Cash Flow from Financing Activities:		
Proceeds from Issue of Share Capital	2,73,60,000	-
Increase/(Decrease) in Short Term Borrowings	(1,37,83,657)	5,08,87,458
Increase/(Decrease) in Long Term Borrowings	(1,16,12,711)	(2,31,78,573)
Interest Paid	(1,21,43,690)	(92,27,898)
Share Security Premium	7,38,72,000	-
<b>Net cash flow from financing activities C</b>	<b>6,39,91,942</b>	<b>1,84,80,987</b>
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	9,32,08,192	(6,54,42,560)
Cash equivalents at the beginning of the year	53,50,076	7,07,92,636
<b>Cash equivalents at the end of the year</b>	<b>9,85,58,268</b>	<b>53,50,076</b>

See accounting policies and accompanying notes forming part of the financial statements and Company Profile.

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174  
**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765

Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**      **Kanak Kewalramani**  
(Managing Director)      (Whole Time Director & CFO)  
DIN: 07297445      DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560



## NOTE – A

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO STANDALONE ACCOUNTS

#### **Corporate Information**

**Knowledge Marine & Engineering Works Limited** (Formerly known as Knowledge Marine & Engineering Works Private Limited), having registered office at Office no. 402, Sai Samarth Business Park, Deonar Village Road, Govandi (East), Mumbai – 400088 Maharashtra, was incorporated on 26th October, 2015 under Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra (CIN - U74120MH2015PLC269596). Company is engaged in the business of Owning, Chartering/Hiring along with manning, operation and technical maintenance of Marine Crafts and Repairs/Maintenance of Marine Crafts and Marine Infrastructure and allied works in India. Company has been changed from Private Limited Company to Limited company on 31st January, 2020. Company is listed on SME Platform of Bombay Stock Exchange w.e.f. 22nd March, 2021.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1. Basis of Preparation**

Financial Statements of the Company has been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. Financial Statements have been prepared on an accrual basis and under the historical cost convention.

Accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### **1.2. Uses of Estimates**

The preparation of the Financial Statements in conformity with Indian Accounting Standard requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Example of such estimates includes provision for doubtful debts, income taxes etc. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period.

##### **1.3. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenues from contract services provided during the year are recognised, as and when the services are rendered, based on the agreements/arrangements with the concerned parties.

Unbilled revenue is recognized to the extent not billed at the year end. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from Revenue.

Claims for damages etc. against the contractors/service providers are recognized on due basis, as and when the certainty to receive the claim is ascertained.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### 1.4. Inventories:

As Group is into service industries and therefore no inventories are there with the company. During the course of business material required by the company as input were consumed during the year and were expensed out accordingly.

#### 1.5. Tangible Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

#### Depreciation

The depreciable amount of an item of property, plant and machinery, equipments, furniture is allocated on a systematic basis over its useful useful life. Depreciation on assets is provided on straight line method using the rates arrived at based on the useful lives estimated as prescribe in schedule II of the Companies Act 2013. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company.

Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal. Individual assets costing upto ₹ 5000 are depreciated in full in the year of purchase.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Assets Class	Useful Lives (in years) -as per Companies Act 2013	Useful Lives (in years) -as estimated by the Company
Ship	14 years	14 years
Computer	3 Years	3 Years
Machinery	8 Years	8 Years
Office Furniture	10 Years	10 Years
Office Equipment	8 Years	8 Years

#### 1.6. Foreign Exchange Transactions/Translation

Transactions denominated in foreign currencies (if any) are recorded at the exchange rate prevailing on the date of transactions and any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

### **1.7. Taxes on Income**

Tax expense comprises current and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

Carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### **1.8 Employee Benefits**

Defined Contribution plans:-

- (i) Company's contributions due / payable during the year towards provident fund are recognized in the profit and loss account. The Company has no obligation other than the contribution payable to the contribution payable to the provident fund.
- (ii) Company has no policy of encashment and accumulation of leave. Therefore, no provision of Leave Encashment is being made.
- (iii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. Cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- (iv) Short Term Employee Benefits if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

### **1.9 Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **1.10 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

### **1.11. Provisions, Contingent Liabilities & Contingent Assets**

#### **a) Provisions**

A provision is recognized only when there is present obligations as a result of past event and when a reliable estimate of the amount of obligation can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **b) Contingent Liabilities**

Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

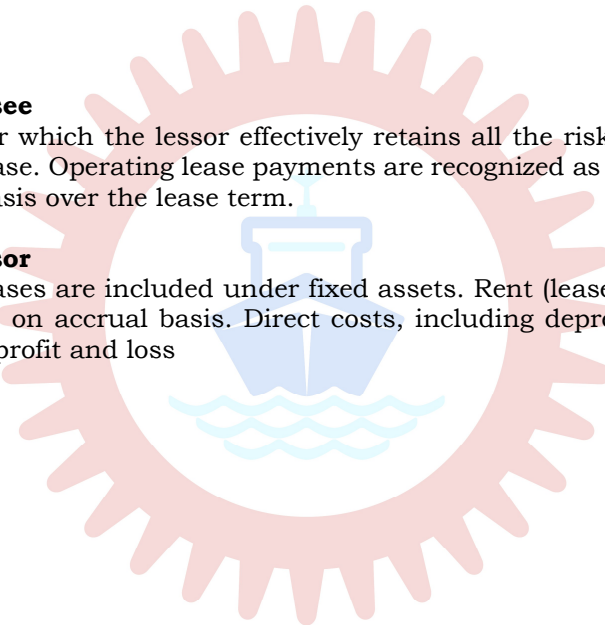
### **1.12 Leases**

#### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

#### **Where the company is Lessor**

Assets given on operating leases are included under fixed assets. Rent (lease) income is recognized in the statement of Profit and Loss on accrual basis. Direct costs, including depreciation are recognized as an expense in the statement of profit and loss



**NOTE – B  
SHARE CAPITAL**

(Amount in Rs)

Particulars	31.03.2021	31.03.2020
<b>Share Capital</b>		
<b>Authorised Share Capital</b>		
1,05,00,000 Equity shares (Previous Year 40,00,000 Equity Share) of Rs.10 each	10,50,00,000	4,00,00,000
<b>Issued, Subscribed and Paid up Share Capital</b>		
1,02,36,000 Equity Shares (Previous Year 25,00,000 Equity Share) of Rs. 10 each with voting right	10,23,60,000	2,50,00,000
<b>Total</b>	<b>10,23,60,000</b>	<b>2,50,00,000</b>

**RESERVES & SURPLUS**

Particulars	31.03.2021	31.03.2020
<b>Capital Reserve</b>		
Security Premium	7,38,72,000	
<b>General Reserve</b>		
<b>Surplus in Profit and Loss account</b>		
Opening Balance	6,28,97,733	2,83,54,873
add - Profit during the Year	6,52,41,451	3,45,42,860
Less - Bonus Issue during the year	5,00,00,000	
Less - Profit and Loss Appropriation (Last Year Provision)	8,64,414	
<b>Balance as at the end of Financial Year</b>	<b>15,11,46,770</b>	<b>6,28,97,733</b>

**1. Terms/rights attached to equity shares:**

- (i) The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- (ii) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**2. Company does not have any Revaluation Reserve.**

**3. The reconciliation of the number of Equity shares outstanding as at: -**

Particulars	31.03.2021	31.03.2020
Number of shares at the beginning	25,00,000	25,00,000
Add: Bonus Share Issued	50,00,000	-
Add: Fresh Issue of shares	27,36,000	-
Number of shares at the end	1,02,36,000	25,00,000

The overall increase in number of share in on account of Bonus Shares issued at Rs. 10 each in the ratio of 2:1. Two Equity Share has been issued for every one fully paid-up share.

During the Year Company has entered into listing agreement under SEBI (LODR) dated 17th March, 2021 to list the share into BSE SME platform. Fresh issue of 27,36,000 was made of Rs 10 fully paid-up share at a premium of Rs. 27 per share.

During the year, in the Annual General Meeting of the Company held on 29/09/2020, the authorized share capital of the Company increased from Rs 4,00,00,000/- to Rs 10,50,00,000/.

4.The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	31.03.2021	31.03.2020
Saurabh Daswani	14,99,970	4,99,990
Pinkesh Kewalramani	15,00,000	5,00,000
Kanak Kewalramani	40,31,235	13,43,745

**NOTE - C**  
**STATEMENT OF LONG TERM AND SHORT-TERM BORROWINGS**

(Amount in Rs)

Particulars	31.03.2021		31.03.2020	
	Long Term	Short Term	Long Term	Short Term
From Banks Secured	7,38,97,979	3,85,56,501	7,21,45,296	1,65,67,283
From Banks Unsecured	-	48,012	33,65,394	41,04,165
Unsecured From Related Parties		4,65,484	1,00,00,000	3,21,82,206
<b>Total</b>	<b>7,38,97,979</b>	<b>3,90,69,997</b>	<b>8,55,10,690</b>	<b>5,28,53,654</b>

Notes:-

1.The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Note-C (A) and Note-C (B).

**NOTE - C (A) - STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Number of Lender	Type of Loan	Rate of Interest	Loan Tenure	Primary & Collateral Security	Re-Payment Schedule	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
HDFC Bank	Working Capital Term Loan under ECGL scheme	8.25%	48 Months	Collateral Security:- Residential Property of Director Kanak Kewalramani located at Chembur, Mumbai	Moratorium of 7 months after that Monthly EMI of Rs. 2,64,195/- beginning from 07.07.2021	84,00,000	-
	Term Loan	7.50%	48 Months		Monthly EMI of Rs. 9,66,752/- beginning from 07.01.2021	3,74,77,658	-
	Term Loan	7.50%	60 Months		Monthly EMI of Rs. 4,54,394/- beginning from 07.03.2021	2,21,05,006	-
	Cash Credit facility	7.50%	12 Months	Book Debts and Current assets	-	1,05,61,125	-

IndusInd Bank	Term Loan	12.51%	48 Months	Primary Security: TSHD River Pearl 4; Collateral Security: Residential Property located at Walkeshwar, Mumbai	Monthly EMI of Rs. 13,88,260/- beginning from 07.10.2019	3,39,10,692	4,56,87,227
Kotak Bank	Term Loan	8.50%	120 Months	Collateral Security: Residential Property of Director Kanak S. Kewalramani located at Chembur, Mumbai	-	-	4,16,79,140
Dena Bank	Term Loan	11.15%	36 Months	Under CGTMSE Scheme & Hypothecation charge on River Pearl 2	-	-	13,46,212
<b>TOTAL</b>						<b>11,24,54,480</b>	<b>8,87,12,579</b>

**Notes:-**

1. During the year, Kotak Bank loan is closed and taken over by HDFC Bank.
2. The Personal Guarantee of Mr. Saurabh Daswani, Managing Director, Mrs. Kanak Kewalramani, Director & CFO are involved in all the loans mentioned above.

**NOTE - C (B) - STATEMENT OF TERMS AND CONDITIONS OF UNSECURED LOANS**

**UNSECURED FROM BANKS**

Number of Lender	Rate of Interest	Loan Tenure	Re-Payment Schedule	Outstanding Amount as on 31.03.2021	Outstanding amount as on 31.03.2020
HDFC Bank	17.00%	36 Months	Monthly EMI of Rs. 89,132/- beginning from 06.04.2019	-	18,02,747
IndusInd Bank	18.75%	36 Months	Monthly EMI of Rs. 70,137/- beginning from 18.12.2018	48,012	11,07,653
Moneywise Financial Services P. LTD	18.00%	36 Months	Monthly EMI of Rs. 90,381/- beginning from 15.01.2019	-	16,17,832
Deutsche Bank	17.70%	36 Months	Monthly EMI of Rs. 89,201/- beginning from 05.11.2018	-	14,80,857
ICICI Bank	15.25%	36 Months	Monthly EMI of Rs. 87,007/- beginning from 05.11.2018	-	14,60,470
<b>TOTAL</b>				<b>48,012</b>	<b>74,69,559</b>

**UNSECURED FROM RELATED PARTIES**

Name of Related Party	Outstanding Amount as on 31.03.2021	Outstanding amount as on 31.03.2020
Saurabh Daswani	-	38,30,744
Kanak Kewalramani	4,65,484	3,28,22,283
Pinkesh Kewalramani	-	11,83,500
Dinesh Kewalramani	-	43,45,679
<b>TOTAL</b>	<b>4,65,484</b>	<b>4,21,82,206</b>

**Notes:-**

1. During the year under review, all Unsecured loans from the Banks were paid off and closed by the Company from its internal accruals.

2. Loan from Director and promoter of Company is Interest free loan to the Company. Directors of the Company has provided the above loan from owned fund and not from borrowed fund for which the directors have provided the declaration in form DIR – 8

**NOTE – D**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
<b>Opening Balance (A)</b>		
Opening Balance of Deferred Tax (Asset) / Liability	94,73,117	36,84,000
Add/ Less - (DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	79,67,562	57,89,000
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	1,74,40,679	94,73,000
Current Year Provision (B-A)	79,67,562	57,89,000

**NOTE – E**  
**STATEMENT OF LONG-TERM PROVISION**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Long Term Provision for Gratuity	4,72,613	-
<b>Total</b>	<b>4,72,613</b>	<b>-</b>

**NOTE – F**  
**STATEMENT OF TRADE PAYABLES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
<b>For Goods &amp; Services</b>		
Micro, Small and Medium Enterprises	3,63,909	59,10,710
Other than Micro, Small and Medium Enterprises	13,68,186	90,41,123
<b>Total</b>	<b>17,32,095</b>	<b>1,49,51,833</b>

**Notes:-**

1. Out of the total MSME creditors outstanding as on 31<sup>st</sup> March 2021 none of the creditors were outstanding for more than 45 days from the issuance of Invoice. Most of the creditors of the company were paid within the period as agreed at the time of issue of invoice.



**NOTE - G**  
**STATEMENT OF OTHER CURRENT LIABILITIES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Interest Accrued but not due	-	5,44,588
Short Term Expenses Payable	-	75,15,803
<b>Total</b>	<b>-</b>	<b>80,60,391</b>

**NOTE - H**  
**STATEMENT OF SHORT-TERM PROVISIONS**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Salaries, Wages Payable	24,86,817	7,31,027
Other Expenses /Provision	3,57,700	-
Provision for taxes	1,74,52,820	71,37,403
Provision for Duties and Liabilities	14,74,108	81,63,090
Provision for Interest	7,09,831	-
Provision for Audit Fees and Other Expenses	6,19,850	-
<b>Total</b>	<b>2,31,01,126</b>	<b>1,60,31,520</b>

**NOTE - I**  
**STATEMENT OF NON-CURRENT INVESTMENT**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Investment in KMEW Offshore Private Limited	75,00,000	75,00,000
Investment in Indian Ports Dredging Pvt Ltd	70,000	70,000
Long Term Fixed Deposit	27,63,587	79,78,815
Investment in Knowledge Infra Ports P. Ltd	74,000	74,000
<b>Total</b>	<b>1,04,07,587</b>	<b>1,56,22,815</b>

**NOTE - J**  
**STATEMENT OF TRADE RECEIVABLES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Outstanding for a period exceeding 6 months (Unsecured and considered Good)	-	-
Secured, Considered Good	-	-
unsecured, considered good	-	-
Less - Provision for doubtful debts	-	-
<b>Sub-total (A)</b>	<b>-</b>	<b>-</b>
Outstanding for a period not exceeding 6 months		
Secured, considered good	-	-
unsecured, considered good	46,62,449	1,01,78,374
<b>Sub Total (B)</b>	<b>46,62,449</b>	<b>1,01,78,374</b>
<b>Total</b>	<b>46,62,449</b>	<b>1,01,78,374</b>

**Notes:-**

1. Trade Receivable to the Company is considered good as all the Balance Confirmation from the existing party have been received and dully tallied by the management. Therefore, company has not made any provision for doubtful debts.

**NOTE - K**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Cash in Hand	4,86,480	1,10,573
Balances with Banks	3,92,15,657	52,39,503
Fixed Deposit with Banks	5,88,56,131	-
<b>Total</b>	<b>9,85,58,268</b>	<b>53,50,076</b>

**Notes:-**

1. Fixed Deposits having maturities of less than 12 months are considered in current assets

**NOTE - L**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Balance with Revenue Authorities (TDS/Advance Tax/GST)	1,68,72,704	34,73,145
Receivable from Banks	11,929	36,344
Prepaid Expenses	-	29,628
Loans and Advances	14,25,826	-
MAT Credit Entitlement	-	57,03,120
Deposits	22,79,293	37,15,844
<b>Total (A)</b>	<b>2,05,89,752</b>	<b>1,29,58,081</b>
Preliminary Expense (IPO Issue Expense)	75,15,817	-
<b>Total (B)</b>	<b>75,15,817</b>	-
<b>Total (A) + (B)</b>	<b>2,81,05,569</b>	<b>1,29,58,081</b>

**Notes: -**

1. Company has adopted new regime of taxation therefore MAT credit has been lapsed during the year.
2. During previous year 2019-20 Company has made provision of MAT entitlement of Rs 47,08,733/-, and have paid the advance tax and self-assessment tax accordingly. At the time of finalization of Income Tax Return for FY 2019-20 Company has decided to opt the new scheme of taxation and have recalculated tax accordingly and MAT credit entitlement made was converted into income tax refund. Therefore, respective amount has been transferred to Income Tax Refund account from MAT credit entitlement account and the balance has been adjusted in profit and loss appropriation account.
3. During the year Company got its shares listed on BSE SME Platform and has done IPO, there were certain issue expenses related to the same. These expenses are capitalized and will be written off in next financial year according to Accounting Standard 26.

**NOTE – M**  
**STATEMENT OF REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
(i) Repair and maintenance	5,32,832	12,36,635
(ii) Charter & Hire Income	25,44,70,507	14,71,41,177
(iii) Management Support Services	71,80,000	1,26,00,000
(iv) Others	9,37,588	1,03,00,000
<b>Total (A+B)</b>	<b>26,31,20,927</b>	<b>17,12,77,812</b>

**NOTE – N**  
**STATEMENT OF OTHER INCOME**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Sale of Fuel	-	39,45,000
Discount Received	1,35,920	13,697
Sundry Balance written Back	-	13,36,989
Interest Income	6,09,103	4,59,036
Gain on Mutual Fund	637	-
Foreign Exchange Gain	-	1,58,154
<b>Total</b>	<b>7,45,660</b>	<b>59,12,876</b>

**NOTE – O**  
**DIRECT EXPENSES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Crew Expenses	2,88,25,850	2,60,20,000
Fuel Charges	59,01,682	1,44,97,000
Repair and Maintenance	1,74,47,843	1,77,03,000
Sub-Contracting Charges	2,04,39,329	1,08,09,000
Deductions from KOPT / VPT	2,79,16,893	14,47,000
Office Site Expenses	99,406	-
Ship Management Fees	27,25,000	-
Transport Charges	6,27,721	12,31,000
Loading & Unloading Charges	1,39,490	14,43,000
Stores, Spares & Consumable	64,08,713	1,06,34,000
<b>Total</b>	<b>11,05,31,927</b>	<b>8,37,84,000</b>

**NOTE – P**  
**STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Salary	90,53,986	42,91,815
Gratuity	4,93,943	-
Staff Welfare Expenses	9,92,591	9,48,057
Director Remuneration	77,78,400	72,00,000
Employee Benefit Expenses	5,96,217	85,400
<b>Total</b>	<b>1,89,15,137</b>	<b>1,25,25,272</b>

**NOTE - Q  
STATEMENT OF FINANCE COST**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Finance Charges	1,02,85,818	92,24,574
Bank Charges	2,44,230	1,14,007
Bank Gaurantee Charges	2,95,595	3,324
Foreclouser Charges	1,67,363	
Loan Processing Fees	11,50,685	
<b>Total</b>	<b>1,21,43,690</b>	<b>93,41,905</b>

**NOTE : R  
STATEMENT OF OTHER EXPENSES**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Audit Fees	5,62,000	5,10,000
Business Promotion Expenses	59,758	2,71,000
Class Certification Charges	1,28,242	12,29,000
Conveyance	1,89,517	1,25,000
Commission and Borkerage	92,231	-
Director Sitting Fees	1,60,000	-
Electricity Expenses	1,87,812	36,000
Agency Charges	2,39,470	-
Insurance	39,57,706	25,45,000
Interest on TDS/GST/IT /FEES	2,52,227	6,58,000
Legal & Professional Charges	40,67,749	73,43,000
Office Expenses	10,23,425	13,01,000
Printing & Stationery Expenses	1,56,521	1,93,000
Professional Tax	62,025	
Office Rent	11,43,351	5,41,000
Donation	15,000	-
ROC Filing and Other Registration	7,06,914	65,000
Port Charges	1,69,020	-
Telephone Exp	29,150	1,16,000
Travelling Expenses	11,23,997	20,71,000
Tender Cost	34,940	33,000
<b>Total</b>	<b>1,43,61,055</b>	<b>1,70,37,000</b>

**NOTE - S  
STATEMENT OF FIXED ASSETS & DEPRECIATION**

(Rs. In Lakhs)

ASSETS	Gross block			Depreciation			Net block	
	As at 1 <sup>st</sup> April, 2020	Additions during the period	As at 31 <sup>st</sup> March, 2021	Upto 1 <sup>st</sup> April, 2020	During the period	Upto 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Tangible Assets</b>								

<b>Plant and Equipments</b>									
River Pearl 2	602.59	-	602.59	89.56	40.91	130.48	472.11	513.02	
River Pearl 3	203.88	-	203.88	14.37	13.84	28.21	175.67	189.51	
River Pearl 4	1654.17	229.17	1883.34	60.00	113.13	173.13	1710.22	1594.17	
Machinery Computers and Electronics	1.39	-	1.39	0.29	0.09	0.38	1.01	1.10	
Furniture & Fixtures	11.87	7.05	18.92	4.52	3.64	8.17	10.74	7.34	
Office Equipments	0.65	15.65	16.30	0.15	0.14	0.28	16.01	0.51	
	2.53	3.10	5.64	1.48	0.75	2.23	3.40	1.04	
<b>(B) Intangible Assets</b>	-	-	-	-	-	-	-	-	
Software	-	0.36	0.36	0.02	0.02	0.02	0.34	-	
<b>(C) Capital Work In Progress</b>		285.36	285.36			-	-		
<b>Total</b>	<b>2477.09</b>	<b>540.70</b>	<b>3017.80</b>	<b>170.40</b>	<b>172.53</b>	<b>342.93</b>	<b>2389.51</b>	<b>2306.69</b>	
<b>Previous year</b>	<b>818.14</b>	<b>1658.96</b>	<b>2477.09</b>	<b>53.03</b>	<b>117.37</b>	<b>170.40</b>	<b>2306.69</b>	<b>7,65.11</b>	

C. Depreciation and amortisation relating to continuing operations

Particulars	For the 6 Months ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation and amortisation for the year on tangible assets as per Note 6 A	1,72,52,946	1,17,37,000
Depreciation and amortisation for the year on intangible assets as per Note 6 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	1,72,52,946	1,17,37,000

**NOTE : T  
EARNING PER SHARE**

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Net profit after tax (Rs.)	6,52,41,451	3,45,42,860
Weighted average number of equity Shares outstanding during the Year	76,12,438	75,00,000
Basic earnings per share (Rs)	8.57	4.61
Diluted earnings per share (Rs)	8.57	4.61

**Notes:-**

1. EPS for the previous year ended 31st March, 2020 is adjusted EPS as per Accounting Standard 20 and Section 133 of Companies Act, 2013. It has been adjusted by taking effect of 50,00,000 bonus shares issued on 17th October, 2020

**NOTE: U**  
**ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**

**1. Statement of Contingent Liabilities**

Particulars	31.03.2021	31.03.2020
Bank Guarantees	1,08,00,000	1,08,00,000
Other Commitments (Corporate Guarantees)	2,78,31,000	2,30,86,000

As on 31<sup>st</sup> March, 2021, the company has outstanding Bank Guarantees of Rs. 2,11,21,880/- but Guarantees worth Rs. 1,03,21,880/- are against 100% Fixed Deposits. Hence, not considered as Contingent Liabilities.

**2. Related Party Disclosure****(a) Names of related parties and description of relationship:**

- Holding Company Nil
- Subsidiary Indian Port Dredging Private Limited  
Knowledge Infra Ports Private Limited
- Associates KMEW Offshore Private Limited
- Key Management Personnel **Board of Director**
  - a) Saurabh Daswani – Managing Director
  - b) Kanak Kewalramani – Whole time Director & CFO
  - c) Mukesh Daswani – Non Executive Director
- Independent Director **Directors**
  - a) Sandip Satishbhai Zaveri
  - b) Ashish Mohandas

**KMP**

  - a) Sujay Mohanlal Kewalramani – Chief Executive Director (CEO)
  - b) Dinesh Kewalramani, Chief Operating Officer (COO)
  - c) Sonali Gor, Company Secretary Cum Compliance Officer
- Relative of Key Management Personal
  - a) S P Infra
  - b) Harekrishna Shipping Agency
  - c) M G Contractors
  - d) Kaya Marine Services
  - e) S K Contractor
  - f) Sujay M. Kewalramani
- Other Related party
  - a) Dinesh Kewalramani
  - b) D K Contractors
  - c) Kamal Marine & Engineering Works Private Limited

**(b) Transaction carried out with related parties in the ordinary course of business is as follows:**

**(Amount in Rs)**

<b>S. No.</b>	<b>Name of Related Party</b>	<b>Relation</b>	<b>Nature of Payment</b>	<b>Opening Value as on 31.03.2020</b>	<b>Transaction Value</b>	<b>Amount as on 31.03.2021</b>
1	Pinkesh Kewalramani	Member / Relative	Salary	-	14,29,200	-
2	Pinkesh Kewalramani	Member / Relative	Loan Repaid	11,83,500	(11,83,500)	-
3	Saurabh Daswani	Director	Loan Repaid	38,30,744	(38,30,744)	-
4	Saurabh Daswani	Managing Director	Directors Remuneration	-	38,89,200	-
5	Kanak Sujay Kewalramani	Director & CFO	Directors Remuneration	-	38,89,200	2,64,877
6	Kanak Sujay Kewalramani	Director	Loan Repaid	3,28,22,282	(3,23,56,799)	4,65,484
7	Harekrishna – Shipping Agency	Director being Proprietor	Service Charges	3,35,000	46,66,796	-
8	Harekrishna Shipping Agency	Director being Proprietor	Repairs and Maintenance	-	54,00,000	-
9	Harekrishna Shipping Agency	Director being Proprietor	Material Consumed	-	40,806	-
10	Dinesh Kewalramani	Interest in Voting Power	Salary	2,00,000	23,86,200	-
11	Dinesh Kewalramani	Interest in Voting Power	Loan Repaid	43,45,679	(43,45,679)	-
12	D K Contractor	Other Related Party	Crew – Staff Welfare	12,42,650	13,12,000	-
13	Sujay Kewalramani	Relative of Director	Professional Fees	-	22,68,000	-
14	Sujay Kewalramani	Relative of Director	Salary	-	8,04,000	-
15	Indian port Dredging Private Limited	Subsidiary	Charter & Hire Income – Revenue	20,18,295	3,69,23,500	-
16	Knowledge Infra Ports Private Limited	Subsidiary	Deduction from KOPT	-	2,74,13,030	-

17	Knowledge Infra Ports Private Limited	Subsidiary	Charter & Hire Income – Revenue	42,43,685	16,56,15,882	28,75,118
18	KMEW Offshore Private Limited	Associate	Management Services – Revenue	35,18,260	71,80,000	8,21,394
19	KMEW Offshore Private Limited	Associate	Crew Wages Income	-	9,37,588	-
20	Kamal Marine & Engineering Works Private Limited	Other Related Party	Repairs and Material Purchased – Expense	12,79,591	10,00,000	-
21	Kamal Marine & Engineering Works Pvt Ltd	Other Related Party	Construction of Capital Assets	-	2,84,76,190	7,64,075
22	M/s KMEW Offshore Private Limited	Associate	Corporate Guarantee	2,30,86,000	-	2,00,00,000
23	M/s Indian Ports Dredging Private Limited	Subsidiary	Corporate Guarantee	-	70,00,000	70,00,000

### 3. Disclosure relating to Employee Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

#### A) Assumptions

Particulars	As at 31.03.2021	As at 31.03.2020
Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	0	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

#### B) Amount to be recognized in the Balance Sheet

Particulars	As at 31-03-2021	As at 31-03-2020
Present value of the obligation at the end of the period	4,93,943	80,104
Fair value of plan assets at end of period	0	0



Net liability/(asset) recognized in Balance Sheet and related analysis	4,93,943	80,104
Funded Status - Surplus/ (Deficit)	(4,93,943)	(80,104)

**C) Expenses recognized in the statement of Profit & Loss account**

Particulars	As at 31-03-2021	As at 31-03-2020
Interest cost	5,607	2,838
Current service cost	2,14,373	55,582
Past Service Cost	0	0
Expected return on plan asset	(0)	(0)
Net actuarial (gain)/loss recognized in the period	1,93,859	(18,856)
Expenses to be recognized in P&L	4,13,839	39,564

**D) Changes in Present Value of Obligation**

Particulars	As at 31-03-2021	As at 31-03-2020
Present value of the obligation at the beginning of the period	80,104	40,540
Interest cost	5,607	2,838
Current service cost	2,14,373	55,582
Past Service Cost	0	0
Benefits paid (if any)	0	0
Actuarial (gain)/loss	1,93,859	(18,856)
Present value of the obligation at the end of the period	4,93,943	80,104

**Changes in defined benefit obligations: -**

Particulars	As at 31-03-2021	As at 31-03-2020
Opening gross defined benefit liability/ (asset)	80,104	40,540
Expenses to be recognized in P&L	4,13,839	39,564
Benefits paid (if any)	0	0
Closing gross defined benefit liability/ (asset)	4,93,943	80,104

**4. Segment Reporting**

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

## 5. Provisions (AS 29 Disclosure)

(Amount in Rs.)

S. No.	Particulars	As at 31-03-2021	As at 31-03-2020
1	Audit Fee	5,62,000	3,20,000
2	Tax Payable	1,74,04,018	71,38,424
3	Corporate Dividend	Nil	Nil

## 6. COVID – 19 Assessment

The COVID – 19 pandemic is rapidly spreading throughout the world. The operations of the Company were not impacted, as the site was in operation during the period of Nationwide Lock-down by the Government of India and regular business was in process. As the operations/services of the Company falls under essential services during the period of pandemic, there is no significant impact on its financial statements as at 31<sup>st</sup> March, 2021. However, the impact assessment of COVID – 19 is a continuing process given the uncertainties associates with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

7. During the year ended 31<sup>st</sup> March 2021 the revised Schedule VI notified under the Companies Act, 2013, is applicable to the Company. The Company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**  
(Managing Director)  
DIN: 07297445

**Kanak Kewalramani**  
(Whole Time Director & CFO)  
DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

## **INDEPENDENT AUDITOR'S REPORT**

To the members of **Knowledge Marine & Engineering Works Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

1. We have audited the accompanying Consolidated annual Financial Results (the 'Statement') of Knowledge Marine & Engineering Works Limited ("the Holding Company") including its subsidiaries and associate (Knowledge Infra Ports Private Limited, Indian Ports Dredging Pvt. Ltd., KMEW offshore Pvt Ltd.) (The Holding Company and its subsidiaries / associate together referred to as the "Group"), which comprises of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2021, the consolidated Profit & Loss statement and consolidated cash flow statement for the year then ended and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations gives to us the aforesaid financial statements give the information required by the Companies Act, 2013 (act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including accounting standards as prescribed under Section 133 of the Act, of the state of affairs of the Company as at 31<sup>st</sup> March 2021 and its consolidated net profit, its cash flow and other financial information.

#### **3. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries / associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **4. Emphasis of Matter**

We draw your attention to Note 6 to this financial result, which describe the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable value of its assets and the net realisable value of other assets. Based on information available as of the date, Management believes that no further adjustments are required to the financial results. Our opinion is not modified in respect of the above matters.

#### **5. Key Audit Matters**

Key Audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

## **6. Information other than the Consolidated Financial Statements and Auditor's Report thereon.**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **7. Responsibilities of Management and those charged with governance for the consolidated financial statements**

The accompany consolidated financial statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss, and consolidated cash flows of the Group including its subsidiaries / associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards as specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

In preparing the statements, respective Board of Directors / management of the companies / Entities included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / management of the Group, either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the financial reporting process of the companies/ entities included in the Group.

## **8. Auditors Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the statement 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this statements

As part of audit 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 consolidated 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal with reference to 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 group 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 consolidated financial statements or, if such disclosures are inadequate, to modified 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 Group to cease to continue as a going concern and
- Evaluate the overall presentation structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors.

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 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 matter that may reasonably be thoughts to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

#### **9. Report on Other Legal and Regulatory Requirements**

As required by section 197(16) of the Act, based on our audit, we report that the Holding Company paid remuneration to their directors during the year ended 31 March 2021, in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the 2 subsidiary company and 1 associate covered under the Act, has not paid or provided for any managerial remuneration during the year ended 31 March 2021.

#### **10.** As required by Section 143 (3) of the Act, based on our audit and other financial information of the subsidiary, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports;
- c. the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with AS specified under section 133 of the Act;
- e. the matter described in paragraph 4 of the Emphasis of Matter section, in our opinion, may have an adverse impact on the functioning of the Holding Company and its subsidiaries / associates.
- f. On the basis of the written representations received from the directors of the Holding Company and its subsidiaries / associates and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- g. with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us
  - There are no pending litigations which might have an impact on the consolidated financial position of the Group.
  - Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses, and;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31<sup>st</sup> March 2021.

**For R V Luharuka & Co LLP**  
Chartered Accountants  
FRN No. 105662W / W100174

Place: Mumbai  
Dated: 28<sup>th</sup> June, 2021  
UDIN – 21031765AAAAAY6928

**Ramesh Luharuka**  
Partner  
Membership No: 031765

**Annexure I to the Independent Auditor's Report of even date to the members of Knowledge Marine & Engineering Works Limited on the consolidated financial statements for the year ended 31 March 2021.**

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

In conjunction with our audit of the consolidated financial statements of Knowledge Marine & Engineering Works Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries / associate together referred to as 'the Group') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries / associate, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiaries / associate are responsible for establishing and maintaining internal financial controls based on the Internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the institute of Chartered Accountants of India ("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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries / associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries / associate, as aforesaid

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and based on the consideration of the report of the other auditors on internal financial controls with reference to financial statements of the subsidiary, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For R V Luharuka & Co LLP**  
Chartered Accountants  
FRN No. 105662W / W100174

Place: Mumbai  
Dated: 28<sup>th</sup> June, 2021  
UDIN – 21031765AAAAAY6928

**Ramesh Luharuka**  
Partner  
Membership No: 031765



**CONSOLIDATED AUDITED BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2021**

(Amount in Rs)

PARTICULARS		NOTES	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	Equity			
<b>(a)</b>	Share capital	<b>B</b>	10,23,60,000	2,50,00,000
<b>(b)</b>	Reserves & Surplus	<b>B</b>	16,77,08,731	7,92,32,405
			27,00,68,731	10,42,32,405
<b>2.</b>	Share Minority interest		1,91,42,387	1,94,25,947
<b>3.</b>	Non-Current Liabilities			
<b>(a)</b>	Long Term Borrowings	<b>C</b>	11,63,53,132	11,03,92,478
<b>(b)</b>	Deferred Tax Liabilities (Net)	<b>D</b>	2,13,90,264	94,73,117
<b>(c)</b>	Long Term Provisions	<b>E</b>	4,72,613	-
			13,82,16,009	11,98,65,595
<b>3.</b>	Current Liabilities			
<b>(a)</b>	Short Term Borrowings	<b>C</b>	5,30,82,775	5,09,46,570
<b>(b)</b>	Trade Payables	<b>F</b>		
	(i) Total Outstanding dues of MSME		3,63,909	44,20,439
	(ii) Total Outstanding dues of creditors other than MSME		46,13,876	2,15,12,318
<b>(c)</b>	Other Current Liabilities	<b>G</b>	24,48,829	2,11,21,722
<b>(d)</b>	Short Term Provisions	<b>H</b>	2,24,22,185	1,35,39,071
			8,29,31,574	11,15,40,120
	<b>Total Liabilities (3+4)</b>		<b>22,11,47,584</b>	<b>23,14,05,715</b>
	<b>Total Liabilities and equity</b>		<b>51,03,58,704</b>	<b>35,50,64,067</b>
<b>II</b>	<b>ASSETS</b>			
<b>1.</b>	Non-Current Assets			
<b>(a)</b>	Fixed Assets	<b>S</b>		
	(i) Tangible Assets		27,76,00,728	27,27,11,110
	(ii) Intangible Assets		9,199	9,199
<b>(b)</b>	Capital Work in Progress		2,85,36,190	-
<b>(C)</b>	Non-Current Investment	<b>I</b>	27,63,587	1,47,23,733
	Total Non-current Assets		30,89,09,703	28,74,44,042
<b>2.</b>	Current Assets			
<b>(a)</b>	Current Investments	<b>I</b>	5,87,447	-
<b>(b)</b>	Inventories	<b>J</b>	32,98,229	26,95,134
<b>(c)</b>	Trade receivables	<b>K</b>	39,69,120	3,02,94,803
<b>(d)</b>	Cash and cash equivalents	<b>L</b>	11,53,12,450	1,62,13,161
<b>(e)</b>	Short- term loans and advances	<b>M</b>	14,37,755	2,00,151
<b>(f)</b>	Other current assets	<b>M</b>	7,68,44,000	1,82,16,776
	Total Current Assets		20,14,49,001	6,76,20,025
	<b>Total Assets</b>		<b>51,03,58,704</b>	<b>35,50,64,067</b>
See accounting policies and accompanying notes forming part of the financial statements Balance Sheet Abstract and Company Profile.				

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765  
Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**      **Kanak Kewalramani**  
(Managing Director)      (Whole Time Director & CFO)  
DIN: 07297445      DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

**CONSOLIDATED AUDITED PROFIT AND LOSS ACCOUNT AS ON 31<sup>st</sup> MARCH, 2021****(Amount in Rs.)**

PARTICULARS		NOTES	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>I</b>	Revenue From Operations	N	33,28,21,873	23,90,88,088
<b>II</b>	Other Income	O	13,36,395	27,07,830
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>33,41,58,268</b>	<b>24,17,95,918</b>
<b>IV</b>	Expenditure			
(a)	Direct Expenses	P	15,98,51,701	12,57,17,824
(b)	Employee benefit expenses	Q	1,96,56,605	1,63,49,439
(c)	Finance cost	R	1,70,19,180	1,11,09,093
(d)	Depreciation and amortisation expenses	S	2,06,44,934	1,51,35,037
(e)	Other expenses	T	2,17,75,222	2,02,38,293
<b>V</b>	<b>Total Expenses</b>		<b>23,89,47,642</b>	<b>18,85,49,685</b>
<b>VI</b>	<b>Profit before exceptional and extraordinary items and tax (III-V)</b>		<b>9,52,10,626</b>	<b>5,32,46,234</b>
VII	Prior Period Item		4,33,495	-
<b>VIII</b>	<b>Profit before tax after extraordinary items (VI-VII)</b>		<b>9,47,77,131</b>	<b>5,32,46,234</b>
IX	Tax expense:			
(1)	Current tax expense for current year		1,80,22,259	96,20,817
(2)	Deferred Tax		84,34,345	57,89,014
(3)	MAT Credit		-	47,04,758
<b>X</b>	<b>Profit / (Loss) after tax for period (VIII-IX)</b>		<b>6,83,20,527</b>	<b>4,25,41,161</b>
XI	Minority Interest in income		12,91,210	25,92,405
XII	Share of Profit/ Loss in associate companies		17,87,866	54,05,895
<b>XIII</b>	<b>Profit available for distribution</b>		<b>6,52,41,451</b>	<b>3,45,42,861</b>
<b>XIV</b>	<b>Earning per Equity Share:</b>	U		
(a)	Basic		9.04	6.05
(b)	Diluted		9.04	6.05

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**      **Kanak Kewalramani**  
(Managing Director)      (Whole Time Director & CFO)  
DIN: 07297445      DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

## CASH FLOW STATEMENT

(Amount in Rs.)

PARTICULARS	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A) Cash Flow From Operating Activities:</b>		
Net Profit before tax & Extraordinary Items	9,47,77,131	5,32,46,233
Adjustment for:		
Depreciation	2,06,44,934	1,51,35,037
Interest Income	(11,99,790)	(8,95,735)
Finance Cost	1,70,19,180	1,11,09,093
Operating profit before working capital changes	13,12,41,455	7,85,94,627
Increase in Other Current Assets	(5,86,27,224)	(3,87,00,599)
Increase in Short Term Advance	(12,37,604)	-
Decrease in Trade Receivable	2,63,25,683	2,73,98,893
Increase in Inventory	(6,03,095)	-
Increase in Short Term Provisions	88,61,784	-
Decrease in Other Current Liability	(1,86,72,893)	(4,26,90,545)
Decrease in Trade Payables	(2,09,54,972)	
Adjustments for :		
Provisions	4,93,943	-
Cash generated from Operations	6,68,27,078	2,46,02,376
Income Tax Refund	(5,16,957)	-
Income Tax Paid	(1,80,22,259)	(49,16,059)
Cash Flow before Extraordinary Items	4,82,87,862	1,96,86,318
Extraordinary items	-	
Net Cash flow from Operating Activities	<b>4,82,87,862</b>	<b>1,96,86,318</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment In Fixed Deposit	1,13,72,699	(25,26, 650)
Interest on Fixed Assets	(2,55,34,551)	(16,58,95, 824)
Increase In Capital Work-in- Progress	(2,85,36,190)	7,52,86,291
Increase on FD	11,99,790	8,95,735
Net Cash flow form / Used in Investing Activities	<b>(4,14,98,252)</b>	<b>(9,22,40,448)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Loan	80,96,859	7,33,73,662
Increase in Paid Up Capital	2,73,60,000	-
Decrease in Loan Term Payable	-	(2,31,78,573)
Increase in Security Premium	7,38,72,000	
Finance Cost	(1,70,19,180)	(1,11,09,093)
Net Cash flow from/ Used in Financing Activities	<b>9,23,09,679</b>	<b>3,90,85,996</b>
Net Decrease/Increase in Cash or Cash Equivalents <b>(A+ B+ C)</b>	9,90,99,289	(3,34,68,133)
Opening Cash & Cash Equivalents	1,62,13,160	7,15,28,385
Closing Cash & Cash Equivalents	11,53,12,450	1,62,13,161
Cash & Cash Equivalents Comprises:		
Cash & Bank Balances as per BS	11,53,12,450	1,62,13,161

As per our report of even date  
In terms of our report attached

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765  
Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**Saurabh Daswani**      **Kanak Kewalramani**  
(Managing Director)      (Whole Time Director & CFO)  
DIN: 07297445      DIN: 06678703

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

**NOTE – A**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**To the Consolidate Financial Statement for the year ended 31<sup>st</sup> March, 2021**

**Corporate Information**

**Knowledge Marine & Engineering Works Limited** (Formerly known as Knowledge Marine & Engineering Works Private Limited), having registered office at Office no. 402, Sai Samarth Business Park, Deonar Village Road, Govandi (East), Mumbai – 400088 Maharashtra, was incorporated on 26<sup>th</sup> October, 2015 under Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra (CIN-U74120MH2015PLC269596). Company has been changed from Private Limited Company to Limited company on 31<sup>st</sup> January, 2020. Company is listed on SME Platform of Bombay Stock Exchange w.e.f. 22<sup>nd</sup> March, 2021. Financial Statement comprises financial statements of the Company and its subsidiaries and associates companies (collectively referred to as the “Group”) for the year ended 31<sup>st</sup> March 2021. The Group is primarily engaged in the business of Owning, Chartering/Hiring along with manning, operation and technical maintenance of Marine Crafts and Repairs/Maintenance of Marine Crafts and Marine Infrastructure and allied works in India.

**SIGNIFICANT ACCOUNTING POLICIES**

**1.13 Basis of Preparation**

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**1.14 Uses of Estimates**

The preparation of the Financial Statements in conformity with Indian Accounting Standard requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Example of such estimates includes provision for doubtful debts, income taxes etc. Management periodically assesses whether there is an indication that an assets may be impaired and makes provision in the account for any impairment losses estimated. Contingencies are recorded when it is probable that a liabilities will be incurred and the amount can be reasonably estimated. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from those estimates and the difference between actual results and the estimates are recognized in the periods in which the results are known/materialize.

**1.1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenues from contract services provided during the year are recognised, as and when the services are rendered, based on the agreements/arrangements with the concerned parties. Unbilled revenue is recognized to the extent not billed at the year end. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from Revenue

Claims for damages etc. against the contractors/service providers are recognized on due basis, as and when the certainty to receive the claim is ascertained.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**1.2. Inventories:**

As Group is into service industries and therefore no inventories are there with the company. During the course of business material required by the company as input were consumed during the year and were expensed out accordingly.

**1.3. Tangible Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

**Depreciation**

The depreciable amount of an item of property, plant and machinery, equipments, furniture is allocated on a systematic basis over its useful useful life. Depreciation on assets is provided on straight line method using the rates arrived at based on the useful lives estimated as prescribe in schedule II of the Companies Act 2013. The Company believes that straight line method reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Accounting Policies, Changes in Accounting Estimates and Errors.

Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in the Standalone Statement of Profit and Loss unless it is included in the carrying amount of another asset.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal. Individual assets costing upto ` 5000 are depreciated in full in the year of purchase.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

<b>Assets Class</b>	<b>Useful Lives (in years) -as per Companies Act 2013</b>	<b>Useful Lives (in years) -as estimated by the Company</b>
Ship	14 years	14 years
Computer	3 Years	3 Years

Machinery	8 Years	8 Years
Office Furniture	10 Years	10 Years
Office Equipment	8 Years	8 Years

#### 1.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

#### 1.5 Borrowing Cost

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### 1.6 Foreign Exchange Transactions/Translation

Transactions denominated in foreign currencies (if any) are recorded at the exchange rate prevailing on the date of transactions and any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

#### 1.7 Taxes on Income

Tax expense comprises current and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date. Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### 1.8 Employee Benefits

Defined Contribution plans: -

- (i) Company's contributions due / payable during the year towards provident fund are recognized in the profit and loss account. The Company has no obligation other than the contribution payable to the contribution payable to the provident fund.
- (ii) Company has no policy of encashment and accumulation of leave. Therefore, no provision of Leave Encashment is being made.
- (iii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. Cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit

credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

- (iv) Short Term Employee Benefits if any, are paid along with salary and wages on a month-to-month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

### **1.9 Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **1.10 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

### **1.11 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### **1.12 Provisions, Contingent Liabilities & Contingent Assets**

#### **a) Provisions**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **b) Contingent Liabilities**

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### 1.13 Leases

#### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

#### **Where the company is Lessor**

Assets given on operating leases are included under fixed assets. Rent (lease) income is recognized in the statement of Profit and Loss on accrual basis. Direct costs, including depreciation are recognized as an expense in the statement of profit and loss.





**NOTE - B  
SHARE CAPITAL**

(Amount in Rs)

Particulars	31.03.2021	31.03.2020
<b>Authorised:</b>		
1,05,00,000 Equity shares (Previous Year 40,00,000 Equity Share) of Rs.10 each with voting right	10,50,00,000	4,00,00,000
<b>Issued:</b>		
1,02,36,000 Equity Shares (Previous Year 25,00,000 Equity Share) of Rs. 10 each with voting right	10,23,60,000	2,50,00,000
<b>Subscribed and paid-up:</b>		
1,02,36,000 Equity Share (Previous Year 25,00,000 Equity shares ) of Rs. 10/- Each with Voting Rights	10,23,60,000	2,50,00,000
<b>Total</b>	<b>10,23,60,000</b>	<b>2,50,00,000</b>

**RESERVES & SURPLUS**

(Amount in Rs)

	As at 31.03.2021	As at 31.03.2020
<b>Capital Reserve</b>		
Security Premium	7,38,72,000	
	7,38,72,000	
<b>Retained earnings:</b>		
As per last balance sheet	6,28,97,733	2,83,54,873
Add/ (Less) : Transferred from:		-
Profit and Loss Account	6,52,41,451	3,45,42,860
Less: Bonus Issue	(5,00,00,000)	-
Less : Profit and Loss Appropriation	(8,64,414)	-
	7,72,74,770	6,28,97,733
Profit of Knowledge Infra Ports Private Limited (Subsidiary Company)	28,67,487	28,13,345
Profit of Indian Ports Dredging Private Limited (Subsidiary Company)	54,45,370	46,12,841
Profit of KMEW Offshore (Associate Company)	82,49,104	89,08,485
<b>Total</b>	<b>16,77,08,731</b>	<b>7,92,32,405</b>

1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. Company does not have any Revaluation Reserve.

3.The reconciliation of the number of Equity shares outstanding as at: -

Particulars	31.03.2021	31.03.2020
Number of shares at the beginning	25,00,000	25,00,000
Add: Bonus Share Issued	50,00,000	-
Add: Fresh Issue of shares	27,36,000	-
Number of shares at the end	1,02,36,000	25,00,000

The overall increase in number of share in on account of Boune Share issued of Rs 10 each in the ratio 2:1. Two Equity Share has been issued for every one fully paid-up share.

During the Year Company has entered into listing agreement under SEBI (LODR) dated 17th March, 2021 to list the share into BSE SME platform. Fresh issue of 27,36,000 was made of Rs 10 fully paid-up share at a premium of Rs 27 per share.

During the year, in the Annual General Meeting of the Company held on 29/09/2020, the authorized share capital of the Company increased from Rs 4,00,00,000/- to Rs 10,50,00,000/.

4.The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	31.03.2021	31.03.2020
Saurabh Daswani	14,99,970	4,99,990
Pinkesh Kewalramani	15,00,000	5,00,000
Kanak Kewalramani	40,31,235	13,43,745

**NOTE - C**  
**STATEMENT OF LONG TERM AND SHORT-TERM BORROWINGS**  
(Amount in Rs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Long Term	Short Term	Long Term	Short Term
<b>Loans &amp; Advances from</b>				
From Banks Secured	11,63,53,132	5,25,69,280	8,24,53,738	1,97,54,403
From Banks Unsecured	-	48,012	33,65,394	41,04,165
Unsecured From Related Parties		4,65,483	2,45,73,346	2,70,88,002
<b>Total</b>	<b>11,63,53,132</b>	<b>5,30,82,775</b>	<b>11,03,92,478</b>	<b>5,09,46,570</b>

Notes:-

1.The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Note-C (A) and Note-C (B).

**NOTE - C (A) - STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Number of Lender	Type of Loan	Rate of Interest	Loan Tenure	Primary & Collateral Security	Re-Payment Schedule	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
HDFC Bank	Working Capital Term Loan under ECGL scheme	8.25%	48 Months	Collateral Security:- Residential Property of Director	Moratorium of 7 months after that Monthly EMI of Rs. 2,64,195/- beginning from 07.07.2021	84,00,000	-

	Term Loan	7.50%	48 Months	Kanak Kewalramani located at Chembur, Mumbai	Monthly EMI of Rs. 9,66,752/- beginning from 07.01.2021	3,74,77,658	-
	Term Loan	7.50%	60 Months		Monthly EMI of Rs. 4,54,394/- beginning from 07.03.2021	2,21,05,006	-
	Cash Credit facility	7.50%	12 Months	Book Debts and Current assets	-	1,05,61,125	-
IndusInd Bank	Term Loan	12.51%	48 Months	Collateral Security: Residential Property located at Walkeshwar, Mumbai	Monthly EMI of Rs. 13,88,260/- beginning from 07.10.2019	3,39,10,692	4,56,87,227
Kotak Bank	Term Loan	8.50%	120 Months	Collateral Security: Residential Property of Director Kanak S. Kewalramani located at Chembur, Mumbai	-	-	4,16,79,140
Dena Bank	Term Loan	11.15%	36 Months	Under CGTMSE Scheme & Hypothecation charge on River Pearl 2	-	-	13,46,212
HDFC Bank	Term Loan (KMEW Offshore)	7.50%	42 Months	Under CGTMSE	Monthly EMI of Rs. 3,88,754/- beginning from 07.01.2021	1,33,11,843	-
Dena Bank	Term Loan (KMEW Offshore)	11.60%	84 Months	Collateral Security:- Residential Property located at Adipur, Kutchch, Gujarat	Monthly Principal repayment of Rs. 2,66,667/-	-	1,34,95,562

HDFC Bank	Term Loan (Knowledge Infra Ports)	7.50%	48 Months	Collateral Security: Residential Property of Director Kanak S. Kewalramani located at Chembur, Mumbai	Monthly EMI of Rs. 11,13,230/- beginning from 07.01.2021	4,31,56,089	
<b>TOTAL</b>						<b>16,89,22,412</b>	<b>10,22,08,141</b>

**Notes:-**

1. During the year, Kotak Bank loan is closed and taken over by HDFC Bank.
2. The Personal Guarantee of Mr. Saurabh Daswani, Managing Director, Mrs. Kanak Kewalramani, Director & CFO are involved in all the loans mentioned above.

**NOTE - C (B) - STATEMENT OF TERMS AND CONDITIONS OF UNSECURED LOANS**

**UNSECURED FROM BANKS**

Number of Lender	Rate of Interest	Loan Tenure	Re-Payment Schedule	Outstanding Amount as on 31.03.2021	Outstanding amount as on 31.03.2020
HDFC Bank	17.00%	36 Months	Monthly EMI of Rs. 89,132/- beginning from 06.04.2019	-	18,02,747
IndusInd Bank	18.75%	36 Months	Monthly EMI of Rs. 70,137/- beginning from 18.12.2018	48,012	11,07,653
Moneywise Financial Services P. LTD	18.00%	36 Months	Monthly EMI of Rs. 90,381/- beginning from 15.01.2019	-	16,17,832
Deutsche Bank	17.70%	36 Months	Monthly EMI of Rs. 89,201/- beginning from 05.11.2018	-	14,80,857
ICICI Bank	15.25%	36 Months	Monthly EMI of Rs. 87,007/- beginning from 05.11.2018	-	14,60,470
<b>TOTAL</b>				<b>48,012</b>	<b>74,69,559</b>

**UNSECURED FROM RELATED PARTIES**

Name of Related Party	Outstanding Amount as on 31.03.2021	Outstanding amount as on 31.03.2020
Saurabh Daswani	-	38,30,744
Pinkesh Kewalramani	-	11,83,500
Kanak Kewalramani	4,65,483	3,41,87,463
Dinesh Kewalramani	-	43,45,679
Vishal Jain	-	81,13,962
<b>TOTAL</b>	<b>4,65,483</b>	<b>5,16,61,348</b>

Notes:-

1. During the year under review, all Unsecured loans from the Banks were paid off and closed by the Company from its internal accruals.

2. Loan from Director and promoter of Company is Interest free loan to the Company. Directors of the Company has provided the above loan from owned fund and not from borrowed fund for which the directors have provided the declaration in form DIR – 8

**NOTE – D  
DEFERRED TAX**

The major components of deferred tax assets and deferred tax liabilities are as under:-

Particulars	As at 31.03.2021		As at 31.03.2020	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between WDV as per Company Law and Income Tax	-	-	-	-
Expenses allowable for tax purposes when paid/on payment of TDS	-	4,73,46,631	-	3,40,65,574
Service Tax	-	-	-	-
Unabsorbed carried forward tax losses / depreciation	-	-	-	-
Other items giving rise to timing differences	-	-	-	-
	-	-	-	3,40,65,574
<b>Net deferred tax (liability) / Asset</b>	<b>(2,13,90,264)</b>		<b>(94,73,117)</b>	

**NOTE – E  
STATEMENT OF LONG-TERM PROVISION**

Particulars	As at 31.03.2021		As at 31.03.2020	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Long Term Provision for Gratuity	4,72,613	-	4,72,613	-
<b>Total</b>	<b>4,72,613</b>	-	<b>4,72,613</b>	-

**NOTE – F  
STATEMENT OF TRADE PAYABLES**

Particulars	As at 31.03.2021		As at 31.03.2020	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Trade Payables:</b>				
Micro, Small and Medium Enterprises	40,60,422	1,57,00,680	40,60,422	1,57,00,680
Other	46,13,876	2,15,12,318	46,13,876	2,15,12,318
Less: Payable to Holding Company	(36,96,513)	(1,12,80,241)	(36,96,513)	(1,12,80,241)
<b>Total</b>	<b>49,77,785</b>	<b>2,59,32,757</b>	<b>49,77,785</b>	<b>2,59,32,757</b>

Notes:-

1. Out of the total MSME creditors outstanding as on 31st March 2021 none of the creditors were outstanding for more than 45 days from the issuance of Invoice. Most of the creditors of the company were paid within the period as agreed at the time of issue of invoice.

**NOTE – G  
OTHER CURRENT LIABILITIES**

Particular	As at 31.03.2021		As at 31.03.2020	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020

	Long Term	Short Term	Long Term	Short Term
GST and TDS Payable	-	24,48,829	-	1,03,29,118
TDS Payable	-	-	-	32,33,601
Short Term Expenses Payable	-	-	-	75,59,003
<b>Total</b>	-	<b>24,48,829</b>	-	<b>2,11,21,722</b>

**NOTE - H  
SHORT TERM PROVISIONS**

(Amount in Rs.)

Particular	As at 31.03.2021		As at 31.03.2020	
	Long Term	Short Term	Long Term	Short Term
Duties and Taxes Income Tax	-	1,80,59,259	-	96,71,756
Provision for Salary and Wages	-	28,89,517	-	31,89,894
Provision for Audit Fees and Other Expenses	-	6,94,872	-	-
Provision For Interest	-	7,78,537	-	6,77,421
<b>Total</b>	-	<b>2,24,22,185</b>	-	<b>1,35,39,071</b>

**NOTE - I  
CURRENT/ NON-CURRENT INVESTMENT**

(Amount in Rs.)

Particular	As at 31.03.2021		As at 31.03.2020	
	Long Term	Short Term	Long Term	Short Term
Fixed Deposit	27,63,587	4,82,447	1,46,13,733	-
Mutual Funds	-	1,05,000	1,10,000	-
<b>Total</b>			<b>1,47,23,733</b>	-

**NOTE - J  
STATEMENT OF TRADE RECEIVABLES**

(Amount in Rs.)

Particular	As at 31.03.2021	As at 31.03.2020
Stock in Trade;		
Consumable	31,96,982	26,95,134
Lubes	1,01,247	-
<b>Total</b>	<b>32,98,229</b>	<b>26,95,134</b>

Notes:-

- Group is into service industry therefore there is no stock in hand. Consumables at the end of the year is the value of Fuel and Lubes which is unconsumed as on 31.03.2021

**NOTE - K  
TRADE RECEIVABLES**

(Amount in Rs.)

Particular	As at 31.03.2021	As at 31.03.2020
Trade receivable outstanding for a period exceeding's six months		
Secured, considered good	-	-
Unsecured, Considered good	-	-
Doubtful	-	-

Less: Provision for doubtful trade receivable	-	-
Other Trade receivables	-	-
Secured, considered good	-	-
Unsecured, Considered good	76,65,633	3,95,56,748
Doubtful	-	-
	76,65,633	3,95,56,748
Less: Receivables from Subsidiary Companies	(36,96,513)	(92,61,945)
	39,69,120	3,02,94,803
<b>Total</b>	<b>39,69,120</b>	<b>3,02,94,803</b>

**Notes:-**

1. Trade Receivable to the Company is considered good as all the Balance Confirmation from the existing party have been received and dully tallied by the management. Therefore, company has not made any provision for doubtful debts.

**NOTE - L  
CASH & CASH EQUIVALENT**

(Amount in Rs.)

Particular	As at 31.03.2021	As at 31.03.2020
Bank Balance		
(a) Current Accounts	4,62,78,996	1,79,19,629
(b) Deposit Accounts	6,72,28,737	-
(c) Cheque Issued but not cleared	-	(23,16,500)
(d) Cash in hand	18,04,717	6,10,032
<b>Total</b>	<b>11,53,12,450</b>	<b>1,62,13,161</b>

**Notes: -**

1. Fixed Deposits having maturities of less than 12 months are considered in current assets.

**NOTE - M  
OTHER CURRENT ASSETS / SHORT TERM LOANS AND ADVANCES**

(Amount in Rs.)

Particular	As at 31.03.2021		As at 31.03.2020	
	Non Current	Current	Non Current	Current
Loan & Advances	-	14,37,755	-	2,00,151
Balance with Revenue Authorities (TDS/Advance Tax)	-	2,39,93,555	-	83,33,454
Deposit	-	24,44,374	-	38,29,844
MAT Credit Entitlement	-	-	-	57,03,120
Long Term Advances	-	4,28,90,253	-	23,39,026
Prepaid Expenses	-	-	-	29,628
Less:- Advance to Subsidiary	-	-	-	(20,18,296)
<b>Total (A)</b>	-	<b>6,93,28,182</b>	-	-
Preliminary Expense (IPO Issue Expense)	-	75,15,817	-	-
<b>Total (B)</b>	-	<b>75,15,817</b>	-	-
<b>Total (A) + (B)</b>	-	<b>7,68,43,999</b>	-	<b>1,82,16,776</b>

**Notes:-**

1. Company has adopted new regime of taxation therefore MAT credit has been lapsed during the year.
2. The Group during the year, have provided current year tax liability of 180,22,259/- (previous year Rs 96,20,817/-) calculated in accordance with the provisions of Section 115BAA of the Income Tax Act, 1961. As the Company have adopted provision of Section 115BAA, MAT and carried forward of losses are not allowed to the Company, therefore, previous year MAT credit entitlement has been lapsed and adjusted under profit and loss appropriation account.
3. During the year Company got its shares listed on BSE SME Platform and has done IPO, there were certain issue expenses related to the same. These expenses are capitalized and will be written off in next financial year according to Accounting Standard 26.

**NOTE - N**  
**REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particular	2020-21	2019-20
Sales of Service	57,08,91,873	37,75,29,572
Less: Services to Subsidiary Company	(23,80,70,000)	(13,84,41,484)
<b>Total</b>	<b>33,28,21,873</b>	<b>23,90,88,088</b>

**NOTE - O**  
**OTHER INCOME**

(Amount in Rs.)

Particulars	2020-21	2019-20
Sale of Fuel	-	39,45,000
Sundry Balance Written Back	-	16,39,629
Discount Received	1,35,968	14,312
Foreign Exchange Gain	-	1,58,154
Gain in Mutual Fund	637	-
Interest Income	11,99,790	8,95,735
<b>Total</b>	<b>13,36,395</b>	<b>27,07,830</b>

**NOTE - P**  
**DIRECT EXPENSES**

(Amount in Rs.)

Particulars	2020-21	2019-20
<b>Cost of materials consumed</b>		
Opening stock of fuel	26,95,134	-
Add: Purchases of Fuel	4,97,43,430	5,62,89,948
Add : Purchase of Lubes	4,30,582	
Less: Closing stock of Fuel	(31,96,982)	26,95,134
Less: Closing stock of Lubes	(1,01,247)	
<b>Total*</b>	<b>4,95,70,917</b>	<b>5,35,94,814</b>
Less: Scrap sales	-	4,95,70,917
Add: Direct Expenses	2,80,822	1,75,890
Add: Mobilization Expense	-	50,00,000
Add: Hire Charges	16,56,15,882	9,07,39,544
Add: Material Consumed	1,25,12,435	1,11,85,403
Add: Operating Expenses	3,08,510	32,45,660



Add: Transportation	6,27,721		12,30,784	
Add: Repairs and Maintenance	1,79,27,605		1,48,06,597	
Add : Ship Management Fees	27,25,000			
Add: Deduction from KOPT/VPT	4,96,12,708		71,64,562	
Add: Crew Charges	3,12,72,272		2,74,50,422	
Add: Subcontracting charges	6,74,67,829		5,35,10,632	
Less: Services from Holding Company	(23,80,70,000)		(14,23,86,484)	
<b>Total Cost of Material Consumed</b>	11,02,80,784	<b>15,98,51,701</b>	7,21,23,010	<b>12,57,17,824</b>

**NOTE - Q  
EMPLOYEE BENEFIT EXPENSES**

(Amount in Rs.)

Particulars	2020-21	2019-20
Salaries Wages and Bonus	97,83,986	80,57,489
Gratuity	4,93,943	-
Employee Benefit Expenses	5,96,217	96,893
Director Remuneration	77,78,400	72,00,000
Staff Welfare Expense	10,04,059	9,95,057
<b>Total</b>	<b>1,96,56,605</b>	<b>1,63,49,439</b>

**NOTE: R  
FINANCE COSTS**

(Amount in Rs.)

Particular	2020-21	2019-20
Interest on Borrowings	1,28,16,854	1,09,89,136
Bank Charges	2,95,394	1,16,632
Loan Processing Fees	25,42,035	-
Foreclosure Charges	8,12,310	-
Bank Guarantee Charges	5,52,587	3,324
<b>Total</b>	<b>1,70,19,180</b>	<b>1,11,09,093</b>

**NOTE - S  
STATEMENT OF FIXED ASSETS & DEPRECIATION**

(Rs. In Lakhs)

ASSETS	Gross block			Depreciation			Net block	
	As at 1 <sup>st</sup> April, 2020	Additions during the period	As at 31 <sup>st</sup> March, 2021	Upto 1 <sup>st</sup> April, 2020	During the period	Upto 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Tangible Assets Plant and Equipments</b>								
River Pearl 2	6,02.59	-	602.59	89.56	40.91	130.48	472.11	513.02
River Pearl 3	203.88	-	203.88	14.37	13.84	28.21	175.67	189.51

River Pearl 4	1654.17	229.17	1883.34	60.00	113.13	173.13	1710.22	1594.17
Rivel Pear 1- (KMEW Offshore)	488.79	-	488.79	73.31	33.18	106.50	382.28	415.48
Machinery	1.39	-	1.39	0.29	0.09	0.38	1.01	1.10
Computers and Electronics	12.26	7.05	19.31	4.84	3.71	8.56	10.76	7.44
Furniture & Fixtures	5.67	15.65	21.33	1.33	0.62	1.95	19.39	4.35
Office Equipment	4.05	3.10	7.16	2.01	0.93	2.93	4.23	2.05
<b>(B) Intangible Assets</b>	-	-	-	-	-	-	-	-
Software	-	0.36	0.36	-	-	0.19	0.34	-
Goodwill	0.9	-	-	0.9	-	-	0.9	0.9
<b>(C) Capital Work In Progress</b>		285.36	285.36			-	285.36	
<b>Total</b>	<b>2972.93</b>	<b>540.70</b>	<b>3513.64</b>	<b>245.73</b>	<b>206.45</b>	<b>452.18</b>	<b>2776.10</b>	<b>2727.20</b>
<b>Previous year</b>	<b>1313.97</b>	<b>1658.96</b>	<b>2972.93</b>	<b>94.38</b>	<b>151.35</b>	<b>245.73</b>	<b>2727.20</b>	<b>1213.87</b>

C. Depreciation and amortisation relating to continuing operations

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation and amortisation for the year on tangible assets as per Note 6 A	2,06,44,934	1,51,35,037
Depreciation and amortisation for the year on intangible assets as per Note 6 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	2,06,44,934	1,51,35,037

**NOTE - T  
OTHER EXPENSES**

(Amount in Rs.)

Particulars	2020-21	2019-20
Audit Fee	7,42,000	6,31,000
Agency Charges	2,39,470	-
Business Promotion Expenses	72,058	2,76,502
Conveyance Expenses	1,89,517	2,01,529

Class Certification Charges	1,28,242	12,29,244
Commission and Brokerage Charges	92,231	-
Directors Siting Fees	1,60,000	-
Donation	25000	-
Electricity Expenses	1,92,223	46,234
Interest and Penalty on Tax	3,52,451	8,13,755
Insurance	42,31,874	26,04,577
Labour Supply Charges	-	14,42,838
Legal and Professional Charges	98,30,590	75,97,850-
Lodging and Boarding Expenses	-	6,23,642
Office Expenses	10,45,725	13,00,401
Printing & Stationery Expenses	1,56,876	2,53,283
Provident Fund & Professional Tax	62,025	1,423
Rates & Taxes	28,450	64,750
Rent	1725,851	10,51,400
ROC Filling and Other Registration	7,35,114	1,61,861
Survey Charges	3,87,070	1,23,999
Telephone Expenses	32,650	1,16,027
Tender Cost	39,940	33,380
Travelling & Transportation Expenses	13,05,866	16,64,597
<b>Total</b>	<b>2,17,75,222</b>	<b>2,02,38,293</b>

**NOTE : U  
EARNING PER SHARE**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Net profit after tax (Rs.)	6,88,17,183	4,53,54,651
Weighted average number of equity Shares outstanding During the Year	76,12,438	75,00,000
Basic earnings per share (Rs)	9.04	6.05
Diluted earnings per share (Rs)	9.04	6.05

**Notes:-**

1. EPS for the previous year ended 31st March, 2020 is adjusted EPS as per Accounting Standard 20 and Section 133 of Companies Act, 2013. It has been adjusted by taking effect of 50,00,000 bonus shares issued on 17th October, 2020.

**NOTE: V  
ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**

**8. Statement of Contingent Liabilities**

<b>Particulars</b>	<b>Year Ended 31.03.2021</b>	<b>Year Ended 31.03.2020</b>
Bank Guarantees	1,86,25,276	1,38,86,000

Other Commitments (Corporate Guarantees)	2,70,00,000	2,30,86,000
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As on 31<sup>st</sup> March, 2021, the company has outstanding Bank Guarantees of Rs. 2,89,47,156/- but Guarantees worth Rs. 1,03,21,880/- are against 100% Fixed Deposits. Hence, not considered as Contingent Liabilities.

## 9. Related Party Disclosure

### (c) Names of related parties and description of relationship:

- Holding Company Nil
- Subsidiary Indian Port Dredging Private Limited  
Knowledge Infra Ports Private Limited
- Associates KMEW Offshore Private Limited
- Key Management Personnel **Board of Director**
  - d) Saurabh Daswani – Managing Director
  - e) Kanak Kewalramani – Whole time Director & CFO
  - f) Mukesh Daswani – Non Executive Director
- Independent Director **Directors**
  - c) Sandip Satishbhai Zaveri
  - d) Ashish Mohandas**KMP**
  - d) Sujay Mohanlal Kewalramani – Chief Executive Director (CEO)
  - e) Dinesh Kewalramani, Chief Operating Officer (COO)
  - f) Sonali Gor, Company Secretary Cum Compliance Officer
- Relative of Key Management Personal
  - g) S P Infra
  - h) Harekrishna Shipping Agency
  - i) M G Contractors
  - j) Kaya Marine Services
  - k) S K Contractor
  - l) Sujay M. Kewalramani
- Other Related party
  - d) Dinesh Kewalramani
  - e) D K Contractors
  - f) Kamal Marine & Engineering Works Private Limited

### (b) Transaction carried out in Holding with related parties in the ordinary course of business is as follows:

(Amount in Rs)

S. No.	Name of Related Party	Relation	Nature of Payment	Opening Value	Transaction Value	Amount as on 31.03.2021
1	Pinkesh Kewalramani	Member/Relative	Salary		14,29,200	-

2	Pinkesh Kewalramani	Member/Relative	Loan Repaid	11,83,500	(11,83,500)	-
3	Saurabh Daswani	Director	Loan Taken	38,30,744	(3830744)	-
4	Saurabh Daswani	Director	Directors Remuneration		38,89,200	-
5	Harekrishna – Shipping Agency	Director being Proprietor	Service Charges	3,35,000	46,66,796	-
6	Harekrishna Shipping Agency	Director being Proprietor	Repairs and Maintenance		54,00,000	-
7	Harekrishna Shipping Agency	Director being Proprietor	Material Consumed		40,806	-
8	Dinesh Kewalramani	Interest in Voting Power	Salary	2,00,000	23,86,200	-
9	Dinesh Kewalramani	Interest in Voting Power	Loan Repaid	43,45,679	(43,45,679)	-
10	D K Contractor	Other Related Party	Crew – Staff Welfare	12,42,650	13,12,000	-
11	Sujay Kewalramani	Relative of Director	Professional Fees	-	22,68,000	-
12	Sujay Kewalramani	Relative of Director	Salary	-	8,04,000	-
13	Indian port Dredging Private Limited	Subsidiary	Charter & Hire Income – Revenue	20,18,295	3,69,23,500	-
14	Knowledge Infra Ports Private Limited	Subsidiary	Deduction from KOPT		2,74,13,030	-
15	Knowledge Infra Ports Private Limited	Subsidiary	Charter & Hire Income – Revenue	42,43,685	16,56,15,882	28,75,118
16	KMEW Offshore Private Limited	Associate	Management Services – Revenue	35,18,260	71,80,000	8,21,394

17	KMEW Offshore Private Limited	Associate	Crew Wages Income		9,37,588	-
18	Kanak Sujay Kewalramani	Director	Salary		38,89,200	2,64,877
19	Kamal Marine & Engineering Works Private Limited	Other Related Party	Repairs and Material Purchased – Expense	12,79,591	10,00,000	-
20	Kamal Marine & Engineering Works Private Limited	Other Related Party	Construction of Capital Assets		2,84,76,190	7,64,075
21	Kanak Sujay Kewalramani	Director	Loan	3,28,22,282	(3,23,56,799)	4,65,484

**(c) Transaction carried out in Subsidiary with related parties in the ordinary course of business is as follows:**

**KNOWLEDGE INFTRA PORTS PRIVATE LIMITED**

(Amount in Rs)

S. No.	Name of Related Party	Relation	Nature of Payment	Opening Balance	Transaction	Closing Balance
1	Harekrishna Shipping Agency	Relative of Director	Sale of Fuel	3,93,360	(3,93,360)	-
2	Kanak Sujay Kewalramani	Director	Loan	3,01,680	(3,01,680)	-
3	Vishal Ratanchand Jain	Additional Director	Loan	81,13,962	(81,13,962)	-
4	Pinkesh Pritam Kewalramani	Relative of Director	Salary	11,04,025	(11,04,025)	-

**INDIAN PORTS DREDGING PRIVATE LIMITED**

S. No.	Name of Related Party	Relation	Nature of Payment	Amount 31.03.2021	Amount 31.03.2020
1	Knowledge Marine & Engineering Works Limited	Holding Company	Company have entered into agreement of Hiring – Advance Trade Payable	-	-20,18,296
2	Kanak Sujay Kewalramani	Director	Loan	-	3,94,500

3	Knowledge Marine & Engineering Works Limited	Holding Company	Hire Charges (Expense)	3,69,23,500	4,27,01,904
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#### **KMEW OFFSHORE PRIVATE LIMITED**

<b>S. No.</b>	<b>Name of Related Party</b>	<b>Relation</b>	<b>Nature of Payment</b>	<b>Amount 31.03.2021</b>	<b>Amount 31.03.2020</b>
1	Knowledge Marine & Engineering Works Ltd.	Associate Company	Contract	81,17,588	1,26,00,000
2	Kanak Sujay Kewalramani	Director	Loan Taken	35,14,000	48,32,896
3	Kanak Sujay Kewalramani	Director	Loan Repaid	41,83,000	-

#### **10. Disclosure relating to Employee Benefits**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

##### **E) Assumptions**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	0	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

##### **F) Amount to be recognized in the Balance Sheet**

<b>Particulars</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
Present value of the obligation at the end of the period	4,93,943	80,104
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	4,93,943	80,104
Funded Status - Surplus/ (Deficit)	(4,93,943)	(80,104)

##### **G) Expenses recognized in the statement of Profit & Loss account**

<b>Particulars</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
--------------------	-------------------------	-------------------------

Interest cost	5,607	2,838
Current service cost	2,14,373	55,582
Past Service Cost	0	0
Expected return on plan asset	(0)	(0)
Net actuarial (gain)/loss recognized in the period	1,93,859	(18,856)
Expenses to be recognized in P&L	4,13,839	39,564

#### H) Changes in Present Value of Obligation

Particulars	As at 31-03-2021	As at 31-03-2020
Present value of the obligation at the beginning of the period	80,104	40,540
Interest cost	5,607	2,838
Current service cost	2,14,373	55,582
Past Service Cost	0	0
Benefits paid (if any)	0	0
Actuarial (gain)/loss	1,93,859	(18,856)
Present value of the obligation at the end of the period	4,93,943	80,104

#### Changes in defined benefit obligations:-

Particulars	As at 31-03-2021	As at 31-03-2020
Opening gross defined benefit liability/ (asset)	80,104	40,540
Expenses to be recognized in P&L	4,13,839	39,564
Benefits paid (if any)	0	0
Closing gross defined benefit liability/ (asset)	4,93,943	80,104

#### 11. Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

#### 12. Provisions (AS 29 Disclosure)

(Amount in Rs)

S. No.	Particular	Amount	Amount
		31.03.2021	31.03.2020
1	Audit Fee	7,42,000	4,41,500



2	Tax Payable	1,80,22,259	96,20,817
3	Corporate Dividend	Nil	Nil

### 13. COVID – 19 Assessment

The COVID – 19 pandemic is rapidly spreading throughout the world. The operations of the Company were not impacted, as the site was in operation during the period of Nationwide Lock-down by the Government of India and regular business was in process. As the operations/services of the Company falls under essential services during the period of pandemic, there is no significant impact on its financial statements as at 31<sup>st</sup> March, 2021. However, the impact assessment of COVID – 19 is a continuing process given the uncertainties associates with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

During the year ended 31<sup>st</sup> March, 2021 the revised Schedule VI notified under the Companies Act, 2013, is applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Signed for Identification Notes 1-19.

As per our report of even date  
In terms of our report attached

For and on behalf of the board of  
**Knowledge Marine & Engineering Works Ltd**

**For R.V. Luharuka & Co LLP**  
(Chartered Accountants)  
FRN:105662W/W100174

**Saurabh Daswani**  
Managing Director)  
DIN: 07297445

**Kanak Kewalramani**  
(Whole Time Director & CFO)  
DIN: 06678703

**C A Ramesh Luharuka**  
(Partner)  
M. No. 031765

**Sonali Gor**  
(Company Secretary Cum Compliance Officer)  
Mem No. 51560

Place: **Mumbai**; Date: **28<sup>th</sup> June, 2021**



*Where Business is a passion*

**Knowledge Marine & Engineering Works Limited**  
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