UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from _________ to _________

Commission file number: 000-54030

NATURALSHRIMP INCORPORATED
(Exact name of registrant as specified in its charter)

Nevada	**74-3262176**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
13601 Preston Road, Suite E1092, Dallas, TX 75240	**75240**
(Address of Principal Executive Offices)	(Zip Code)

(888) 791-9474
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐No ☒

As of February 14, 2024, there were1,044,421,186 shares of the registrant's common stock outstanding.

NATURALSHRIMP INCORPORATED
FORM 10-Q
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATURALSHRIMP INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2023 (unaudited)	March 31, 2023
ASSETS		
Current assets		
Cash	$ 36,315	$ 216,465
Accounts receivable	16,321	17,325
Inventory	38,669	25,725
Prepaid expenses	242,632	286,593
Deferred offering costs	-	1,336,263
Total current assets	333,937	1,882,371
Fixed assets, net	13,763,637	15,043,715
Other assets		
Construction-in-process	25,130	25,130
Patents, net	5,976,000	6,268,500
License Agreement, net	8,332,376	9,142,376
Right of Use asset	9,394	204,243
Deposits	20,633	20,633
Total other assets	14,363,533	15,660,882
Total assets	$ 28,461,107	$ 32,586,968
LIABILITIES, MEZZANINE AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 3,679,009	$ 3,510,206
Accrued interest	96,390	923,387
Accrued interest - related parties	244,843	219,542
Other accrued expenses	1,295,246	1,314,961
Accrued expenses - related parties	924,204	400,306
Contract liability	25,000	-
Short-term Note and Lines of credit	19,817	19,817
Notes payable	663,704	671,100
Restructured August note payable	2,410,000	2,400,000
Notes payable - related parties	880,412	740,412
Dividends payable	479,304	579,248
Warrant liability	17,950	355,000

Lease Liability, current	3,804	87,804
Total current liabilities	10,739,683	11,221,783
Restructured Senior note payable	24,700,000	21,290,000
Note payable, less current maturities	-	23,604
Lease Liability, non-current	5,590	125,189
Total liabilities	35,445,273	32,660,576
Commitments and contingencies (Note 11)		
Series E Redeemable Convertible Preferred stock, $0.0001 par value, 10,000 shares authorized, 1,656 and 1,670 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively	1,968,600	2,003,557
Series F Redeemable Convertible Preferred stock, $0.0001 par value, 750,000 shares authorized, 750,000 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively	43,612,000	43,612,000
Series G Redeemable Convertible Preferred stock, $0.0001 par value, 10,000 shares authorized, 145 and 0 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively	100,000	-
Stockholders' deficit		
Series A Convertible Preferred stock, $0.0001 par value, 5,000,000 shares authorized, 5,000,000 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively	500	500
Common stock, $0.0001 par value, 1,400,000,000 shares authorized, 994,965,427 and 803,123,748 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively	99,560	80,377
Additional paid in capital	125,327,383	121,156,733
Stock to be issued	390,024	662,767
Subscription receivable	(56,250)	(56,250)
Accumulated deficit	(178,425,983)	(167,533,292)
Total stockholders' deficit	(52,664,766)	(45,689,165)
Total liabilities, mezzanine and stockholders' deficit	$ 28,461,107	$ 32,586,968

The accompanying footnotes are an integral part of these condensed consolidated financial statements.

NATURALSHRIMP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Sales	$ 101,302	$ 97,943	$ 365,184	$ 186,004
Cost of sales	23,353	-	124,094	-
Net revenue	77,949	97,943	241,090	186,004
Operating expenses:				
General and administrative	1,473,637	1,481,195	5,175,980	4,256,819
Research and development	-	14,212	-	190,855
Facility operations	77,103	875,194	592,878	1,895,357
Depreciation	433,053	416,377	1,304,732	1,349,838
Amortization	367,500	367,500	1,102,500	1,102,500
Total operating expenses	2,351,293	3,154,478	8,176,090	8,795,369
Net loss from operations	(2,273,344)	(3,056,535)	(7,935,000)	(8,609,365)
Other income (expense):				
Interest expense	(18,033)	(593,331)	(59,444)	(1,674,994)
Interest expense - related parties	(9,750)	(6,250)	(25,301)	(9,772)
Amortization of debt discount	-	(843,494)	-	(5,019,883)
Change in fair value of derivative liability	-	17,738,000	-	811,000
Change in fair value of warrant liability	67,050	1,155,000	337,050	3,031,000
Change in fair value of restructured notes	(3,180,000)	(1,594,515)	(2,512,366)	(1,594,515)
Loss due to fire	-	(6,262)	-	(869,379)
Gain on extinguishment of debt	-	2,383,088	-	2,383,088
Extension fee	(10,000)	-	(190,000)	-
Gain on termination of lease	22,013	-	22,013	-
Gain on sale of machinery and equipment	-	-	16,014	-
Total other income (expense), net	(3,128,720)	18,232,236	(2,412,034)	(2,943,455)

Income (loss) before income taxes	(5,402,064)	15,175,701	(10,347,034)	(11,552,820)
Provision for income taxes	-	-	-	-
Net income (loss)	(5,402,064)	15,175,701	(10,347,034)	(11,552,820)
Amortization of beneficial conversion feature on Preferred shares -		(28,048)	-	(212,048)
Accretion on Preferred shares	(9,300)	(198,333)	(9,300)	(755,333)
Dividends	(59,616)	(60,107)	(464,441)	(481,761)
Net income(loss) available for common stockholders	$ (5,470,980)	$ 14,889,213	$ (10,820,775)	$ (13,001,961)
Income(Loss) per share (Basic)	$ (0.01)	$ 0.02	$ (0.01)	$ (0.02)
Income(Loss) per share (Diluted)	$ (0.01)	$ 0.01	$ (0.01)	$ (0.02)
WEIGHTED AVERAGE SHARES OUTSTANDING (Basic)	938,229,589	697,586,776	885,304,007	682,750,957
WEIGHTED AVERAGE SHARES OUTSTANDING (Diluted)	938,229,589	1,629,304,739	885,304,007	682,750,957

The accompanying footnotes are an integral part of these condensed consolidated financial statements.

NATURALSHRIMP INCORPORATED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(Unaudited)

	Series A Preferred stock		Common stock		Additional paid in	Stock to be	Subscription	Accumulated	Total stockholders'
	Shares	Amount	Shares	Amount	Capital	issued	receivable	deficit	deficit
Balance March 31, 2023	5,000,000	$ 500	803,123,748	$ 80,377	$ 121,156,733	$ 662,767	$ (56,250)	$ (167,533,292)	(45,689,165)
Common stock issued for legal settlement to NSH shareholders	-	-	863,110	86	272,657	(272,743)	-	-	-
Issuance of common shares under financing agreement	-	-	40,187,311	4,019	1,294,493	-	-	-	1,298,512
Conversion of Series E Preferred Shares to common stock	-	-	23,989,570	2,399	825,601	-	-	(350,825)	477,175
Dividends payable on Series E Preferred Shares	-	-	-	-	-	-	-	(54,000)	(54,000)
Common stock issued to consultants	-	-	100,000	10	4,690	-	-	-	4,700
Net loss	-	-	-	-	-	-	-	(2,298,431)	(2,298,431)
Balance June 30, 2023	5,000,000	$ 500	868,263,739	$ 86,891	$ 123,554,174	$ 390,024	$ (56,250)	$ (170,236,548)	(46,261,209)
Issuance of common shares under financing agreement	-	-	31,808,246	3,181	563,089	-	(109,911)	-	456,359
Dividends payable on Series E Preferred Shares	-	-	-	-	-	-	-	(59,616)	(59,616)
Accretion on Series E Preferred shares	-	-	-	-	-	-	-	(9,300)	(9,300)
Net loss	-	-	-	-	-	-	-	(2,646,539)	(2,646,539)
Balance September 30, 2023	5,000,000	$ 500	900,071,985	$ 90,072	$ 124,117,263	$ 390,024	$ (166,161)	$ (172,952,003)	(48,520,305)
Issuance of common shares under financing agreement	-	-	44,843,442	4,483	454,025	-	109,911	-	568,419
Shares issued upon exchange of Partitioned Note	-	-	10,000,000	1,000	159,000	-	-	-	160,000
Common stock issued to employee	-	-	50,000	5	1,095	-	-	-	1,100
Common stock issued to consultants	-	-	40,000,000	4,000	596,000	-	-	-	600,000

Dividends payable on Series E Preferred Shares	-	-	-	-	-	-	-	(59,616)	(59,616)
Accretion on Series E Preferred shares	-	-	-	-	-	-	-	(9,300)	(9,300)
Accretion on Series G Preferred shares								(3,000)	(3,000)
Net loss	-	-	-	-	-	-	-	(5,402,064)	(5,402,064)
Balance December 31, 2023	5,000,000	$ 500	994,965,427	$ 99,560	$ 125,327,383	$ 390,024	$ (56,250)	$ (178,425,983)	(52,664,766)
Balance March 31, 2022	5,000,000	$ 500	674,644,124	$ 67,500	$ 96,701,607	$ 20,132,650	$ -	$ (150,036,023)	$ (33,133,765)
Common stock issued for legal settlement to NSH shareholders	-	-	61,154,136	6,112	19,311,486	(19,317,598)	-	-	-
Conversion of Series E PS to common stock	-	-	4,537,240	454	839,546	-	-	-	840,000
Contingent beneficial conversion feature related to the Series E Preferred Shares, fully amortized	-	-	-	-	99,000	-	-	(99,000)	-
Amortization of beneficial conversion feature related to Series E Preferred Shares	-	-	-	-	-	-	-	(42,500)	(42,500)
Accretion of Series E Preferred Shares	-	-	-	-	-	-	-	(278,500)	(278,500)
Dividends payable on Preferred Shares	-	-	-	-	-	-	-	(102,227)	(102,227)
Common stock issued in business agreement, to be paid from revenue earned	-	-	250,000	25	56,225	-	(56,250)	-	-
Common stock vested to consultants	-	-	-	6	24,369	-	-	-	24,375
Net loss	-	-	-	-	-	-	-	(2,200,176)	(2,200,176)
Balance June 30, 2022	5,000,000	$ 500	740,585,500	$ 74,097	$ 117,032,233	$ 815,052	$ (56,250)	$ (152,758,426)	(34,892,793)
Common stock issued for legal settlement to NSH shareholders	-	-	404,067	40	127,646	(127,686)	-	-	-
Conversion of Series E Preferred Shares to common stock	-	-	9,920,887	992	827,008	-	-	(108,000)	720,000
Increase of 10% in Series E Preferred Shares to one holder based on certain rights	-	-	-	-	-	-	-	(156,000)	(156,000)
Amortization of beneficial conversion feature related to Series E Preferred Shares	-	-	-	-	-	-	-	(42,500)	(42,500)
Accretion of Series E Preferred Shares	-	-	-	-	-	-	-	(278,500)	(278,500)
Dividends payable on Preferred Shares	-	-	-	-	-	-	-	(55,427)	(55,427)
Common stock issued in business agreement	-	-	250,000	25	25,975	-	-	-	26,000
Common stock issued from shares payable	-	-	100,000	10	24,590	(24,600)	-	-	-
Common stock vested to consultants	-	-	62,500	6	24,369	-	-	-	24,375
Net loss	-	-	-	-	-	-	-	(24,528,345)	(24,528,345)
Balance September 30, 2022	5,000,000	$ 500	751,322,954	$ 75,170	$ 118,061,820	$ 662,767	$ (56,250)	$ (177,927,198)	(59,183,191)
Issuance of common shares under financing agreement			17,175,675	1,718	1,378,282				1,380,000
Amortization of beneficial conversion feature related to Series E Preferred Shares	-	-	-	-	-	-	-	(28,048)	(28,048)
Accretion of Series E Preferred Shares	-	-	-	-	-	-	-	(198,333)	(198,333)
Dividends payable on Preferred Shares	-	-	-	-	-	-	-	(60,107)	(60,107)
Common stock vested to consultants	-	-	62,500	6	24,369	-	-	-	24,375
Net income	-	-	-	-	-	-	-	15,175,701	15,175,701

Balance December 31, 2022	5,000,000	$	500	768,561,129	$	76,894	$ 119,464,471	$	662,767	$	(56,250)	$ (163,037,985)	(42,889,603)

The accompanying footnotes are an integral part of these condensed consolidated financial statements.

NATURALSHRIMP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended	
	December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (10,347,034)	$ (11,552,820)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	1,304,732	1,349,838
Amortization expense	1,102,500	1,102,500
Amortization of debt discount	-	5,019,883
Change in fair value of derivative liability	-	(811,000)
Change in fair value of warrant liability	(337,050)	(3,031,000)
Change in fair value of restructured notes payable	2,512,366	1,594,515
Extension fee	125,000	-
Financing costs	28,000	-
Gain on extinguishment of debt	-	(1,883,089)
Gain on sale of machinery and equipment	(16,014)	-
Shares issued for services	605,800	99,124
Amortization of operating lease right-of-use assets	194,849	-
Gain on termination of lease	(22,013)	-
Loss due to fire	-	869,379
Changes in operating assets and liabilities:		
Accounts receivable	1,004	6,883
Inventory	(12,944)	(32,759)
Prepaid expenses and other current assets	43,961	1,021,406
Deferred offering costs	1,336,263	(126,963)
Accounts payable	169,244	724,360
Other accrued expenses	(19,715)	92,560
Accrued expenses - related parties	523,898	-
Accrued interest	80,637	1,662,647
Accrued interest - related parties	25,301	9,772
Contract liability	25,000	-
Operating lease liabilities	(181,586)	-
Cash used in operating activities	(2,857,801)	(3,884,764)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for fixed assets	(67,640)	(2,430,186)
Cash received for sale of machinery and equipment	59,000	700,000
Cash used in investing activities	(8,640)	(1,730,186)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of notes payable	(24,000)	(72,000)
Repayment of short-term promissory note and lines of credit	-	(226)
Proceeds from sale of stock	2,323,291	1,380,000
Proceeds from promissory note	-	1,465,000
Proceeds from promissory note, related parties	140,000	250,000
Proceeds from convertible debentures, receipt from escrow	-	1,500,000
Escrow account in relation to the proceeds from promissory notes	-	(500,000)
Proceeds from sale of Series E Preferred Shares	150,000	-
Proceeds from sale of Series G Preferred Shares	97,000	-
Cash provided by financing activities	2,686,291	4,022,774
NET CHANGE IN CASH	(180,150)	(1,592,176)
CASH AT BEGINNING OF PERIOD	216,465	1,734,040
CASH AT END OF PERIOD	$ 36,315	$ 141,864
INTEREST PAID	$ 616	$ 1,829,570
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Construction in process transferred to fixed assets	$ -	$ 1,041,371

Shares issued upon conversion of Preferred stock	$ 828,000	1,560,000
Dividends on Series E Preferred stock	$ 524,057	$ -
Dividends in kind issued	$ 516,000	$ -
Shares issued/to be issued, for legal settlement	$ 272,743	$ -

The accompanying footnotes are an integral part of these condensed consolidated financial statements.

NATURALSHRIMP INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023
(Unaudited)

NOTE 1 – NATURE OF THE ORGANIZATION AND BUSINESS

Nature of the Business

NaturalShrimp Incorporated (“NaturalShrimp” or the “Company”), a Nevada corporation, is a biotechnology company and has developed a proprietary technology that allows it to grow Pacific White shrimp (Litopenaeus vannamei, formerly Penaeus vannamei) in an ecologically controlled, high-density, low-cost environment, and in fully contained and independent production facilities. The Company’s system uses technology which allows it to produce a naturally-grown shrimp “crop” weekly and accomplishes this without the use of antibiotics or toxic chemicals. The Company has developed several proprietary technology assets, including a knowledge base that allows it to produce commercial quantities of shrimp in a closed system with a computer monitoring system that automates, monitors and maintains proper levels of oxygen, salinity and temperature for optimal shrimp production. The Company’s production facilities are located in La Coste, Texas and Webster City, Iowa.

The Company has three wholly-owned subsidiaries including NaturalShrimp USA Corporation (“NSC”) and NaturalShrimp Global, Inc. (“NS Global”) and Natural Aquatic Systems, Inc. (“NAS”), and owns 51% of NaturalShrimp/Hydrenesis LLC, a Texas limited liability company.

Going Concern

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the nine months ended December 31, 2023, the Company had a net loss available for common stockholders of approximately $10,821,000. As of December 31, 2023, the Company had an accumulated deficit of approximately $178,426,000 and a working capital deficit of approximately $10,406,000. These factors raise substantial doubt about the Company’s ability to continue as a going concern, within one year from the issuance date of this filing. The Company’s ability to continue as a going concern is dependent on its ability to raise the required additional capital or debt financing to meet short and long-term operating requirements. During the nine months ended December 31, 2023, the Company received net cash proceeds of approximately $2,323,000 from the sale of common shares (See Note 8), $150,000 from the sale of Series E Preferred stock, $97,000 from the sale of Series G Preferred stock and the Company received $140,000 proceeds from the issuance of promissory notes, related parties. Subsequent to period end, the Company received approximately $248,000 for the sale of common shares and $97,000 from the sale of Series G Preferred stock (See Note 12).

Management believes that private placements of equity capital will be needed to fund the Company’s long-term operating requirements. The Company may also encounter business endeavors that require significant cash commitments or unanticipated problems or expenses that could result in a requirement for additional cash. If the Company raises additional funds through the issuance of equity, the percentage ownership of its current shareholders could be reduced, and such securities might have rights, preferences or privileges senior to its common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective business endeavors or opportunities, which could significantly and materially restrict its operations. The Company continues to pursue external financing alternatives to improve its working capital position. If the Company is unable to obtain the necessary capital, the Company may be unable to develop its facilities and enter into production.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed financial information as of and for the three and nine months ended December 31, 2023 and 2022 has been prepared in accordance with GAAP for interim financial information and with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, such financial information includes all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of our condensed consolidated financial position at such date and the condensed consolidated operating results and cash flows for such periods. Operating results for the three and nine months ended December 31, 2023 are not necessarily indicative of the results that may be expected for the entire year or for any other subsequent interim period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the rules of the U.S. Securities and Exchange Commission (“SEC”). These condensed consolidated unaudited financial statements and related notes should be read in conjunction with our audited financial statements for the year ended March 31, 2023 included in the Company’s Annual Report on Form 10-K filed with the SEC on June 27, 2023.

The condensed consolidated balance sheet at March 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, NSC, NS Global, and NAS. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparing financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basic and Diluted Earnings/Loss per Common Share

Basic and diluted earnings or loss per share ("EPS") amounts in the unaudited condensed consolidated financial statements are computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 260 – 10 "*Earnings per Share*", which establishes the requirements for presenting EPS. Basic EPS is based on the weighted average number of shares of common stock outstanding. Diluted EPS is based on the weighted average number of shares of common stock outstanding and dilutive common stock equivalents. Basic EPS is computed by dividing net income or loss available to common stockholders (numerator) by the weighted average number of shares of common stock outstanding (denominator) during the period. As of the nine months ended December 31, 2023, the Company had 5,000,000 Series A Convertible Preferred Stock which would be converted at the holder's option into approximately 994,965,000 underlying common shares, 1,656 of Series E Redeemable Convertible Preferred shares whose approximately 5,678,000 underlying shares are convertible at the investors' option at a fixed conversion price of $0.35, 750,000 shares of Series F Preferred Stock which would be converted at the holders' option into approximately 238,792,000 underlying common shares, 145 of Series G Redeemable Convertible Preferred shares whose approximately 12,429,000 underlying shares are convertible at the investors' option at a conversion price based on the discounted market price of $0.014 and 18,573,116 warrants outstanding which were not included in the calculation of diluted EPS as their effect would be anti-dilutive. As of the nine months ended December 31, 2022, the Company had 5,000,000 shares of Series A Convertible Preferred Stock which would be converted at the holder's option into approximately 768,561,000 underlying common shares, 1,500 shares of Series E Redeemable Convertible Preferred shares whose approximately 5,143,000 underlying shares are convertible at the investors' option at a fixed conversion price of $0.35, and 170 shares of Series E Redeemable Convertible Preferred shares whose approximately 2,775,000 underlying shares are convertible at the investors' option at conversion price of 90% of the average of the two lowest market prices over the last 10 days, 750,000 shares of Series F Preferred Stock which would be converted at the holders' option into approximately 184,387,000 underlying common shares, and 18,573,116 warrants outstanding which were not included in the calculation of diluted EPS as their effect would be anti-dilutive.

Fair Value Measurements

ASC Topic 820, "*Fair Value Measurement"*, requires that certain financial instruments be recognized at their fair values at the balance sheet dates. However, other financial instruments, such as debt obligations, are not required to be recognized at their fair values, but GAAP provides an option to elect fair value accounting for these instruments. GAAP requires the disclosure of the fair values of all financial instruments, regardless of whether they are recognized at their fair values or carrying amounts. For financial instruments recognized at fair value, GAAP requires the disclosure of their fair values by type of instrument, along with other information, including changes in the fair values of certain financial instruments recognized in the operating results or within comprehensive income (loss) of the respective period. For financial instruments not recognized at fair value, the disclosure of their fair values is provided below under *"Financial Instruments."*

Nonfinancial assets, such as property, plant and equipment, and nonfinancial liabilities are recognized at their carrying amounts in the Company's balance sheets. GAAP does not permit nonfinancial assets and liabilities to be remeasured at their fair values. However, GAAP requires the remeasurement of such assets and liabilities to their fair values upon the occurrence of certain events, such as the impairment of property, plant and equipment. In addition, if such an event occurs, GAAP requires the disclosure of the fair value of the asset or liability along with other information, including the gain or loss recognized in operating results in the period the remeasurement occurred.

The Company did not have any Level 1 or Level 2 assets and liabilities at December 31, 2023 and March 31, 2023.

The warrant liabilities and fair value option on Restructured notes, are Level 3 fair value measurements.

The following is a summary of activity of Level 3 during the nine months ended December 31, 2023 and the year ended March 31, 2023:

Warrant liability

	December 31, 2023 (unaudited)	March 31, 2023
Warrant liability balance at beginning of period	$ 355,000	$ 3,923,000
Change in fair value	(337,050)	(3,568,000)
Balance at end of period	$ 17,950	$ 355,000

At December 31, 2023, the fair value of the warrant liability was estimated using a Black Sholes option pricing model with the following inputs: the price of the Company's common stock of $0.012; a risk-free interest rate ranging from 4.01% to 4.25%; and expected volatility of the Company's common stock ranging from 109.9% to 114.6% and the remaining terms of each warrant issuance.

At March 31, 2023, the fair value of the warrant liability was estimated using a Black Sholes model with the following weighted-average inputs: the price of the Company's common stock of $0.05; a risk-free interest rate of 3.81% and expected volatility of the Company's common stock ranging from 113.6% to 121.0% and the remaining terms of each warrant issuance.

Restructured August and Senior Notes Payable

	December 31, 2023	March 31, 2023
Restructured notes payable fair value at beginning of period	$ 23,690,000	$ -
Reclass of accrued interest	907,634	-
Fair value of restructured notes payable upon Restructuring Agreement	-	20,847,867
Change in fair value	2,512,366	2,842,133
Restructured notes payable fair value at end of period	$ 27,110,000	$ 23,690,000

On November 4, 2022, when the Company entered into a Restructuring Agreement for an Amended and Restated Secured Promissory Note for two of their outstanding debentures (Note 6 and Note 7), which were accounted for as debt extinguishment, the Company elected to recognize the new debt under the fair value option within ASC Topic 825, "*Financial Instruments*." The fair value for both periods is based on the maturity dates, the interest of 12%, the 15% exit fee, the 2% appreciation fee for an estimated period, and a 45% and 40% present value factor, respectively as of December 31, 2023 and March 31, 2023. In accordance with ASC 825, the Company chose to present the component for the accrued interest in the same line item on the accompanying condensed consolidated balance sheet with the fair value option, and as of April 1, 2023, reclassed the accrued interest to not be presented as a separate line item.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, receivables, payables, and debt and are accounted for under the provisions of ASC Topic 825. The carrying amount of these financial instruments, with the exception of discounted debt, as reflected in the unaudited condensed consolidated balance sheets approximates fair value.

Cash and Cash Equivalents

For the purpose of the unaudited condensed consolidated statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2023 and March 31, 2023.

Concentration of Credit Risk

The Company maintains cash balances at two financial institutions. Accounts at this institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of December 31, 2023 and March 31, 2023, the Company's cash balance exceeded FDIC coverage. The Company has not experienced any losses in such accounts and periodically evaluates the credit worthiness of the financial institutions and has determined the credit exposure to be negligible.

Fixed Assets

Equipment is carried at historical value or cost and is depreciated using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

Buildings	39 years
Machinery and Equipment	7 – 10 years
Vehicles	10 years
Furniture and Fixtures	3 – 10 years

Maintenance and repairs are charged to expense as incurred. At the time of retirement or other disposition of equipment, the cost and accumulated depreciation will be removed from the accounts and the resulting gain or loss, if any, will be reflected in operations.

Stock-Based Compensation

The Company accounts for stock-based compensation to employees and non-employees in accordance with ASC 718. "*Stock-based Compensation to Employees*" is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. The Company estimates the fair value of stock-based payments using the Black-Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances. Once the stock is issued the appropriate expense account is charged.

Intangible Assets

The Company has intangible assets, which were acquired in a patent acquisition, and license rights agreements. The Company's patents represent definite lived intangible assets and will be amortized over the twenty-year duration of the patent, unless at some point the useful life is determined to be less than the protected life of the patent. The Company's license rights will be amortized on a straight-line basis over the expected term of the agreements of ten years. For the three months ended December 31, 2023 and December 31, 2022, the amortization of the patents was $97,500 and $97,500 and in the amortization of the license rights was $270,000 and $270,000, respectively. For the nine months ended December 31, 2023 and December 31, 2022, the amortization of the patents was $292,500 and $292,500 and the amortization of the license rights was $810,000 and $810,000, respectively.

The Company periodically evaluates the remaining useful lives of its finite-lived intangible assets to determine whether events and circumstances warrant a revision to the remaining period of amortization. As of December 31, 2023, the Company believes the carrying value of the intangible assets are still recoverable, and there is no impairment to be recognized.

License agreements

On August 25, 2021, the Company, through its 100% owned subsidiary NAS, entered into an Equipment Rights Agreements with Hydrenesis-Delta Systems, LLC ("Hydrenesis-Delta") and a Technology Rights Agreement, in a sub-license agreement with Hydrenesis Aquaculture LLC ("Hydrenesis-Aqua").Both Rights agreements are for a 10-year term, which shall automatically renew for ten-year successive terms. The agreements accord the exclusive rights to purchase or distribute the technology, or buy or rent the equipment, which is the primary business and revenue stream generated from indoor aquaculture farming of any species in the territory, which will be named the NSI Technologies and Equipment ("NSI Technologies").

The terms of the Agreements set forth that NAS will pay Hydrenesis12.5% royalty fees. The royalties are calculated per all customer or sub-license revenue generated by NAS, NSI or any affiliate, from the sale or rental of either the Technologies or Hydrenesis Equipment, based on gross revenue less returns, rebates and sales taxes. There are sales milestones for exclusivity, whereby if NAS fails to achieve a sales milestone starting in Year 3, the exclusivity rights in both of the Rights agreements shall revert to non-exclusive rights. To maintain the exclusivity for the subsequent year, the Company may pay the amount of the royalty fees that would have been due if the Sales Milestones had been met in the current year.

Impairment of Long-lived Assets

The Company will periodically evaluate the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review and at least annually. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost to dispose.

Commitments and Contingencies

Certain conditions may exist as of the date the unaudited condensed consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's unaudited condensed consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, "Revenue from Contracts with Customers", as such, the Company records revenue when its customers obtain control of the promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company will sell primarily to food service distributors, as well as to wholesalers, retail establishments and seafood distributors. Additionally, the Company will sell or rent the NSI Technologies.

To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer by receipt of purchase orders and confirmations sent by the Company which includes a required line of credit approval process, (2) identify the performance obligations in the contract which includes shipment of goods to the customer FOB shipping point or destination, (3) determine the transaction price which initiates with the purchase order received from the customer and confirmation sent by the Company and will include discounts and allowances by customer if any, (4) allocate the transaction price to the performance obligations in the contract which is the shipment of the goods to the customer and transaction price determined in step 3 above and (5) recognize revenue when (or as) the entity satisfies a performance obligation which is when the Company transfers control of the goods to the customers by shipment or delivery of the products.

In the future, if the Company has customers with long-term contracts for multiple shipments of live shrimp, the Company will elect the right-to-invoice practical expedient and any variable consideration estimate will be excluded from the transaction price and the revenue will be recognized directly when the goods are delivered.

	Three months ended	
	December 31, 2023	**December 31, 2022**
Shrimp sales	$ 26,302	$ 97,943
Technology and equipment services	75,000	—
Total revenues	$ 101,302	$ 97,943

	Nine months ended	
	December 31, 2023	**December 31, 2022**
Shrimp sales	$ 115,184	$ 186,004
Technology and equipment services	250,000	—
Total revenues	$ 365,184	$ 186,004

On May 21, 2023, the Company entered into a six-month agreement with a company for the use of the NSI Technologies. Per the agreement, the customer is to pay a total of $300,000 comprised of an initial payment equal to $150,000 at execution of the contract and then $25,000 per month for the combined total of the Service Fee. As of December 31, 2023, the Company has received $250,000, comprised of the initial payment and $100,000 related to the monthly service fees which began September 1, 2023.

Recently Issued Accounting Standards

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, "*Segment Reporting (Topic* 280*) Improvements to Reportable Segment Disclosures"* which expands annual and interim disclosure requirements for reportable segments. The amendments require enhanced disclosure for certain segment items and required disclosure on how management uses reported measures to assess segment performance. The amendments do not change how segments are determined, aggregated, or how thresholds are applied to determine reportable segments. The updated standard is effective for annual periods beginning in fiscal 2025 and interim periods beginning in the first quarter of fiscal 2026. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU.

In December 2023, the FASB issued ASU No. 2023-09 "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* which requires two primary enhancements of 1) disaggregated information on a reporting entity's effective tax rate reconciliation, and 2) information on cash income taxes paid. Additionally, specific disclosures related to unrecognized tax benefits and indefinite reinvestment assertions were removed. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU.

In August 2020, the FASB issued Accounting Standards Update ("ASU") 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (1) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, "Debt: Debt with Conversion and Other Options", that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (2) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (3) revises the guidance in ASC 260 to require entities to calculate diluted earnings per share (EPS) for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted EPS when an instrument may be settled in cash or shares. For SEC filers, excluding smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. For all other entities, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Entities should adopt the guidance as of the beginning of the fiscal year of adoption and cannot adopt the guidance in an interim reporting period. The Company is currently evaluating the impact that ASU 2020-06 may have on its consolidated financial statements and related disclosures.

As of December 31, 2023, there were several new accounting pronouncements issued by the FASB. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

Management's Evaluation of Subsequent Events

The Company evaluates events that have occurred after the accompanying condensed consolidated balance sheet date of December 31, 2023, through the date which the unaudited condensed consolidated financial statements were issued. Based upon the review, other than described in Note 12 – Subsequent Events, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the unaudited condensed consolidated financial statements.

NOTE 3 – FIXED ASSETS

A summary of the fixed assets as of December 31, 2023 and March 31, 2023 is as follows:

	December 31, 2023	March 31, 2023
	(unaudited)	
Land	$ 324,293	$ 324,293
Buildings	5,528,758	5,495,150
Machinery and equipment	12,306,776	12,293,112
Autos and trucks	260,043	307,227
	18,419,870	18,419,782
Accumulated depreciation	(4,656,233)	(3,376,067)
Fixed assets, net	$ 13,763,637	$ 15,043,715

The unaudited condensed consolidated statements of operations reflect depreciation expense of approximately $433,000 and $416,000 and $1,305,000 and $1,350,000 for the three and nine months ended December 31, 2023 and 2022, respectively.

NOTE 4 – SHORT-TERM NOTE AND LINES OF CREDIT

The Company has a working capital line of credit with Capital One Bank for $50,000. The line of credit bears an interest rate of prime plus 25.9 basis points, which totaled 34.4% as of December 31, 2023. The line of credit is unsecured. The balance of the line of credit was $9,580 at both December 31, 2023 and March 31, 2023.

The Company also has a working capital line of credit with Chase Bank for $25,000. The line of credit bears an interest rate of prime plus 10 basis points, which totaled 18.5% as of December 31, 2023. The line of credit is secured by assets of the Company's subsidiaries. The balance of the line of credit is $10,237 at December 31, 2023 and March 31, 2023.

NOTE 5 –NOTES PAYABLE

January 2023 Note

On January 20, 2023, the Company entered into a secured promissory note ("January 2023 Note") with an investor (the "Investor"). The January 2023 Note is in the aggregate principal amount of $631,968. The Note has an interest rate of 10% per annum, with a maturity date nine months from the issuance date of the Note. The Note carried an original issue discount totaling $56,868, whereby the purchase price is $575,100. All payments made by the Company under the terms in the note, including upon repayment of this Note at maturity, shall be subject to an exit fee of 15% of the portion of the Outstanding Balance being paid. The cash was not transferred to the Company's bank account, but instead to the merger entity, Yotta Acquisition Corporation (Note 11), for a contribution to a required extension fee for the business combination. On November 17, 2023, the Company received an extension of the maturity date to June 30, 2024, for a $5,000 extension fee.

On November 8, 2023, the Company and the Investor entered into an Exchange Agreement on the January 2023 Note. In the Exchange Agreement the original note was partitioned into a $132,000 new promissory note, leaving the original January 2023 Note with an adjusted balance of $499,968. The partitioned note was exchanged for 10,000,000 shares of the Company's common stock. The shares of common stock issued had a fair value of $160,000 based on the market price of the shares of $0.016 on the execution date, resulting in an excess of $28,000 to be recognized as a financing expense.

April 2023 Promissory Note

On April 21, 2023, the Company entered into a $60,000 promissory note with Yotta Investment LLC ("Yotta Investment"), with no interest to accrue on the principal balance. The promissory note is to be settled on the date of closing of the business combination contemplated by the Merger Agreement with Yotta Acquisition Corporation, ("Merger Agreement"). Upon the occurrence of an event of default, including the termination of the Merger Agreement, the unpaid principal balance of this note, and all other sums payable with regard to this note, shall automatically and immediately become due and payable, in all cases without any action on the part of the Company. As discussed in Note 11, the Merger Agreement was terminated, and management believes the promissory note will be settled in the Breakup Fee.

May 2023 Promissory Note

On May 17, 2023, the Company entered into an additional $60,000 promissory note with Yotta Investment, with no interest to accrue on the principal balance. The promissory note is to be settled on the date of closing of the business combination contemplated by the Merger Agreement with Yotta Acquisition Corporation. Upon the occurrence of an event of default, including the termination of the Merger Agreement, the unpaid principal balance of this note, and all other sums payable with regard to this note, shall automatically and immediately become due and payable, in all cases without any action on the part of the Company. As discussed in Note 11, the Merger Agreement was terminated, and management believes the promissory note will be settled in the Breakup Fee.

Ms. Williams Promissory Note

On July 15, 2020, the Company issued a promissory note to Ms. Williams in the amount of $383,604 to settle the amounts that had been recognized per the separation agreement with the late Mr. Bill Williams dated August 15, 2019, for his portion of the related party notes and related accrued interest discussed above, and accrued compensation and allowances. The note bears interest at one percent per annum and calls for monthly payments of $8,000 until the balance is paid in full. The balance as of December 31, 2023 and March 31, 2023 was $95,604 and $119,604, respectively, with the balance as of December 31, 2023 and $96,000 for the year end March 31, 2023, classified in current liabilities, on the condensed consolidated balance sheets.

NOTE 6 – RESTRUCTURED AUGUST NOTE PAYABLE

The Company entered into a securities purchase agreement (the "SPA") with an investor (the "Investor") on August 17, 2022. Pursuant to the SPA, the Investor purchased a secured promissory note (the "Note") in the aggregate principal amount totaling approximately $5,433,333. The Note has an interest rate of 12% per annum, with a maturity date nine months from the issuancedate of the Note. The Note carried an original issue discount totaling $433,333 and a transaction expense amount of $10,000, both of which are included in the principal balance of the Note. On the closing date the Company received $1,100,000, with $3,900,000 put into escrow to be held until certain terms were to be met, which included $3,400,000 upon the completion of a successful uplist to NYSE or NASDAQ. The SPA includes a Security Agreement, whereby the note is secured by the collateral set forth in the agreement, covering all of the assets of the Company. All payments made by the Company under the terms in the note, including upon repayment of this Note at maturity, shall be subject to an exit fee of 15% of the portion of the outstanding balance being paid (the "Exit Fee"). As the Exit Fee is to be included in every settlement of the Note, an additional 15% of the principal balance, which totals $816,500, was recognized along with the principal balance, and offset by a contra account in a manner similar to a debt discount.

As soon as reasonably possible, the Company will cause the common stock to be listed for trading on either of (a) NYSE, or (b) NASDAQ (in either event, an "Uplist"). In the event the Company has not effectuated the Uplist by November 15, 2022, the then-current outstanding balance will be increased by 10%. Following the Uplist, while the Note is still outstanding, ten days after the Company may have a sale of any of its shares of common stock or preferred stock, there shall be a Mandatory Prepayment equal to the greater of $3,000,000 or thirty-three percent of the gross proceeds of the equity sale

In conjunction with the Merger Agreement, entered into on October 24, 2022, with Yotta Acquisition Corporation (Note 11), on November 4, 2022, the Company entered into a Restructuring Agreement for an Amended and Restated Secured Promissory Note (the "August Note"), through which the August Note was amended and restated in its entirety. The Restructured August Note decreased the principal to $1,748,667, less an OID of $138,667, and the amount in escrow was returned to the investor, The Restructuring Agreement included key modifications, in which i) the Uplist terms were removed, ii) in the event that the closing of the Merger does not occur on or before December 31, 2022, the then-current Outstanding Balance will be increased by 2% and shall increase by 2% every 30 days thereafter until the closing or termination of the Merger Agreement, and iii) the outstanding balance of the Convertible Note may be increased by 5% to 15% upon the occurrence of an event of default or failure to obtain the Lender's consent or notify the Lender for certain major equity related transactions ("Trigger Events"). The Merger had not yet closed, and therefore the 2% of the outstanding balance was increased as of June 30, 2023, in the amount of approximately $272,000. On July 20, 2023, the Company sent Yotta notice of the Company's termination of the Merger Agreement. (See Note 11) On November 20, 2023, the maturity date was extended to June 30, 2024.

The Restructured August Note was analyzed under ASC 470-50 as to if the change in terms qualified as a modification or an extinguishment of the note . The changes in terms were considered an extinguishment as the present value of the cash flows under the terms of the new debt instrument was evaluated to be a substantial change, as over 10% difference from the present value of the remaining cash flows under the terms of the original instrument. As such, with the removal of the original note and its debt discount and accrued interest as compared to the restructured note with a fair value of approximately $1,933,000, there was a loss in extinguishment of approximately $157,000. As a result of the extinguishment and at the Company's election of the fair value option under ASC 825, the August Note will be accounted for at fair value until they are settled. In accordance with ASC 815- 15-25-1(b) a hybrid instrument that is measured at fair value under ASC 825 fair value option each period with changes in fair value reported in earnings as they occur should not be evaluated for embedded derivatives. Therefore, the provisions in the August Note were not evaluated as to if they fell under the guidance of embedded derivatives and were required to be bifurcated. The August Note was revalued as of December 31, 2023 at approximately $2,410,000, with a change in fair value of approximately $10,000 recognized in the accompanying condensed consolidated Statement of Operations. The August Note was revalued as of March 31, 2023 at approximately $2,400,000, with a change in fair value of approximately $467,000. As of December 31, 2023, the accrued interest from the restructuring date, which is included in the fair value is approximately $342,000.

NOTE 7 – RESTRUCTURED SENIOR NOTE PAYABLE

December 15, 2021 Debenture

The Company entered into a securities purchase agreement (the "SPA") with an investor (the "Investor") on December 15, 2021. Pursuant to the SPA, the Investor purchased a secured promissory note (the "Note") in the aggregate principal amount totaling approximately $16,320,000 (the "Principal Amount"). The Note has an interest rate of 12% per annum, with a maturity date 24 months from the issuance date of the Note (the "Maturity Date").

Beginning on the date that is 6 months from the issuance date of the Note, the Investor had the right to redeem up to $1,000,000 of the outstanding balance per month. Payments could have been made by the Company, at the Company's option, (a) in cash, or (b) by paying the redemption amount in the form of shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"), per the following formula: the number of redemption shares equals the portion of the applicable redemption amount divided by the Redemption Repayment Price. The "Redemption Repayment Price" equaled 90% multiplied by the average of the two lowest volume weighted average price per share of the Common Stock during the ten (10) trading days immediately preceding the date that the Investor delivers notice electing to redeem a portion of the Note. The redemption amount shall include an Exit Fee, consisting of a premium of 15% of the portion of the outstanding balance being paid. As the Exit Fee is to be included in every settlement of the Note, an additional 15% of the principal balance, which totals $2,448,000, was recognized along with the principal balance, and offset by a contra account in a manner similar to a debt discount. In addition to the Investor's right of redemption, the Company has the option to prepay the Notes at any time prior to the Maturity Date by paying a premium of 15% plus the principal, interest, and fees owed as of the prepayment date.

On November 4, 2022, the Company entered into a Restructuring Agreement for an Amended and Restated Secured Promissory Note (the "Senior Note") with the December 2021 Investor through which the December 2021 Note was amended and restated in its entirety. These amendments were made in conjunction with the Merger Agreement, entered into on October 24, 2022, with Yotta Acquisition Corporation (Note 11), The main modification of the terms of the Senior Note was that the conversion feature was eliminated. Second, a Mandatory Payment was added whereby within 3 trading days of the closing upon the Merger an amount equal to the lesser of (A) one-third of the amount retained in the Trust Account at the Effective Time or (B) $10,000,000, in order to repay a portion of the outstanding balance of the Senior Note; after which the remaining balance of the Senior Note is to be repaid in equal monthly installments over a 12-month period beginning on a date after the Merger Agreement closing date ("Closing Date") or the termination of such agreement. All payments made shall be subject to an Exit Fee of 15% of the portion of the outstanding balance being paid. Additionally, if the Closing Date is after December 31, 2022, the outstanding balance of all indebtedness owed by the Company to December 2021 Investor will be increased automatically by 2% and will automatically increase by 2% every 30 days thereafter until the Closing, a termination, or substantially similar terms as approved by the Board of Directors of the Company. Additional key modifications include i) uplist terms in which the Company was to cause the common stock to be listed for trading on either of (a) NYSE, or (b) NASDAQ, were removed, ii) Maturity date was modified from December 15, 2023 to 12 months from the Closing or termination of the Merger Agreement, provided not to be later than September 30, 2024, and iii) the outstanding balance of the Senior Note may be increased by 5% to 15% upon the occurrence of an event of default or failure to obtain the Lender's consent or notify the Lender for certain major equity related transactions ("Trigger Events"). As of June 30, 2023, the Merger has not yet closed, and therefore the 2% of the outstanding balance was increased as of June 30, 2023, in the amount of approximately $2,675,000. On July 20, 2023, the Company sent Yotta notice of the Company's termination of the Merger Agreement (See Note 11). Based on the termination in July of 2023, the equal monthly payments were to begin on September 20, 2023. On November 20, 2023, the Investor issued a waiver to the Company on the equal monthly payments, which are not currently required to be paid.

The Note also contains certain negative covenants and Events of Default, which in addition to common events of default, include the Company fails to maintain the share reserve, the occurrence of a Fundamental Transaction without the Lenders written consent, the Company effectuates a reverse split of its common stock without 20 trading days written notice to Lender, fails to observe or perform or breaches any covenant, and, the Company or any of its subsidiaries, breaches any covenant or other term or condition contained in any Other Agreements in any material. Upon an Event of a Default, at its option and sole discretion, the Investor may consider the Note immediately due and payable. Upon such an Event of Default, the interest rate increases to 18% per annum and the outstanding balance of the Note increases from 5% to 15%, depending upon the specific Event of Default. As of December 31, 2023, the Company is in full compliance with the covenants and Events of Default.

The Restructured Senior Note was analyzed under ASC 470-50 as to if the change in terms qualified as a modification or an extinguishment of the note. The changes in terms were considered an extinguishment as the conversion feature has been eliminated and therefore the modified Senior Note is determined to be fundamentally different from the original convertible note. As such, with the removal of the original note and its debt discount and accrued interest as compared to the restructured note with a fair value of approximately $18,914,000, there was a gain in extinguishment of approximately $2,540,000. As of the restructuring date the derivative had a fair value of $12,290,000, based on assumptions used in a bi-nomial option pricing model, which resulted in a change in fair value of $17,738,000 as of the restructuring date, from its previous fair value of $30,028,000. The key valuation assumptions used consist, in part, of the price of the Company's common stock of $0.16 at issuance date; a risk-free interest rate of 3.73% and expected volatility of the Company's common stock, of 117.77%, and the strike price of $0.1017.

As a result of the extinguishment and at the Company's election of the fair value option under ASC 825, the Company will account for the Restructured Senior Note at fair value every period end until it is settled. In accordance with ASC 815- 15-25-1(b) a hybrid instrument that is measured at fair value under ASC 825 fair value option each period with changes in fair value reported in earnings as they occur should not be evaluated for embedded derivatives. Therefore, the Company did not evaluate the provisions in the Restructured Senior Note as to whether they fell under the guidance of embedded derivatives and were required to be bifurcated. The Restructured Senior Note was revalued as of December 31, 2023 at approximately $24,700,000, with a change in fair value of approximately $3,410,000 recognized in the Company's accompanying condensed consolidated Statement of Operations. The Senior Note was revalued as of March 31, 2023, at approximately $21,290,000, with a change in fair value of approximately $2,376,000 recognized in the accompanying condensed consolidated Statement of Operations. As of December 31, 2023, the accrued interest from the restructuring date, which is included in the fair value is approximately $4,937,000.

NOTE 8 – STOCKHOLDERS' EQUITY

Common Stock

On September 28, 2023, the Company increased their authorized common shares to1,400,000,000.

Preferred Stock

As of December 31, 2023 and March 31, 2023, the Company had200,000,000 shares of preferred stock authorized with a par value of $0.0001. Of this amount, 5,000,000 shares of Series A preferred stock are authorized and outstanding, 5,000 shares Series B preferred stock are authorized and no shares outstanding, 5,000 shares Series D preferred stock are authorized with no shares outstanding, 10,000 shares Series E preferred stock are authorized and 1,656 and 1,670 outstanding, respectively, 750,000 shares of Series F preferred stock are authorized with 750,000 outstanding, and 10,000 shares of Series G preferred stock are authorized with145 outstanding, respectively.

Series G Preferred Stock

On December 1, 2023, the Board authorized the issuance of10,000 preferred shares to be designated as Series G Preferred Stock ("Series G Preferred Stock"). The Series G Preferred Stock has a par value of $0.0001, a stated value of $1,200 and bear dividends at the rate of8% per annum, payable quarterly, to be paid in cash or in-kind, at the discretion of the Company. The Series G Preferred Stock will vote together with the common stock on an as-converted basis subject to the beneficial ownership limitations. The Series G Preferred Stock is required to be redeemed by the Company no later than one calendar year from the date of its issuance. The Series G Preferred Stock is also redeemable at the option of the Company at any time after the original issued date, upon 3 business days' notice, at a premium rate which is (a) 1.15 if all of the Series G Preferred Stock is redeemed within 90 calendar days from the issuance date thereof; (b) 1.2 if all of the Series G Preferred Stock is redeemed after 90 calendar days and within 120 calendar days from the issuance date thereof; (c) 1.25 if all of the Series G PS is redeemed after 120 calendar days and within 180 calendar days from the issuance date thereof. The Company shall be permitted to redeem the Series G Preferred Stock at any time in cash upon 3 business days prior notice to the Holder or the Holder may convert the Series G Preferred Stock within 3 business days period prior to redemption. The Holder shall have the right to either redeem for cash or convert the Series G Preferred Stock into common stock within 3 business days following the consummation of a qualified offering. The conversion price is based on the discounted market price which is the lower of: (i) A fixed price equaling the closing bid price for the common stock on the trading day preceding the execution of the SPA ; or (ii) 100% of the lowest volume weighted average price ("VWAP)" for the common stock during 10 trading days preceding the conversion request, subject to adjustment.

As the redemption feature is mandatorily redeemable within one year of the issuance date, with a substantive conversion option, the Series G Preferred Stock would not fall under liability classification but is to be classified as mezzanine equity.

Series G Preferred Equity Offering

On December 14, 2023, the Company entered into a Securities Purchase Agreement for the sale of110 shares of Series G Preferred Stock at a price of $1,000 per share of preferred stock, for a total of $110,000. The Purchaser also received an "Equity Incentive", which was an additional35 Series G Preferred Stock issued to the Purchaser at the initial closing and deemed to be earned at the time of its issuance. Following the initial closing, the Company and Purchaser shall mutually agree from time to time for the Company to sell and the Purchaser to purchase up to 400 shares of Series G Preferred Stock at a price of $1,000 per share in separate closings . The Series G Preferred Stock will earn a dividend of 8% per annum, for as long as the relevant Preferred Stock has not been redeemed or converted. Dividends are to be paid quarterly, and at the Company's discretion, in cash or Preferred Stock calculated at the purchase price. On December 19, 2023, the Company received an initial tranche of $110,000 under the SPA, less $13,000 for legal and commission fees. The $77,000 discount will be accreted up to the redemption price over the one-year period until redemption. As of December 31, 2023, the accretion for the Series G Preferred Stock was $3,000.

Series E Preferred Stock

On July 24, 2023, the Company entered into a Securities Purchase Agreement for the additional sale of156 shares of Series E Preferred Stock at a price of $1,000 per share of Preferred Stock, for a total of $156,000. The Series E Preferred Stock will earn a dividend of12% per annum, for as long as the relevant Preferred Stock has not been redeemed or converted. Dividends are to be paid quarterly, and at the Company's discretion, in cash or Preferred Stock calculated at the purchase price. As of December 31, 2023 the accretion for the Series E Preferred Stock was $9,300.

On May 1, 2023, one of the holders converted600 Series E Preferred Stock into 23,989,570 shares of common stock. The conversion represented their remaining Series E Preferred Stock outstanding as of that date, including the 10% increase, accrued dividends in kind of $516,000 and the 15% Exit Fee of $108,000.

GHS 2022 Purchase Agreement

On November 4, 2022, the Company entered into a purchase agreement (the "GHS Purchase Agreement") with GHS Investments LLC ("GHS"), an accredited investor, pursuant to which, the Company may require GHS to purchase a maximum of up to 64,000,000 shares of the Company's common stock ("GHS Purchase Shares") based on a total aggregate purchase price of up to $5,000,000 over a one-year term that ends on November 4, 2023. Notwithstanding the foregoing dollar limitations, the Company and GHS may, from time to time, mutually agree in writing to waive the aforementioned limitations for a relevant Purchase Notice, which waiver, shall not exceed the 4.99% beneficial ownership limitation contained in the GHS 2022 Purchase Agreement. The Company is to control the timing and amount of any sales of GHS Purchase Shares to GHS. The Company intends to use the net proceeds from this offering for working capital and general corporate purposes.

The "Purchase Price" means, with respect to a purchase made pursuant to the GHS Purchase Agreement, 90% of the lowest VWAP during the 10 consecutive business days immediately preceding, but not including, the applicable purchase date. The Company shall deliver a number of GHS Purchase Shares equal to 112.5% of the aggregate purchase amount for such GHS Purchase divided by the Purchase Price per share for such GHS Purchase.

If there are any default events, as set forth in the GHS Purchase Agreement, has occurred and is continuing, the Company shall not deliver to GHS any Purchase Notice.

Further, pursuant to the terms of the GHS Purchase Agreement, from November 4, 2022 until the date that is the later of (i) the closing of the transactions whereby Yotta Merger Sub, Inc. will merge with and into the Company, with the Company as the surviving company (the "Merger"); and (ii) the 12 month anniversary of the first delivery of GHS Purchase Shares, upon any issuance by the Company or any of its subsidiaries of Common Stock or Common Stock equivalents for cash consideration, indebtedness or a combination of units thereof (a "Subsequent Financing"), GHS shall have the right to participate in any financing, up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing. Following the Merger, the Participation Maximum shall be 50% of the Subsequent Financing.

In the three months ended June 30, 2023, the Company sold 11,981,706 shares of common stock at a net amount of approximately $376,000, at a share price of $0.03, of the GHS Purchase Agreement.

In the year ended March 31, 2023, the Company sold 52,018,294 shares of common stock at a net amount of approximately $3,076,000, at share prices ranging from $0.04 to $0.10.

$10,000,000 Common Stock Equity Financing

On April 28, 2023, the Company entered into an Equity Financing Agreement ("Equity Financing Agreement") and Registration Rights Agreement with GHS. Under the terms of the Equity Financing Agreement, GHS agreed to provide the Company with up to $10,000,000 upon effectiveness of a registration statement on Form S-1 (the "Registration Statement") filed with the SEC. The Registration Statement was filed on July 20, 2023 and the SEC declared it effective on August 14, 2023.

With the effectiveness of the Registration Statement, the Company now has the discretion to deliver puts to GHS and GHS will be obligated to purchase shares of the Company's common stock, par value $0.0001 per share (the "Common Stock") based on the investment amount specified in each put notice.The maximum amount that the Company shall be entitled to put to GHS in each put notice shall not exceed two hundred percent (200%) of the average daily trading dollar volume of the Company's Common Stock during the ten (10) trading days preceding the put, so long as such amount does not equal less than ten thousand dollars ($10,000) or greater than one million dollars ($1,000,000). Pursuant to the Equity Financing Agreement, GHS and its affiliates will not be permitted to purchase and the Company may not put shares of the Company's Common Stock to GHS that would result in GHS's beneficial ownership equaling more than 4.99% of the Company's outstanding Common Stock. The price of each put share shall be equal to eighty percent (80%) of the Market Price (as defined in the Equity Financing Agreement). Following an up-list to the NASDAQ or equivalent national exchange, the price of each put share shall be equal to ninety percent (90%) of the Market Price, subject to a floor price of $1.00 per share. Puts may be delivered by the Company to GHS until the earlier of twenty-four (24) months after the effectiveness of the Registration Statement or the date on which GHS has purchased an aggregate of $10,000,000 worth of Common Stock under the terms of the Equity Financing Agreement.

In the three months ended September 30, 2023, the Company sold 31,808,246 shares of common stock at a net amount of approximately $566,000, at share price of $0.02 related to the Equity Financing Agreement.

In the three months ended December 31, 2023, the Company sold 44,843,442 shares of common stock at a net amount of approximately $459,000, at share prices ranging from $0.01 to $0.02, in relation to the Equity Financing Agreement. Included in this amount, on October 31, 2023, the Company issued GHS 7,868,985 shares of common stock, for no purchase price, as consideration resulting from GHS receiving a phishing email informing them to wire a purchase price to an incorrect bank, resulting in the Company not receiving the wire and for which GHS resent a second wire to the Company's correct bank.

GHS 2023 Purchase Agreement

On May 9, 2023, the Company entered into a purchase agreement (the "GHS 2023 Purchase Agreement") with GHS pursuant which the Company may require GHS to purchase a maximum of up to 45,923,929 shares of the Company's common stock ("GHS 2023 Purchase Shares") based on a total aggregate purchase price of up to $5,000,000 over a one-year term that ends on May 9, 2024. The Company intends to use the net proceeds from this offering for working capital and general corporate purposes.

The GHS 2023 Purchase Agreement provides that, upon the terms and subject to the conditions and limitations set forth in the agreement, the Company has the right from time to time during the term of the agreement, in its sole discretion, to deliver to GHS a purchase notice (a "Purchase Notice") directing GHS to purchase (each, a "GHS Purchase") a specified number of GHS 2023 Purchase Shares. A GHS Purchase will be made in a minimum amount of $10,000 and up to a maximum of $1,500,000 and provided that, the purchase amount for any purchase will not exceed 200% of the average of the daily trading dollar volume of the Company's common stock during the 10 business days preceding the purchase date. Notwithstanding the foregoing dollar limitations, the Company and GHS may, from time to time, mutually agree (in writing) to waive the aforementioned limitations for a relevant Purchase Notice, which waiver, for the avoidance of doubt, shall not exceed the 4.99% beneficial ownership limitation contained in the GHS Purchase Agreement. The "Purchase Price" means, with respect to a purchase made pursuant to the GHS Purchase Agreement, 90% of the lowest VWAP (as defined in the GHS 2023 Purchase Agreement) during the Valuation Period (the ten (10) consecutive business days immediately preceding, but not including, the applicable purchase date). The Company shall deliver a number of GHS 2023 Purchase Shares equal to 112.5% of the aggregate purchase amount for such GHS Purchase divided by the Purchase Price per share for such GHS Purchase, against payment by GHS to the Company of the purchase amount with respect to such Purchase (less documented deposit and clearing fees, if any), as full payment for such GHS Purchase Shares via wire transfer of immediately available funds.

If there are any default events, as set forth in the GHS Purchase Agreement, has occurred and is continuing, the Company shall not deliver to GHS any Purchase Notice.

Further, pursuant to the terms of the GHS 2023 Purchase Agreement, from May 9, 2023 until the date that is the later of (i) the closing of the transactions whereby Yotta Merger Sub, Inc. will merge with and into the Company, with the Company as the surviving company (the "Merger"); and (ii) the 12 month anniversary of the initial closing pursuant to the Section 2(a) of GHS Purchase Agreement, upon any issuance by the Company or any of its subsidiaries of Common Stock or Common Stock equivalents for cash consideration, indebtedness or a combination of units thereof (a "Subsequent Financing"), GHS shall have the right to participate in any financing, up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing. Following the Merger, the Participation Maximum shall be 50% of the Subsequent Financing.

In the three months ended June 30, 2023, the Company sold 28,205,605 shares of common stock at a net amount of approximately $923,000, at share prices ranging from $0.03 to $0.04 related to the GHS 2023 Purchase Agreement.

Common Shares Issued to Employees

On October 10, 2023, a new employee was issued 50,000 shares of common stock as a signing bonus with a total fair value of $1,100, based on the market price of $0.02250 on the grant date.

Common Shares Issued to Consultant

On December 4, 2023, 40,000,000 shares of common stock were issued to a consultant under an Independent Consulting Agreement. The shares are a non-refundable retainer on behalf of their consulting services for one year of services. The shares had a fair value of $600,000, based on the market price of $0.015 on the grant date, recognized as consulting services in the nine months ended December 31, 2023.

On June 19, 2023, 100,000 shares of common stock were issued to a consultant. The shares had a fair value of $4,700, based on the market price of $0.047 on the grant date.

Options and Warrants

The Company has not granted any options since inception.

All of the warrants issued have been recognized as a liability, as of the issuance of the convertible debenture on December 15, 2021, based on the fact it as it is not known if there will be sufficient authorized shares to be issued upon settlement, based on the conversion terms of the existing convertible debt.

The 18,573,116 warrants outstanding as of December 31, 2023, were revalued as of period end for a fair value of $17,950, with a decrease in the fair value of $337,050 recognized on the accompanying condensed consolidated Statement of Operations. The fair value of the warrant liability was estimated using Black Scholes Model, with the following inputs: a risk-free interest rate ranging from 4.01% to 4.23%; and expected volatility of the Company's common stock ranging from 109.9% to 114.6% and the remaining terms of each warrant issuance.

The 18,573,116 warrants outstanding as of December 31, 2022 , were revalued as of period end for a fair value of $2,047,000, with a decrease in the fair value of $1,876,000 recognized on the accompanying condensed consolidated Statement of Operations. The fair value was estimated using Black Scholes Model, with the following inputs: the price of the Company's common stock of $0.15; a risk-free interest rate of 4.06% to 4.25%, the expected volatility of the Company's common stock ranging from 124.6% to 174.8%; the estimated remaining term, a dividend rate of 0%.

NOTE 9 – RELATED PARTY TRANSACTIONS

Bonus Compensation – Related Party

On May 11, 2021, the Company paid the Chief Financial Officer ("CFO") a bonus of $300,000. On August 10, 2021, the Board of Directors ratified the bonus payment to the CFO and awarded the President and the CTO compensation bonuses of $300,000 each. The bonuses to the President and CTO are to be distributed within the next twelve months from the award date, and are included in accrued expenses, related parties as of December 31, 2021. During the year ended March 31, 2022, $200,000 was paid each to the President and CTO, with a total of $200,000 remaining in accrued expenses, related parties, as of December 31, 2023 and March 31, 2023.

Promissory Note

On July 10 through July 17, 2023, the Company received $140,000 in proceeds from the issuance of three promissory notes with related parties. The notes bear interest at 10% and have maturity dates one year from the issuance date.

On August 10, 2022, the Company issued a loan agreement for $300,000, with related parties, which is to be considered priority debt of the Company. As of this filing, five of the related parties have entered into promissory notes under the loan agreement for $50,000 each, for a total of cash received of $250,000. The notes bear interest at a 10% per annum and are due in one year from the issuance date of the notes.

For the three and nine months ended December 31, 2023, the interest expense for the related party promissory notes was approximately $9,000 and $21,000, respectively. As of December 31, 2023 and March 31, 2023, the accrued interest related to the related party promissory notes was approximately $41,000 and $22,000, respectively.

NaturalShrimp Holdings, Inc.

On January 1, 2016 the Company entered into a notes payable agreement with NaturalShrimp Holdings, Inc.("NSH"), a shareholder. The note payable has no set monthly payment or maturity date with a stated interest rate of 2%. During the year ended March 31, 2022, the Company paid off $655,750 of the note payable. The outstanding balance is approximately $77,000 as of both December 31, 2023 and March 31, 2023. As of both December 31, 2023 and March 31, 2023, accrued interest payable was approximately $74,000.

Shareholder Notes

The Company has entered into several working capital notes payable to multiple shareholders of NSH and Bill Williams, a former officer and director, and a shareholder of the Company, for a total of $486,500. The notes are unsecured and bear interest at 8%. These notes had stock issued in lieu of interest and have no set monthly payment or maturity date. The balance of these notes was $356,404 as of both December 31, 2023 and March 31, 2023, and is classified as a current liability on the unaudited condensed consolidated balance sheets. As of December 31, 2023 and March 31, 2023, accrued interest payable was approximately $146,000.

Shareholders

Beginning in 2010, the Company started entering into several working capital notes payable with various shareholders of NSH for a total of $290,000 and bearing interest at 8%. The balance of these notes at December 31, 2023 and March 31, 2023 was $54,647 and is classified as a current liability on the unaudited condensed consolidated balance sheets.

NOTE 10 – LEASE

On May 26, 2021, the Company entered into a sublease for a new office space in Texas, on two floors. The lease commenced on August 1, 2021 for a monthly rent of $7,000, and will terminate on October 31, 2025, for one of the spaces, and commence in the second half of 2022 for monthly rent of $1,727, and terminate on October 31, 2025, for the second space. On June 2, 2021, the Company paid a deposit of $52,362 which shall be applied to the last six months of the sublease term, and $17,454 security deposit, which is included in Prepaid expenses on the accompanying condensed consolidated balance sheet. The Company assessed its new office lease as an operating lease.

At inception, on August 1, 2021, the ROU and lease liability was calculated as approximately $316,000, based on the net present value of the future lease payments over the term of the lease. When available, the Company uses the rate implicit in the lease discount payments as the incremental borrowing rate to calculate the net present value; however, the rate implicit in the lease is not readily determinable for their corporate office lease. In this case, the Company estimated its incremental borrowing rate of 5.75% as the interest rate it could have incurred to borrow an amount equal to the lease payments in a similar economic environment on a collateralized basis over a term similar to the lease term. The Company estimated its rate based on observable risk-free interest rate and credit spreads for commercial debt of a similar duration as to what rate would have been effective for the Company.

On December 31, 2023, the Company moved to a new office space in Texas, and the sublease in effect was terminated. At the termination of the original lease, the existing ROU of approximately $153,000 and lease liability of approximately $175,000 was removed, with a gain of approximately $22,000 recognized in the quarter ended

December 31, 2023, in the accompanying condensed consolidated Statement of Operations.

On December 20, 2023, the Company entered into a sublease for a new office space in Texas, with a commencement date of January 1, 2024, which will terminate on March 31, 2027. The monthly rates are $2,063 for April 1, 2024 through March 31, 2025, $2,192 for the second year of April 1, 2025 through March 31, 2026 and $2,320 for the final year. On December 19, 2023, the Company paid a $2,063 security deposit, which is included in Prepaid expenses on the accompanying condensed consolidated balance sheet. The Company assessed its new office lease as an operating lease.

At inception, as of January 1, 2024, the ROU and lease liability was calculated as approximately $61,000, based on the net present value of the future lease payments over the term of the lease. When available, the Company uses the rate implicit in the lease discount payments as the incremental borrowing rate to calculate the net present value; however, the rate implicit in the lease is not readily determinable for their corporate office lease. In this case, the Company estimated its incremental borrowing rate of 14.5% as the interest rate it could have incurred to borrow an amount equal to the lease payments in a similar economic environment on a collateralized basis over a term similar to the lease term. The Company estimated its rate based on observable risk-free interest rate and credit spreads for commercial debt of a similar duration as to what rate would have been effective for the Company.

On September 8, 2021, the Company entered into an equipment lease agreement for VOIP phone equipment. The lease term is for sixty months, with a monthly lease payment of approximately $300. The Company assessed the equipment lease as an operating lease. The Company determined the Right of Use asset and Lease liability values at inception as approximately $17,000 calculated at the present value of all future lease payments for the lease term, using an incremental borrowing rate of 5.75%.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Executive Employment Agreements –Gerald Easterling

On April 1, 2015, the Company entered into an employment agreement with Gerald Easterling at the time as the Company's President, effective as of April 1, 2015 (the "Employment Agreement").

The Employment Agreement is terminable at will and each provide for a base annual salary of $96,000. On May 4, 2021, the Company's Board of Directors approved a salary for Mr. Easterling of $180,000 per annum. In addition, the Employment Agreement provides that the employee is entitled, at the sole and absolute discretion of the Company's Board of Directors, to receive performance bonuses. Mr. Easterling will also be entitled to certain benefits including health insurance and monthly allowances for cell phone and automobile expenses.

The Employment Agreement provides that in the event the employee is terminated without cause or resigns for good reason (as defined in their Employment Agreement), the employee will receive, as severance the employee's base salary for a period of 60 months following the date of termination. In the event of a change of control of the Company, the employee may elect to terminate the Employment Agreement within 30 days thereafter and upon such termination would receive a lump sum payment equal to 500% of the employee's base salary.

The Employment Agreement contains certain restrictive covenants relating to non-competition, non-solicitation of customers and non-solicitation of employees for a period of one year following termination of the employee's Employment Agreement.

Merger Agreement

On October 24, 2022, the Company entered into a Merger Agreement (as it may be amended, supplemented, or otherwise modified from time to time, the "Merger Agreement"), by and among the Company, Yotta Acquisition Corporation, a Delaware corporation ("Yotta"), and Yotta Merger Sub, Inc., a Nevada corporation and a wholly owned subsidiary of Yotta ("Merger Sub"). The Merger Agreement and the transactions contemplated thereby (the "Transactions") were approved by the Board of Directors of each of the Company, Yotta, and Merger Sub.

The Merger Agreement provided, among other things, that Merger Sub will merge with and into the Company, with the Company as the surviving company (the "Surviving Company") in the merger and, after giving effect to such merger, the Company was to be a wholly-owned subsidiary of Yotta (the "Merger"). In addition, Yotta was to be renamed "NaturalShrimp, Incorporated" or such other name as shall be designated by the Company.

On July 20, 2023, the Company sent Yotta notice of the Company's termination of the Merger Agreement pursuant to Section 10.2(b) thereof based on breaches by Yotta of certain representations in the Merger Agreement that would render impossible the satisfaction of certain conditions to the Company's obligations to consummate the transactions contemplated by the Merger Agreement. In particular, Yotta will not be able to comply with the provision of its Amended and Restated Certificate of Incorporation that prohibits Yotta from consummating an initial business combination unless it has net tangible assets of at least $5,000,001 upon consummation of such initial business combination. This conflicts with Yotta's representation in the Merger Agreement that its consummation of the transactions contemplated by the Merger Agreement will not conflict with its organizational documents. The Company also cited delays in the SEC registration process that are attributable to Yotta, which breached its covenant pursuant to the Merger Agreement to use its reasonable best efforts to take all actions reasonably necessary or advisable to consummate the transactions contemplated by Merger Agreement as promptly as reasonably practicable. Per the Merger Agreement, if one of the parties validly terminates the Merger Agreement there will be a Breakup Fee of $3,000,000 to be paid to them by the other party. The Breakup Fee is not intended to be a penalty, but instead is liquidated damages to compensate the party which requests the termination, to not have any further liability with respect to the Merger Agreement. As of this filing date, Yotta has not responded to the Company's notice of termination and the Company has not sought payment of the Breakup Fee beyond the July 20th notice.

In the current nine months ending December 31, 2023, as a result of the termination of the Merger Agreement the related Deferred offering costs in current assets of $1,394,366 was expensed in professional fees.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to the period end, in January 2024, the Company sold 39,455,759 shares of common stock at a net amount of approximately $333,000, at share prices of $0.008 through $0.009, in relation to the Equity Financing Agreement.

On January 24, 2024, the Company received a tranche of $100,000 under the SPA for 100 Series G Preferred Stock with a stated value of $120,000, less $3,000 for legal and commission fees. The $23,000 discount will be accreted up to the redemption price over the one-year period until redemption.

On January 17, 2024, the Company and the Investor entered into an Exchange Agreement on the January 2023 Note. In the Exchange Agreement the remaining January 2023 Note was partitioned into a $99,450 new promissory note, leaving the original January 2023 Note with an adjusted balance of $400,518. The partitioned note was exchanged for 10,000,000 shares of the Company's common stock. The shares of common stock issued had a fair value of $110,000 based on the market price of the shares of $0.011 on the execution date, resulting in an excess of $10,550 to be recognized as a financing expense.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes a number of forward-looking statements that reflect management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. These statements include statements regarding the intent, belief or current expectations of us and members of our management team, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks set forth in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, as filed with the U.S. Securities and Exchange Commission (the "SEC") on June 27, 2023, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in our forward-looking statements. These risks and factors include, by way of example and without limitation:

- our ability on a timely basis to successfully rebuild our water treatment plant and replace our filtration equipment that was destroyed by fire on July 3, 2022 at our La Coste, Texas facility;
- our ability to continue developing and expanding our research and development plant in La Coste, Texas and our production facility in Webster City, Iowa;
- our ability to successfully commercialize our equipment and shrimp farming operations to produce a market-ready product in a timely manner and in enough quantity;
- absence of contracts with customers or suppliers;
- our ability to maintain and develop relationships with customers and suppliers;
- our ability to successfully integrate acquired businesses or new brands;
- the impact of competitive products and pricing;
- supply constraints or difficulties;

- the retention and availability of key personnel;
- general economic and business conditions;
- substantial doubt about our ability to continue as a going concern;
- our continued ability to raise funding at the pace and quantities required to scale our plant needs to commercialize our products;
- our ability to successfully recruit and retain qualified personnel in order to continue our operations;
- our ability to successfully implement our business plan;
- our ability to successfully acquire, develop or commercialize new products and equipment;
- the commercial success of our products;
- business interruptions resulting from geo-political actions, including war, and terrorism or disease outbreaks (such as the outbreak of COVID-19);
- intellectual property claims brought by third parties; and
- the impact of any industry regulation.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or performance. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the SEC. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

As used in this Quarterly Report on Form 10-Q and unless otherwise indicated, the terms "Company," "we," "us," and "our" refer to NaturalShrimp Incorporated and its wholly-owned subsidiaries NSC, NS Global and NAS. The Company also owns 51% of NaturalShrimp/Hydrenesis LLC, a Texas limited liability company. Unless otherwise specified, all dollar amounts are expressed in United States Dollars.

Use of Generally Accepted Accounting Principles ("GAAP") Financial Measures

We use United States GAAP financial measures, unless otherwise noted. All of the GAAP financial measures used by us in this report relate to the inclusion of financial information. This discussion and analysis should be read in conjunction with our financial statements and the notes thereto included elsewhere in this annual report. All references to dollar amounts in this section are in United States dollars, unless expressly stated otherwise.

This discussion and analysis should be read in conjunction with our financial statements and the notes thereto included elsewhere in this annual report.

Overview

We are an aquaculture technology company that has developed proprietary, patented platform technologies to allow for the production of aquatic species in an ecologically controlled, high-density, low-cost environment, and in fully contained and independent production facilities without the use of antibiotics or toxic chemicals. We own and operate indoor recirculating Pacific White shrimp production facilities in Texas and Iowa using these technologies.

We were incorporated in July 2008 and acquired substantially all of the assets of NSH, the company that developed the proprietary technology to grow and sell shrimp potentially anywhere in the world that is now the basis of our business. In 2015 NSH acquired 88.62% of the issued and outstanding shares of NaturalShrimp Common Stock, NSC and NS Global became our wholly-owned subsidiaries, and we changed our principal business to a global shrimp farming company.

On October 5, 2015, we formed NAS with F&T, the purpose of which was to jointly develop with F&T certain water technologies.

On December 17, 2020, we acquired for $10.0 million certain assets from VeroBlue Farms USA, Inc. and its subsidiaries, which assets included our three current facilities located in Iowa.

On May 25, 2021, we purchased certain parent and intellectual property rights from F&T and acquired all of its outstanding shares in NAS, thereby making NAS our wholly-owned subsidiary, for $3.0 million in cash and 13,861,386 shares of NaturalShrimp Common Stock.

On August 25, 2021, through NAS, we entered into an Equipment Rights Agreements with Hydrenesis-Delta Systems, LLC and a Technology Rights Agreement with

Hydrenesis Aquaculture LLC. The Equipment Rights Agreement relates to specialized and proprietary equipment used to produce and control, dose, and infuse Hydrogas® and RLS® into both water and other chemical species, while the Technology Rights Agreement provides us with a sublicense to the rights to Hydrogas® and RLS®.

The Company has three wholly-owned subsidiaries: NSC, NS Global, and NAS, and owns 51% of NaturalShrimp/Hydrenesis LLC, a Texas limited liability company.

Most of the shrimp consumed in the world today come from shrimp farms that can only produce crops between one and four times per year. Consequently, the shrimp from these farms requires freezing between crops until consumed. Our system is designed to harvest different tanks each week, which provides for fresh shrimp throughout the year. We strive to create a niche market of "Always Fresh, Always Natural" shrimp. As opposed to many of the foreign shrimp farms, we can also claim that our product is 100% free of antibiotics. The ability to grow shrimp locally and year-round allows us to provide this high-end product to upscale restaurant and grocery stores throughout the world. We rotate the stocking and harvesting of our tanks each week, which allows for weekly shrimp harvests. Our product is free of pollutants and is fed only the highest-quality feeds.

We began making regular weekly sales of live shrimp from our Iowa production facility in November 2021 and from our Texas production facility in June 2022. Although our revenues were initially limited, our gross sales for the fiscal year ended March 31, 2023 increased significantly as compared to the fiscal year ended March 31, 2022. The Company is using its aforementioned platform technologies to retrofit 344,000 square feet of its existing Iowa facilities that we expect will, once fully operational, produce 18,000 pounds of shrimp per week. We believe that the combined output from our La Coste, Texas and Iowa facilities will be approximately 24,000 pounds of shrimp production per week by the third or fourth calendar quarter of 2024. We can, however, provide no assurances as to how significant our revenue will be in the next one to two fiscal quarters.

Results of Operations

Comparison of the Three Months Ended December 31, 2023 to the Three Months Ended December 31, 2022

Revenue

We had gross sales revenue of $101,302 and $97,943, respectively, during the three months ended December 31, 2023 and 2022, an increase of approximately $3,000, or 3%.

Our increase in gross sales revenue during the three months ended December 31, 2023 over the same period in the prior year was a result of the revenue recognized in the current quarter of $75,000 related to the monthly $25,000 service fee connected to the contract for the use of the NSI Technologies, with a decrease in the sale of shrimp over the same period last year. In the same period in the prior year our sale of shrimp to two customers directly during fiscal 2023 that had been made exclusively through a consultant during fiscal 2022 and the increased production of shrimp available for sale, which resulted in us being able to sell more shrimp to meet existing demand.

We had net revenues of $77,949 and $97,943, respectively, during the three months ended December 31, 2023 and 2022 . The decrease in net revenues for the second quarter of fiscal 2024 is the result of the decrease in gross sale of shrimp revenue, increased by the inclusion of the NSI Technologies $75,000 payment, offset by the cost of sales in the second quarter of fiscal 2024, which was not recognized during the prior period.

Cost of Sales

Cost of sales includes direct costs related to the production and sale of our products, primarily the cost of the post-larva shrimp that we purchase to grow into our shrimp product at our facilities and the costs of shipping purchase orders to customers. Additionally, in the current period, there is the cost of sales related to the contract for the use of the NSI Technology, which in this quarter is approximately $2,500. Cost of sales were $23,353 and $0, respectively, during the three months ended December 31, 2023 and 2022.

Operating Expenses

The following table summarizes the various components of our operating expenses for each of the three months ended December 31, 2023 and 2022:

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Salaries and related expenses	$ 420,003	$ 530,167
Professional services	739,393	351,053
Other general and administrative expenses	291,929	546,302
Rent	22,312	53,673
Facility operations	77,103	875,194
Research and development	-	14,212
Depreciation	433,053	416,377
Amortization	367,500	367,500
Total	$ 2,351,293	$ 3,154,478

Operating expenses for the three months ended December 31, 2023 were $2,351,293, which is a 25.5% decrease over operating expenses of $3,154,478 for the same period in 2022. The overall change in expenses is mainly the decrease in the current period where there was an approximately $798,000 decrease in facility operations relating to the progress of the commercial operations in the new plant in Iowa as well as in Texas, and the fact that some facility operations are now being considered as cost of revenue. Additionally, general and administrative expenses decreased by approximately $254,000 in the current period, as well as the salaries being decreased by approximately $110,000. These decreases were offset by the increase in professional services of approximately $388,000, a 111% increase, a result of the 10,000,000 shares issued as a non-refundable retainer on behalf of consulting services with a fair value of $600,000 , which lessened the decrease in professional services from the prior period based on high professional services related to the merger which was terminated in July 2023.

Other Income (Expense)

The following table summarizes the various components of our other income (expense) for each of the three months ended December 31, 2023 and 2022:

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Interest expense	$ (18,033)	$ (593,331)
Interest expense – related parties	(9,750)	(6,250)

Amortization of debt discount	-	(843,494)
Change in fair value of derivative liability	-	17,738,000
Change in fair value of warrant liability	67,050	1,155,000
Loss due to fire	-	(6,262)
Change in fair value of restructured notes	(3,180,000)	(1,594,515)
Gain on extinguishment of debt	-	2,383,088
Extension fee	(10,000)	-
Gain on termination of lease	22,013	-
Total	$ (3,128,720)	$ 18,232,236

Other income (expense) for the three months ended December 31, 2023, decreased approximately $21,361,000 from other income into other expense, from the same period in the prior year, due almost entirely to the restructuring of the convertible and August note, which resulted in the removal of the derivative related to the conversion feature and the debt discount as a result of the accounting treatment as an extinguishment of debt. This resulted in the prior period of a decrease in a fair value of derivative liability of $17,738,000, and the full amortization of the related debt discounts of $843,494, as well as a gain on extinguishment of debt of $2,383,088. Further, due to the election to account for the restructured notes under the fair value option, there is a change in fair value of the restructured notes, and the interest expense is not recognized separately in the condensed consolidated statement of operations but included in the change in fair value of the restructured notes, resulting in a reduction to the interest expense between periods. In the current period, as of December 31, 2023, as the Company moved their office and had their current lease terminated, there was a gain on the termination of lease of approximately $22,000. Additionally, in the prior period there was a loss due to a fire which occurred on July 3, 2022, in our building containing the water treatment and purification system in La Coste, Texas.

The Company originally recognized the warrant liability in December 2021 and revaluates it at each period-end. The decrease in the fair value for the three months ended December 31, 2023, as compared to the prior year end, resulted in a $67,050 recognition as income during the three months ended December 31, 2023, compared to a decrease in fair value as of December 31, 2022, which resulted in a $1,155,000 recognition as income during the three months ended December 31, 2022.

Comparison of the Nine Months Ended December 31, 2023 to the Nine Months Ended December 31, 2022

Revenue

We had gross sales revenue of $365,184 and $186,004, respectively, during the nine months ended December 31, 2023 and 2022, an increase of approximately $179,000, or 96%.

Our increase in gross sales revenue during the nine months ended December 31, 2023 over the prior period was a result mainly of the Company entering into a six-month agreement with a company for the use of the Hydrenesis Technology and Equipment on May 21, 2023, for an initial payment of $150,000 and the receipt of the monthly payments of $100,000.

We had net revenues of $241,090 and $186,004, respectively, during the nine months ended December 31, 2023 and 2022. The increase in net revenues for the nine months ended December 31, 2023 is the result of the increase in gross sales revenue, with the inclusion of the NSI Technologies contract, offset by the cost of sales in the nine months ended December 31, 2023, which was not recognized during the prior period.

Cost of Sales

Cost of sales includes direct costs related to the production and sale of our products, primarily the cost of the post-larva shrimp that we purchase to grow into our shrimp product at our facilities and the costs of shipping purchase orders to customers. Additionally, in the current nine-month period, there is the cost of sales related to the contract for the use of the NSI Technologies, which is approximately $25,000. Cost of sales were $124,094 and $0, respectively, during the nine months ended December 31, 2023 and 2022.

Operating Expenses

The following table summarizes the various components of our operating expenses for each of the nine months ended December 31, 2023 and December 31, 2022:

	Nine Months Ended December 31,	
	2023	**2022**
Salaries and related expenses	$ 1,429,947	$ 1,514,243
Professional fees	2,584,620	1,097,493
Other general and administrative expenses	1,116,788	1,509,155
Rent	44,625	135,928
Facility operations	592,878	1,895,357
Research and development	-	190,855
Depreciation	1,304,732	1,349,838
Amortization	1,102,500	1,102,500
Total	$ 8,176,090	$ 8,795,369

Operating expenses for the nine months ended December 31, 2023 decreased $619,279, or 7.0%, compared to the same period in 2022primarily due to decreases in the current period where there was an approximately $1,302,000 decrease in facility operations relating to the progress of the commercial operations in the new plant in Iowa as well as in Texas, and the fact that some facility operations now being considered as cost of revenue. The general and administrative expenses decreased by approximately $392,000 in the current period. There was also a slight decrease of approximately $84,000 for salaries to employees. Additionally, as a result of the production of the shrimp there was not any research and development in the current period. Lastly, the rent expense decreased by approximately $91,000 as we did not pay our rent in the current period, but instead used the prepaid deposit against the rent expense. These decreases were offset by an increase in professional fees as a result of the termination of the Merger Agreement which caused the expense of the previous Deferred offering costs of $1,394,366, as well as a result of the 10,000,000 shares issued as a non-refundable retainer on behalf of consulting services with a fair value of $600,000, offset by less fees to be paid to attorneys and consultants in the current period due to the termination after the first quarter of 2023.

Other income (expense)

The following table summarizes the various components of our Other income(expense) for each of the nine months ended December 31, 2023 and December 31, 2022:

	Nine Months Ended December 31,	
	2023	2022
Interest expense	$ (59,444)	$ (1,674,994)
Interest expense - related parties	(25,301)	(9,772)
Amortization of debt discount	-	(5,019,883)
Change in fair value of derivative liability	-	811,000
Change in fair value of warrant liability	337,050	3,031,000
Change in fair value of restructured notes	(2,512,366)	(1,594,515)
Gain on extinguishment of debt	-	2,383,088
Loss due to fire	-	(869,379)
Extension fee	(190,000)	-
Gain on termination of lease	22,013	-
Gain on sale of machinery and equipment	16,014	-
Total	$ (2,412,034)	$ (2,953,455)

Other income (expense) for the nine months ended December 31, 2023, decreased approximately $531,000, from the same period in the prior year, due almost entirely to the restructuring of the convertible and August note, which resulted in the removal of the derivative related to the conversion feature and the debt discount as a result of the accounting treatment as an extinguishment of debt. Therefore, while there is no change in fair value of a derivative liability or amortization of debt discount in the nine months ended December 31, 2023, in the nine months ended December 31, 2022 there is a decrease in a fair value of derivative liability of $811,000, and amortization of the debt discounts of $5,019,883. Further, due to the election to account for the restructured notes under the fair value option, there is a change in fair value of the restructured notes, and the interest expense is not recognized separately in the condensed consolidated statement of operations but included in the change in fair value of the restructured notes, which reduces the interest expense in the current nine months ended December 31, 2023. Included in the extension fee during the nine months ended December 31, 2023, is $180,000 which consists of three monthly extension fees of $60,000 paid related to the Yotta Merger agreement not closing by the first required date, prior to its termination in July 2023. In the current period as the Company moved their office and had their current lease terminated as of December 31, 2023, there was a gain on the termination of lease of approximately $22,000.

The Company originally recognized the warrant liability in December 2021 and revaluates it at each period-end. The decrease in the fair value for the nine months ended December 31, 2023, as compared to the prior year end, resulted in a $337,050 recognition as income during the nine months ended December 31, 2023, compared to the larger decrease in fair value as of December 31, 2022, which resulted in $3,031,000 in income during the nine months ended December 31, 2022.

On July 3, 2022, the Company's building containing its water treatment and purification system in La Coste, Texas was completely destroyed in a fire. This resulted in the $869,379 loss due to fire recognized in the nine months ended December 31, 2022.

Liquidity, Financial Condition and Capital Resources

As of December 31, 2023, we had cash on hand of approximately $36,000 and working capital deficiency of approximately $10,490,000, as compared to cash on hand of approximately $216,000 and a working capital deficiency of approximately $9,339,000 as of March 31, 2023. The working capital deficiency for the nine months ended December 31, 2023, as compared to the March 31, 2023 year-end has an increase (a reduced working capital) of 12.3%. This is mainly due to the decrease in cash on-hand and current period expense of the previous Deferred offering costs, offset by a slight decrease in current liabilities from the reclass of the accrued interest into the inclusion in the line item for the fair value of the restructured notes offset by new promissory notes.

Working Capital Deficiency

The following table summarizes our working capital deficiency as of December 31, 2023 and March 31, 2023:

	December 31, 2023	March 31, 2023
Current assets	$ 333,937	$ 1,882,371
Current liabilities	10,739,683	11,221,783
Working capital deficiency	$ (10,405,746)	$ (9,339,412)

Current assets decreased mainly as the deferred offering costs relating to the Merger Agreement were no longer to be recognized as a current asset based on the Merger termination and were expensed in July 2023. Additionally, the assets decreased because of the use of the cash on hand. The decrease in current liabilities is primarily due to the reclass of the accrued interest on the restructured notes into the line item for the fair value of the restructured notes, which only the Restructured August note payable is in the current liabilities, off set by the additional notes payable to related parties and the increase in accrued expenses to related parties.

Cash Flows

The following table summarizes our cash flows for the nine months ended December 31, 2023 and 2022:

	Nine months Ended December 31,	
	2023	2022
Net cash used in operating activities	$ (2,857,801)	$ (3,884,764)
Net cash provided by (used in) investing activities	(8,640)	(1,730,186)
Net cash provided by financing activities	2,686,291	4,022,774
Net change in cash	$ (180,150)	$ (1,592,176)

Net cash used in operating activities during the nine months ended December 31, 2023, was a decrease of approximately $1,027,000 as compared to the same period in 2022. The decrease in cash used is primarily due to the current period expense of the deferred offering costs of $1,336,263 due to the termination of the Merger Agreement, as well as a decrease in prepaid expenses and an increase in accrued expense for related parties, which is accrued payroll. Additionally, there was accrued interest activity in the prior nine-month period, but no accrued interest activity in the current nine-month period. For the adjustments to reconcile the net loss to net cash, while the depreciation and amortization is similar in both periods, there are changes due to the extinguishment of restructuring of the convertible note in the prior period, as well as the difference in the change in the warrant fair value between periods.

The net cash provided by investing activities in the nine months ended December 31, 2023 decreased by approximately $1,722,000 compared to net cash used by investing activities for the same period in the prior fiscal year. During the current period cash was only used to purchase approximately $68,000 and offset by $59,000 received for the sale of machinery and equipment as compared to cash used to purchase fixed assets which consists of approximately $2,430,000 for the prior year period, offset by $700,000 of cash received for the sale of machinery and equipment.

The net cash provided by financing activities decreased by approximately $1,336,000 between periods. For the current period, the Company received approximately $2,323,000 for the sale of shares of common stock, $150,000 from the sale of Series E Preferred Shares, $97,000 for the sale of the new Series G Preferred Shares and $140,000 from promissory notes with related parties. In the same period in the prior year the Company received $1,380,000 for the sale of shares of common stock and $250,000 proceeds from related party promissory notes. In the prior period, as a result of the restructuring of two of the notes, the Company had received a net amount of $1,465,000 based on $4,865,000 from the original August promissory note offset by the removal of $3,900,000 that had been held in escrow until the restructuring of the August promissory note, as well as receiving $1,500,000 that had been held in escrow from the restructured convertible note they entered into in December of 2021,

Our cash position was approximately $36,000 as of December 31, 2023. Management believes that our cash on hand and working capital deficit are not sufficient to meet our current anticipated cash requirements for additional anticipated capital expenditures, operating expenses and scale-up of operations for the next twelve months.

Recent Financing Arrangements and Developments During the Period

Short-Term Debt and Lines of Credit

The Company also has a working capital line of credit with Capital One Bank for $50,000. The line of credit bears an interest rate of prime plus 25.9 basis points, which totaled 34.4% as of December 31, 2023. The line of credit is unsecured. The balance of the line of credit was $9,580 at both December 31, 2023 and March 31, 2023.

The Company also has a working capital line of credit with Chase Bank for $25,000. The line of credit bears an interest rate of prime plus 10 basis points, which totaled 18.50% as of December 31, 2023. The line of credit is secured by assets of the Company's subsidiaries. The balance of the line of credit is $10,237 at December 31, 2023 and March 31, 2023.

GHS Purchase Agreement

On November 4, 2022, the Company entered into a purchase agreement (the "GHS Purchase Agreement") with GHS pursuant to which the Company may require GHS to purchase a maximum of up to 64,000,000 shares of NaturalShrimp Common Stock ("GHS Purchase Shares") based on a total aggregate purchase price of up to $5,000,000 over a one-year term that ends on November 4, 2023. Notwithstanding the foregoing dollar limitations, the Company and GHS may, from time to time, mutually agree in writing to waive the aforementioned limitations for a particular purchase of GHS Purchase Shares, which waiver may not exceed the 4.99% beneficial ownership limitation contained in the GHS Purchase Agreement. NaturalShrimp will control the timing and amount of any sales of GHS Purchase Shares to GHS. The Company intends to use the net proceeds from the sale of any GHS Purchase Shares for working capital and general corporate purposes.

The purchase price for the GHS Purchase Shares is 90% of the lowest volume-weighted average price during the 10 consecutive business days immediately preceding, but not including the applicable purchase date. The Company must deliver a number of GHS Purchase Shares equal to 112.5% of the aggregate purchase amount for any such purchase of GHS Purchase Shares divided by the applicable purchase price per share.

If any default events, as set forth in the GHS Purchase Agreement, has occurred and is continuing, the Company may not require GHS to purchase any GHS Purchase Shares.

Further, pursuant to the terms of the GHS Purchase Agreement, from November 4, 2022 until the later of the Closing and the 12-month anniversary of the first delivery of GHS Purchase Shares, upon any issuance by the Company or any of its subsidiaries of shares of NaturalShrimp Common Stock or NaturalShrimp Common Stock equivalents for cash, indebtedness, or a combination of units thereof (a "Subsequent Financing"), GHS will have the right to participate in any such financing in an amount equal to 100% or, following the Merger, up to 50% of such financing, on the same terms, conditions and price otherwise provided for in such subsequent financing.

In the three months ended June 30, 2023, the Company sold 11,981,706 shares of common stock at a net amount of approximately $376,000, at a share price of $0.03, of the GHS Purchase Agreement.

$10,000,000 Common Stock Equity Financing

On April 28, 2023, the Company entered into an Equity Financing Agreement ("Equity Financing Agreement") and Registration Rights Agreement with GHS. Under the terms of the Equity Financing Agreement, GHS agreed to provide the Company with up to $10,000,000 upon effectiveness of a registration statement on Form S-1 (the "Registration Statement") filed with the SEC. The Registration Statement was filed on July 20, 2023 and the SEC declared it effective on August 14, 2023.

With the effectiveness of the Registration Statement, the Company now has the discretion to deliver puts to GHS and GHS will be obligated to purchase shares of the Company's common stock, par value $0.0001 per share (the "Common Stock") based on the investment amount specified in each put notice. The maximum amount that the Company shall be entitled to put to GHS in each put notice shall not exceed two hundred percent (200%) of the average daily trading dollar volume of the Company's Common Stock during the ten (10) trading days preceding the put, so long as such amount does not equal less than ten thousand dollars ($10,000) or greater than one million dollars ($1,000,000). Pursuant to the Equity Financing Agreement, GHS and its affiliates will not be permitted to purchase, and the Company may not put shares of the Company's Common Stock to GHS that would result in GHS's beneficial ownership equaling more than 4.99% of the Company's outstanding Common Stock. The price of each put share shall be equal to eighty percent (80%) of the Market Price (as defined in the Equity Financing Agreement). Following an up-list to the NASDAQ or equivalent national exchange, the price of each put share shall be equal to ninety percent (90%) of the Market Price, subject to a floor price of $1.00 per share. Puts may be delivered by the Company to GHS until the earlier of twenty-four (24) months after the effectiveness of the Registration Statement or the date on which GHS has purchased an aggregate of $10,000,000 worth of Common Stock under the terms of the Equity Financing Agreement.

In the three months ended September 30, 2023, the Company sold 31,808,246 shares of common stock at a net amount of approximately $566,000, at share price of $0.02 related to the Equity Financing Agreement.

In the three months ended December 31, 2023, the Company sold 44,843,442 shares of common stock at a net amount of approximately $459,000, at share prices ranging from $0.01 to $0.02, in relation to the Equity Financing Agreement. Included in this amount, on October 31, 2023, the Company issued GHS 7,868,985 shares of common stock, for no purchase price, as consideration resulting from GHS receiving a phishing email informing them to wire a purchase price to an incorrect bank, resulting in the Company not receiving the wire and for which GHS resent a second wire to the Company's correct bank.

GHS 2023 Purchase Agreement

On May 9, 2023, the Company entered into a purchase agreement (the "GHS 2023 Purchase Agreement") with GHS pursuant which the Company may require GHS to purchase a maximum of up to 45,923,929 shares of the Company's common stock ("GHS Purchase Shares") based on a total aggregate purchase price of up to $6,000,000 over a one-year term that ends on May 9, 2024. The Company intends to use the net proceeds from this offering for working capital and general corporate purposes.

The GHS 2023 Purchase Agreement provides that, upon the terms and subject to the conditions and limitations set forth in the agreement, the Company has the right from time to time during the term of the agreement, in its sole discretion, to deliver to GHS a purchase notice (a "Purchase Notice") directing GHS to purchase (each, a "GHS Purchase") a specified number of GHS Purchase Shares. A GHS Purchase will be made in a minimum amount of $10,000 and up to a maximum of $1,500,000 and provided that, the purchase amount for any purchase will not exceed 200% of the average of the daily trading dollar volume of the Company's common stock during the 10 business days preceding the purchase date. Notwithstanding the foregoing dollar limitations, the Company and GHS may, from time to time, mutually agree (in writing) to waive the aforementioned limitations for a relevant Purchase Notice, which waiver, for the avoidance of doubt, shall not exceed the 4.99% beneficial ownership limitation contained in the GHS 2023 Purchase Agreement. The "Purchase Price" means, with respect to a purchase made pursuant to the GHS 2023 Purchase Agreement, 90% of the lowest VWAP (as defined in the GHS 2023 Purchase Agreement) during the Valuation Period (the ten (10) consecutive business days immediately preceding, but not including, the applicable purchase date). The Company shall deliver a number of GHS Purchase Shares equal to 112.5% of the aggregate purchase amount for such GHS Purchase divided by the Purchase Price per share for such GHS Purchase, against payment by GHS to the Company of the purchase amount with respect to such Purchase (less documented deposit and clearing fees, if any), as full payment for such GHS Purchase Shares via wire transfer of immediately available funds.

If there are any default events, as set forth in the GHS 2023 Purchase Agreement, has occurred and is continuing, the Company shall not deliver to GHS any Purchase Notice.

Further, pursuant to the terms of the GHS 2023 Purchase Agreement, from May 9, 2023 until the date that is the later of (i) the closing of the transactions whereby Yotta Merger Sub, Inc. will merge with and into the Company, with the Company as the surviving company (the "Merger"); and (ii) the 12 month anniversary of the initial closing pursuant to the Section 2(a) of GHS Purchase Agreement, upon any issuance by the Company or any of its subsidiaries of Common Stock or Common Stock equivalents for cash consideration, indebtedness or a combination of units thereof (a "Subsequent Financing"), GHS shall have the right to participate in any financing, up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing. Following the Merger, the Participation Maximum shall be 50% of the Subsequent Financing.

In the three months ended June 30, 2023, the Company sold 28,205,605 shares of common stock at a net amount of approximately $923,000, at share prices ranging from $0.03 to $0.04 related to the GHS 2023 Purchase Agreement.

Series G Preferred Stock

On December 1, 2023, the Board authorized the issuance of 10,000 preferred shares to be designated as Series G Preferred Stock ("Series G Preferred Stock"). The Series G Preferred Stock have a par value of $0.0001, a stated value of $1,200 and dividends at the rate of 8% per annum, payable quarterly, to be paid in cash or in-kind, at the discretion of the Company. The Series G Preferred Stock will vote together with the common stock on an as-converted basis subject to the beneficial ownership limitations. The Series G Preferred Stock is required to be redeemed by the Company no later than one calendar year from the date of its issuance. The Series G Preferred Stock are also redeemable at the option of the Company at any time after the original issued date, upon 3 business days' notice, at a premium rate which is (a) 1.15 if all of the Series G Preferred Stock is redeemed within 90 calendar days from the issuance date thereof; (b) 1.2 if all of the Series G Preferred Stock is redeemed after 90 calendar days and within 120 calendar days from the issuance date thereof; (c) 1.25 if all of the Series G PS is redeemed after 120 calendar days and within 180 calendar days from the issuance date thereof. The Company shall be permitted to redeem the Series G Preferred Stock at any time in cash upon 3 business days prior notice to the Holder or the Holder may convert the Series G Preferred Stock within 3 business days period prior to redemption. The Holder shall have the right to either redeem for cash or convert the Series G Preferred Stock into common stock within 3 business days following the consummation of a qualified offering. The conversion price is based on the discounted market price which is the lower of: (i) A fixed price equaling the closing bid price for the common stock on the trading day preceding the execution of the SPA; or (ii) 100% of the lowest volume weighted average price ("VWAP)" for the common stock during 10 trading days preceding the conversion request, subject to adjustment.

Series G Preferred Equity Offering

On December 14, 2023, the Company entered into a Securities Purchase Agreement for the sale of 110 shares of Series G Preferred Stock at a price of $1,000 per share of preferred stock, for a total of $110,000. The Purchaser also received an "Equity Incentive", which was an additional 35 Series G Preferred Stock issued to the Purchaser at the initial closing and deemed to be earned at the time of its issuance. Following the initial closing, the Company and Purchaser shall mutually agree from time to time for the Company to sell and the Purchaser to purchase up to 400 shares of Series G Preferred Stock at a price of $1,000 per share in separate closings. The Series G Preferred Stock will earn a dividend of 8% per annum, for as long as the relevant Preferred Stock has not been redeemed or converted. Dividends are to be paid quarterly, and at the Company's discretion, in cash or Preferred Stock calculated at the purchase price. On December 19, 2023, the Company received an initial tranche of $110,000 under the SPA, less $13,000 for legal and commission fees. The $77,000 discount will be accreted up to the redemption price over the one-year period until redemption. As of December 31, 2023, the accretion for the Series G Preferred Stock was $3,000.

January 2023 Note

On January 20, 2023, the Company entered into a secured promissory note ("January 2023 Note") with an investor (the "Investor"). The January 2023 Note is in the aggregate principal amount of $631,968. The Note has an interest rate of 10% per annum, with a maturity date nine months from the issuance date of the Note. The Note carried an original issue discount totaling $56,868, whereby the purchase price is $575,100. All payments made by the Company under the terms in the note, including upon repayment of this Note at maturity, shall be subject to an exit fee of 15% of the portion of the outstanding balance being paid. The cash was not transferred to the Company's bank account, but instead to the merger entity, Yotta, for a contribution to a required extension fee for the business combination. On November 17, 2023, the Company received an extension of the maturity date to June 30, 2024, for a $5,000 extension fee.

On November 8, 2023, the Company and the Investor entered into an Exchange Agreement on the January 2023 Note. In the Exchange Agreement the original note was partitioned into a $132,000 new promissory note, leaving the original January 2023 Note with an adjusted balance of $499,968. The partitioned note was exchanged for 10,000,000 shares of the Company's common stock. The shares of common stock issued had a fair value of $160,000 based on the market price of the shares of $0.016 on the execution date, resulting in an excess of $28,000 to be recognized as a financing expense.

April 2023 Promissory Note

On April 21, 2023, the Company entered into a $60,000 promissory note with Yotta Investment LLC ("Yotta"), with no interest to accrue on the principal balance. The promissory note is to be settled on the date of closing of the business combination contemplated by the Merger Agreement with Yotta ("Merger Agreement"). Upon the occurrence of an event of default, including the termination of the Merger Agreement, the unpaid principal balance of this note, and all other sums payable with regard to this note, shall automatically and immediately become due and payable, in all cases without any action on the part of the Company. The Merger Agreement was terminated, and management believes the promissory note will be settled in the Breakup Fee.

May 2023 Promissory Note

On May 17, 2023, the Company entered into an additional $60,000 promissory note with Yotta, with no interest to accrue on the principal balance. The promissory note is to be settled on the date of closing of the business combination contemplated by the Merger Agreement with Yotta. Upon the occurrence of an event of default, including the termination of the Merger Agreement, the unpaid principal balance of this note, and all other sums payable with regard to this note, shall automatically and immediately become due and payable, in all cases without any action on the part of the Company. The Merger Agreement was terminated, and management believes the promissory note will be settled in the Breakup Fee.

Secured Promissory Note

On August 17, 2022, Streeterville purchased from us the August Note. The August Note has an annual interest rate of 12% and was to mature nine months from the effective date. The August Note carried an original issue discount ("OID") totaling $433,333 and a transaction expense amount of $10,000, both of which are included in its principal balance. At issuance the Company received $1.1 million, with $3.9 million put into escrow to be held until certain terms are met, which includes $3.4 million upon the listing of the NaturalShrimp Common Stock on the New York Stock Exchange ("NYSE") or Nasdaq. The August Note also provided that if the Company did not effect the listing of the NaturalShrimp Common Stock by November 15, 2022, the then-current outstanding balance on the August Note increased by 10%, and that following such listing, while the August Note was still outstanding, 10 days after the Company sold any shares of NaturalShrimp Common Stock or NaturalShrimp Preferred Stock, it would have been required to make a mandatory prepayment on the August Note equal to the greater of $3.0 million or 33% of the gross proceeds of such equity sale. The August Note is secured by all of the assets of the Company. All payments made by the Company on the note, including upon repayment at maturity, is subject to an exit fee of 15% of the portion of the outstanding balance being paid.

In conjunction with the Merger Agreement, the Company entered into a Restructuring Agreement with respect to the August Note through which the August Note was amended and restated in its entirety. The Restructuring Agreement included key modifications, in which (i) the uplist terms were removed, (ii) in the event that the Closing does not occur on or before December 31, 2022, the then-current outstanding balance will be increased by 2% and will increase by 2% every 30 days thereafter until the Closing or termination of the Merger Agreement, and (iii) the outstanding balance of the August Note may be increased by 5% to 15% upon the occurrence of an event of default or failure to obtain Streeterville's consent or notify Streeterville for certain major equity related transactions. On November 20, 2023, the maturity date was extended to June 30, 2024.

We analyzed the restructured August Note under ASC 470-50 as to whether the change in terms qualified as a modification or an extinguishment of the note. The changes in terms were considered an extinguishment as the present value of the cash flows under the terms of the new debt instrument was evaluated to be a substantial change, as over 10% difference from the present value of the remaining cash flows under the terms of the original instrument. As such, with the removal of the original note and its debt discount and accrued interest as compared to the restructured note with a fair value of approximately $1.9 million, there was a loss in extinguishment of approximately $157,000. As a result of the extinguishment and at the Company's election of the fair value option under ASC 825, the August Note will be accounted for at fair value until it is settled. In accordance with ASC 815- 15-25-1(b), a hybrid instrument that is measured at fair value under ASC 825 fair value option each period with changes in fair value reported in earnings as they occur should not be evaluated for embedded derivatives. Therefore, we did not evaluate the provisions in the August Note as to whether it fell under the guidance of embedded derivatives and was required to be bifurcated. The August Note was revalued as of December 31, 2023 at approximately $2,400,000, with a change in fair value of approximately $467,000 recognized in the condensed consolidated statement of operations.

Promissory Note — related parties

On July 10 through July 17, 2023, the Company received $140,000 in proceeds from the issuance of three promissory notes with related parties. The notes bear interest at 10% and have maturity dates one year from the issuance date.

On August 10, 2022, the Company entered into a loan agreement for an aggregate of $300,000 with six related parties, which is to be considered priority debt of the Company. As of the date of this report, five of the related parties have entered into promissory notes under the loan agreement for $50,000 each, for a total of cash received of $250,000. The notes bear interest at 10% per annum and are due one year from the date of the note. For the three and nine months ended December 31, 2023, the interest expense for the related party promissory notes was approximately $9,000 and $21,000, respectively. As of December 31, 2023 and March 31, 2023, the accrued interest related to the related party promissory notes was approximately $41,000 and $22,000, respectively.

Convertible Note

We issued the Convertible Note in December 2021. The Convertible Note had an annual interest rate of 12% and matured on December 15, 2023. The Convertible Note carried an OID totaling $1.3 million and a transaction expense amount of $20,000, both of which were included in the principal balance of the Convertible Note. The Convertible Note had $2.0 million in debt issuance costs, including fees paid in cash of $1.1 million and warrants to purchase 3,000,000 shares of the Company's common stock that we issued to the placement agents with a fair value of $940,000. The warrant fair value was estimated using the Black Scholes Model, with the following inputs: the price of the common stock of $0.32; a risk-free interest rate of 1.19%; the expected volatility of the common stock of 209.9%; the estimated remaining term; and a dividend rate of 0%. We classified the warrants as a liability, as it was not known if there would be sufficient authorized shares to be issued upon settlement, based on the conversion terms of the convertible debt.

The Company was required to obtain an effective registration statement or a supplement to any existing registration statement or prospectus with the SEC registering at least $15.0 million in shares of NaturalShrimp common stock for Streeterville's benefit such that any redemption using shares of NaturalShrimp common stock could be done using registered shares of NaturalShrimp common stock. Additionally, the Company was required, as soon as reasonably possible following the issuance of the Convertible Note, to cause the Company's common stock to be listed for trading on either NYSE or Nasdaq. In the event the Company did not effectuate such listing by March 1, 2022, the then-current outstanding balance would be increased by 10%. On February 7, 2022, the Company and Streeterville entered into an amendment to the SPA, which extended the date by which the Uplist must be completed to April 15, 2022. In consideration of the grant of the extension an extension fee of $249,079 was added to the principal balance, which we recognized as a financing cost. Subsequently, the date by which the listing had to be completed was further extended to June 15, 2022, and again to November 15, 2022, with no additional fee included. The Company must make a one-time payment to Streeterville equal to 15% of the gross proceeds that the Company receives from the offering expected to be effected in connection with the listing (whether from the sale of shares of its common stock and / or preferred stock) within 10 days of receiving such amount. In the event that the Company does not make this payment, the then-current outstanding balance will be increased by 10%. The Convertible Note also contains certain negative covenants and events of default. Upon the occurrence of an event of default, at its option and sole discretion, Streeterville may consider the Convertible Note immediately due and payable. Upon such an event of default, the annual interest rate on the Convertible Note will increase to 18% and the outstanding balance will increase from 5% to 15%, depending upon the specific event of default.

In accordance with the terms of the Merger Agreement, the Company and Streeterville entered into Restructuring Agreement dated as of November 4, 2022, pursuant to which the Convertible Note was amended and restated, and the Company issued to Streeterville and Amended and Restated Secured Promissory Note that amended and replaced the Convertible Note (the "Restructured Senior Note"), that: (i) eliminated the conversion feature of the Convertible Note; (ii) provides that within three trading days of the closing of the Business Combination, NaturalShrimp as the surviving entity in its merger with Merger Sub as a wholly-owned subsidiary of Yotta will pay Streeterville an amount equal to the lesser of (A) one-third of the amount (calculated prior to any deductions for any broker, underwriter, legal, accounting or other fees) retained in Yotta's Trust Account (the "Trust Account") at the effective time of the Business Combination or (B) $10,000,000, in order to repay a portion of the outstanding balance of the

Restructured Senior Note; (iii) provide that the remaining balance of the Restructured Senior Note must be repaid in equal monthly installments over a 12-month period beginning on the second month immediately following either the closing date of the Business Combination or the termination of the Merger Agreement, but in no case later than June 30, 2024; and (iv) provides that if the closing date of the Business Combination is after December 31, 2022, the outstanding balance of all indebtedness owed by NaturalShrimp to Streeterville will be increased automatically by 2% and will automatically increase by 2% every 30 days thereafter until the closing of the Business Combination or the termination of the Merger Agreement.

As of June 30, 2023, the Merger had not yet closed, and therefore the 2% of the outstanding balance was increased as of June 30, 2023, in the amount of approximately $2,675,000. On July 20, 2023, the Company sent Yotta notice of the Company's termination of the Merger Agreement. Based on the termination in July of 2023, the equal monthly payments were to begin on September 20, 2023, to be paid in full no later than June 30, 2024. On November 20, 2023, the Investor issued a waiver to the Company on the equal monthly payments, which are not currently required to be paid.

We analyzed the Restructured Senior Note under ASC 470-50 as to if the changes in terms qualified as a modification or an extinguishment of the note. The changes in terms were considered an extinguishment as the conversion feature has been eliminated and therefore the Restructured Senior Note is determined to be fundamentally different from the original Convertible Note. As such, with the removal of the Convertible Note and its debt discount and accrued interest as compared to the Restructured Senior Note with a fair value of approximately $18.9 million, there was a gain in extinguishment of approximately $2.5 million. As a result of the extinguishment and at the Company's election of the fair value option under ASC 825, we will account for the Restructured Senior Note at fair value every period end until it is settled. In accordance with ASC 815-15-25-1(b) a hybrid instrument that is measured at fair value under ASC 825 fair value option each period with changes in fair value reported in earnings as they occur should not be evaluated for embedded derivatives. Therefore, we did not evaluate the provisions in the Restructured Senior Note as to whether they fell under the guidance of embedded derivatives and were required to be bifurcated. We revalued the Restructured Senior Note as of December 31, 2023 at approximately $24,700,000, with a change in fair value of approximately $2,376,000 recognized in the Company's condensed consolidated statement of operations.

Series E Preferred Stock and Warrant

On November 22, 2021, we sold to an accredited investor 1,500 shares of Series E Preferred at a price of $1,000 per share and a warrant to purchase up to 1,500,000 shares of NaturalShrimp common stock at an exercise price of $0.75 per share, subject to adjustment as set forth therein, for an aggregate purchase price of $1.5 million. We received approximately $1.4 million in net proceeds after deducting the commission of Joseph Gunnar & Co., LLC (the placement agent) and other estimated offering expenses payable by the Company. We issued warrants to purchase 334,116 shares of our common stock to the placement agent as placement agent fees.

Share Exchange Agreement and Redemption

On April 14, 2021 the Company, entered into a share exchange agreement (the "Exchange Agreement") with a holder of the Company's Series D Preferred Stock, par value $0.0001 per share (the "Series D Preferred Stock"), whereby, at the closing of the Offering, the Holder agreed to exchange an aggregate of 3,600 shares of the Series D Preferred Stock into 3,739.63 shares of the Company's Series E Convertible Preferred Stock, par value $0.0001 (the "Series E Preferred Stock"). The exchange was completed on April 15, 2021. In accordance with ASC 260-10-S99-2, exchanges of preferred stock that are considered to be extinguishments are to be accounted for as a redemption. Therefore, the difference between the fair value of the Series E Preferred Stock transferred to the holder of the Series D Preferred Stock and the carrying amount of the Series D Preferred Stock immediately prior to the exchange, which was $3,258,189, was accounted for in a manner similar to a dividend.

On June 16, 2022, one of the holders of the Series E Convertible Preferred Stock chose to exercise their right, pursuant to the Certificate of Designation relating to the Series E Convertible Preferred Stock, to receive the rights extended to the convertible noteholder of 90% multiplied by the average of the two lowest volume weighted average price per share of the Company's common stock during the 10 trading days immediately preceding the date of conversion. As the exercise of the conversion price adjustment was similar to a down round, and the Company has not yet adopted ASU 2020-06, the accounting treatment of ASU 2017-11 was applied, whereby the adjustment was treated as a contingent beneficial conversion feature recognized as of the triggering date. As of June 16, 2022, this holder held 940 shares of the Series E Preferred Stock. The Company analyzed the conversion feature under ASC 470-20, "Debt with conversion and other options," and based on the market price of the common stock of the Company as compared to the conversion price, determined there was a $99,000 beneficial conversion feature to recognize, which was fully amortized as there is no remaining redemption date to their Series E Preferred Stock. The additional rights of the convertible note that were applied include the 10% increase in the outstanding balance if an uplist to a national exchange was not consummated by the Company by March 1, 2022, for an increase of 130 shares of Series E Preferred Stock with a stated value of $156,000, as well as an exit fee of 15% to be recognized upon conversions of the shares of Series E Preferred Stock into shares of common stock. On May 1, 2023, the holder converted 600 Series E Preferred Stock into 23,989,570 shares of common stock. The conversion represented their remaining Series E Preferred Stock, including the 10% increase, accrued dividends in kind of $516,000 and the 15% Exit Fee of $108,000.

On July 24, 2023, the Company entered into a Securities Purchase Agreement for the additional sale of 156 shares of Series E Preferred Stock at a price of $1,000 per share of Preferred Stock, for a total of $156,000. The Series E Preferred Stock will earn a dividend of 12% per annum, for as long as the relevant Preferred Stock has not been redeemed or converted. Dividends are to be paid quarterly, and at the Company's discretion, in cash or Preferred Stock calculated at the purchase price.

As of December 31, 2023 there were 1,656 shares of Series E Preferred Stock remaining outstanding.

Waiver

On April 14, 2021, NaturalShrimp entered into a securities purchase agreement with GHS to sell to GHS: (i) 9,090,909 shares of NaturalShrimp common stock at a price per share of $0.55; (ii) warrants to purchase up to 10,000,000 shares of NaturalShrimp common stock, at an exercise price of $0.75 per share; and (iii) 1,000,000 shares of NaturalShrimp common stock with a value (although no purchase price will be paid) of $0.65 per share, pursuant to which, until April 14, 2022, GHS had a right to participate in any subsequent financing that we conducted.

On November 22, 2021, NaturalShrimp and GHS entered into a waiver whereby GHS agreed to waive its right to participate in the above-described offering and to participate in a possible debt financing. GHS also agreed to waive its right, pursuant to the Certificate of Designation for the Series E Preferred Stock, to exchange its shares of Series E Preferred Stock for securities issued in the debt financing, if the Company enters into such financing.

In consideration for GHS entering into the waiver, we lowered the exercise price of the warrants we had previously issued to GHS to $0.35 per share and issued to GHS warrants to purchase 3,739,000 shares of NaturalShrimp Common Stock at an exercise price of $0.75 per share.

Going Concern and Management Liquidity Plans

The condensed consolidated financial statements have been prepared assuming that it will continue as a going concern. For the nine months ended December 31, 2023, the Company had a net loss available for common stockholders of approximately $10,821,000. As of December 31, 2023, the Company had an accumulated deficit of approximately $178,426,000 and a working capital deficit of approximately $10,406,000. These factors raise substantial doubt about the Company's ability to continue as a going concern, within one year from the issuance date of this filing. The Company's ability to continue as a going concern is dependent on its ability to raise the required additional capital or debt financing to meet short and long-term operating requirements. During the nine months ended December 31, 2023, the Company received net cash proceeds of approximately $2,324,000 from the sale of common shares, $150,000 from the sale of Series E Preferred stock, $97,000 from the sale of Series G Preferred stock and the Company received $140,000 proceeds from the issuance of promissory notes, related parties.

Management believes that private placements of equity capital will be needed to fund the Company's long-term operating requirements. The Company may also encounter business endeavors that require significant cash commitments or unanticipated problems or expenses that could result in a requirement for additional cash. If the Company raises additional funds through the issuance of equity, the percentage ownership of its current shareholders could be reduced, and such securities might have rights, preferences or privileges senior to its common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective business endeavors or opportunities, which could significantly and materially restrict its operations. The Company continues to pursue external financing alternatives to improve its working capital position. If the Company is unable to obtain the necessary capital, the Company may be unable to develop its future planned facilities and, concomitantly, increase its shrimp production.

The Company's consolidated financial statements included in this report do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to obtain additional financing as may be required and ultimately to attain profitability. If the Company raises additional funds through the issuance of equity, the percentage ownership of current stockholders could be reduced, and such securities might have rights, preferences, or privileges senior to the rights, preferences, and privileges of the NaturalShrimp Common Stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective business endeavors or opportunities, which could significantly and materially restrict its future plans for developing its business and achieving commercial revenues.

Future Financing

We will require additional funds to implement our growth strategy for our business. In addition, while we have received capital from various private placements that have enabled us to fund our operations, these funds have been largely used to develop our processes, although additional funds are needed for other corporate operational and working capital purposes. However, not including funds needed for capital expenditures or to pay down existing debt and trade payables, we anticipate that we will need to raise an additional $2.5 million to cover all of our capital and operational expenses over the next 12 months, not including any capital expenditures needed as part of any commercial scale-up of our equipment. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There can be no assurance that additional financing will be available to us when needed or, if available, that such financing can be obtained on commercially reasonable terms. If we are not able to obtain the additional necessary financing on a timely basis, or if we are unable to generate significant revenues from operations, we will not be able to meet our other obligations as they become due, and we will be forced to scale down or perhaps even cease our operations.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

Critical Accounting Policies and Estimates

Our significant accounting policies are more fully described in the notes to our financial statements included in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 and 2022. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

Fair Value Measurement

The fair value measurement guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in the valuation of an asset or liability. It establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the fair value measurement guidance are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; or

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The warrant liabilities and fair value option on Restructured notes, are Level 3 fair value measurements.

Basic and Diluted Earnings/Loss per Common Share

Basic and diluted earnings or loss per share ("EPS") amounts in the unaudited condensed consolidated financial statements are computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 260 – 10 "*Earnings per Share*", which establishes the requirements for presenting EPS. Basic EPS is based on the weighted average number of shares of common stock outstanding. Diluted EPS is based on the weighted average number of shares of common stock outstanding and dilutive common stock equivalents. Basic EPS is computed by dividing net income or loss available to common stockholders (numerator) by the weighted average number of shares of common stock outstanding (denominator) during the period. As of the nine months ended December 31, 2023, the Company had 5,000,000 Series A Convertible Preferred Stock which would be converted at the holder's option into approximately 994,965,000 underlying common shares, 1,656 of Series E Redeemable Convertible Preferred shares whose approximately 5,678,000 underlying shares are convertible at the investors' option at a fixed conversion price of $0.35, 750,000 shares of Series F Preferred Stock which would be converted at the holders' option into approximately 238,792,000 underlying common shares, 145 of Series G Redeemable Convertible Preferred shares whose approximately 12,429,000 underlying shares are convertible at the investors' option at a conversion price based on the discounted market price of $0.014 and 18,573,116 warrants outstanding which were not included in the calculation of diluted EPS as their effect would be anti-dilutive. As of the nine months ended December 31, 2022, the Company had 5,000,000 shares of Series A Convertible Preferred Stock which would be converted at the holder's option into approximately 768,561,000 underlying common shares, 1,500 shares of Series E Redeemable Convertible Preferred shares whose approximately 5,143,000 underlying shares are convertible at the investors' option at a fixed conversion price of $0.35, and 170 shares of Series E Redeemable Convertible Preferred shares whose approximately 2,775,000 underlying shares are convertible at the investors' option at conversion price of 90% of the average of the two lowest market prices over the last 10 days, 750,000 shares of Series F Preferred Stock which would be converted at the holders' option into approximately 184,387,000 underlying common shares, and 18,573,116 warrants outstanding which were not included in the calculation of diluted EPS as their effect would be anti-dilutive.

Impairment of Long-lived Assets and Long-lived Assets

The Company will periodically evaluate the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review and at least annually. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost to dispose.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, and, as such, the Company records revenue when its customers obtain control of the promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company will sell primarily to food service distributors, as well as to wholesalers, retail establishments and seafood distributors. Additionally, the Company will sell or rent either the NSI Technologies or Equipment.

To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer by receipt of purchase orders and confirmations sent by the Company, which includes a required line of credit approval process, (2) identify the performance obligations in the contract, which includes shipment of goods to the customer FOB shipping point or destination, (3) determine the transaction price which initiates with the purchase order received from the customer and confirmation sent by the Company and will include discounts and allowances by customer if any, (4) allocate the transaction price to the performance obligations in the contract which is the shipment of the goods to the customer and transaction price determined in step 3 above and (5) recognize revenue when (or as) the Company satisfies a performance obligation, which is when the Company transfers control of the goods to the customers by shipment or delivery of the products.

Recently Adopted Accounting Pronouncements

Our recently adopted accounting pronouncements are more fully described in Note 2 to our financial statements included herein for the quarter ended December 31, 2023.

Recently Issued Accounting Standards

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, "*Segment Reporting (Topic* 280*) Improvements to Reportable Segment Disclosures"* which expands annual and interim disclosure requirements for reportable segments. The amendments require enhanced disclosure for certain segment items and required disclosure on how management uses reported measures to assess segment performance. The amendments do not change how segments are determined, aggregated, or how thresholds are applied to determine reportable segments. The updated standard is effective for annual periods beginning in fiscal 2025 and interim periods beginning in the first quarter of fiscal 2026. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU.

In December 2023, the FASB issued ASU No. 2023-09 "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* which requires two primary enhancements of 1) disaggregated information on a reporting entity's effective tax rate reconciliation, and 2) information on cash income taxes paid. Additionally, specific disclosures related to unrecognized tax benefits and indefinite reinvestment assertions were removed. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU.

In August 2020, the FASB issued ASU 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (1) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, Debt: Debt with Conversion and Other Options, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (2) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (3) revises the guidance in ASC 260, Earnings Per Share, to require entities to calculate diluted earnings per share (EPS) for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted EPS when an instrument may be settled in cash or shares. For SEC filers, excluding smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. For all other entities, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Entities should adopt the guidance as of the beginning of the fiscal year of adoption and cannot adopt the guidance in an interim reporting period. The Company is currently evaluating the impact that ASU 2020-06 may have on its consolidated financial statements and related disclosures.

During the period ending December 31, 2023, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable. As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

The Company's management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of the end of the period covered by this Report.

Based upon that evaluation , our principal executive officer and principal financial officer concluded that, as of December 31, 2023, our disclosure controls and procedures were not effective due to the material weaknesses in internal control over financial reporting described below. Thus, there remains a reasonable possibility that a material misstatement of the Company's interim financial statements will not be prevented or detected on a timely basis. This does not include an evaluation by the Company's registered public accounting firm regarding the Company's internal control over financial reporting. Accordingly, we cannot provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, to allow our principal financial and executive officers to make timely decisions regarding required disclosures as of December 31, 2023.

Management's evaluation was based on the following material weaknesses in our internal control over financial reporting which existed as of March 31, 2023, and which continue to exist, as discussed in the Company's Annual Report on Form 10-K:

- Inadequate segregation of duties consistent with control objectives;
- Lack of independent Board of Directors (as of the balance sheet date) and absence of Audit Committee to exercise oversight responsibility related to financial reporting and internal control;
- Lack of risk assessment procedures on internal controls to detect financial reporting risks in a timely manner; and
- Lack of documentation on policies and procedures that are critical to the accomplishment of financial reporting objectives.

Our management will continue to monitor and evaluate the relevance of our risk-based approach and the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Remediation Plan

Management continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively.

The remediation actions planned include:

- Identify gaps in our skills base and the expertise of our staff required to meet the financial reporting requirements of a public company;
- Establish an independent Board of Directors (which we expect to establish in our fourth fiscal quarter that will end on March 31, 2024) and an Audit Committee to provide oversight for remediation efforts and ongoing guidance regarding accounting, financial reporting, overall risks and the internal control environment;
- Retain additional accounting personnel with public company financial reporting, technical accounting, SEC compliance, and strategic financial advisory experience to achieve adequate segregation of duties; and
- Continue to develop formal policies and procedures on accounting and internal control over financial reporting and monitor the effectiveness of existing controls and procedures.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2023 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect. The Company has resolved all outstanding litigation involving the Company and there are no suits or cases pending in which the Company is a party.

ITEM 1A. RISK FACTORS

Factors that could cause or contribute to differences in our future financial and operating results include those discussed in the risk factors set forth in Item 1 of our Annual Report on Form 10-K for the year ended March 31, 2023. The risks described in our Form 10-K and this Report are not the only risks that we face. Additional risks not presently known to us or that we do not currently consider significant may also have an adverse effect on the Company. If any of the risks actually occur, our business, results of operations, cash flows or financial condition could suffer.

There have been no material changes to the risk factors set forth in Item 1A of our Annual Report on Form 10-K for the year ended March 31, 2023, filed with SEC on June 27, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of the Company's equity securities during the three months ended December 31, 2023 that were not previously reported in an Annual Report on Form 10-K, a Quarterly Report on Form 10-Q, or a Current Report on Form 8-K except as follows :

On October 10, 2023, a new employee was issued 50,000 shares of common stock as a signing bonus with a total fair value of $1,100, based on the market price of $0.02250 on the grant date.

On December 4, 2023, 40,000,000 shares of common stock were issued to a financial accounting consultant under an Independent Consulting Agreement. The shares are a non-refundable retainer on behalf of their financial accounting consulting services for one year of services. The shares had a fair value of $600,000, based on the market price of $0.015 on the grant date, recognized as consulting services in the nine months ended December 31, 2023.

Unless otherwise specified, the above securities were issued in reliance on the exemption under Section 4(a)(2) of the Securities Act. The issuance of the shares to the consultant qualified for exemption under Section 4(a)(2) since the issuance by us did not involve a public offering. The offering was not a "public offering" as defined in 4(a)(2) due to the insubstantial number of persons involved in the transactions, manner of the issuance and number of securities issued. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, the investor had the necessary investment intent as required by Section 4(a)(2) since they agreed to and received securities bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering". Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Incorporated by Reference Exhibit
31.1*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.		
31.2*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.		
32.1**	Section 1350 Certification of Chief Executive Officer.		
32.2**	Section 1350 Certification of Chief Financial Officer.		
101.INS*	Inline XBRL Instance Document		
101.SCH*	Inline XBRL Taxonomy Extension Schema Document		
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document		
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document		

** Filed herewith.*
*** Furnished herewith.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATURALSHRIMP INCORPORATED

By: */s/ Gerald Easterling*
Gerald Easterling
Chief Executive Officer
(Principal Executive Officer)
Date: February 14, 2024

By: */s/ William Delgado*
William Delgado
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Date: February 14, 2024

Exhibit 31.1

NATURALSHRIMP INCORPORATED
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gerald Easterling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NaturalShrimp Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: *<u>/s/ Gerald Easterling</u>*
Gerald Easterling
Chief Executive Officer
(Principal Executive Officer)
Date: February 14, 2024

Exhibit 31.2

NATURALSHRIMP INCORPORATED
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Delgado, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NaturalShrimp Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ William Delgado*
William Delgado
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Date: February 14, 2024

Exhibit 32.1

NATURALSHRIMP INCORPORATED
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of NaturalShrimp Incorporated (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

By: */s/ Gerald Easterling*
Gerald Easterling
Chief Executive Officer
(Principal Executive Officer)
Date: February 14, 2024

Exhibit 32.2

NATURALSHRIMP INCORPORATED
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of NaturalShrimp Incorporated (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

By: */s/ William Delgado*
William Delgado
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Date: February 14, 2024