

**SHASUN USA, INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2022 AND 2021**

**RAVI VENKATARAMAN, CPA LLC**



**SHASUN USA, INC**

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Board of Directors  
Shasun USA, Inc  
East Brunswick, New Jersey

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Financial Statements:**

We have audited the accompanying Balance Sheet of Shasun USA, Inc. as of March 31, 2022 and 2021 and the related statements of income and retained earnings and statement of cash flows for the years then ended.

**Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

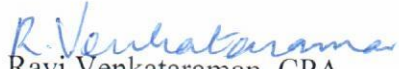
**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

**Opinion:**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shasun USA, Inc as of March 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Ravi Venkataraman, CPA

Princeton, NJ

April 21, 2022

**SHASUN USA, INC**  
**BALANCE SHEET**

<u>ASSETS</u>	<u>MARCH 31, 2022</u>	<u>MARCH 31, 2021</u>
<b><u>Current Assets:</u></b>		
Cash	\$12,273	\$11,339
Accounts Receivable- Trade	97,382	46,258
Total Current Assets	109,655	57,597
<b><u>Property and Equipment, (Net of Accumulated</u></b>		
Depreciation of \$ 163,415 and \$ 162,944 respectively)	-	471
<b>TOTAL ASSETS</b>	<b>109,655</b>	<b>58,068</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts Payable-Trade	543,180	589,524
Other Current Liabilities	29,293	6,278
Total Current Liabilities	572,473	595,802
<b><u>Stockholders' Equity:</u></b>		
Common Stock	15,000	15,000
Retained Earnings	(477,818)	(552,734)
Dividend Payable	-	-
Total Stockholders' Equity	(462,818)	(537,734)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$109,655</b>	<b>\$58,068</b>

*See Independent Auditor's Report and Notes to the Financial Statements*

**SHASUN USA, INC**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEARS ENDED**

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Sales	\$0	\$0
Other income	398,753	268,299
Cost of Goods Sold	-	-
Exchange gain	-	-
Gross Profit	<u>398,753</u>	<u>268,299</u>
General, Sales, and Administrative Expenses (Note 9)	303,205	242,353
Depreciation & Amortization	718	5,622
Foreign exchange loss	-	-
Total Operating Expense	<u>303,923</u>	<u>247,975</u>
Income/(Loss) from operations	94,830	20,324
Total Profit Before Income Taxes	<u>94,830</u>	<u>20,324</u>
Provision For Income Taxes:		
Current	19,914	3,421
Prior Year	-	-
Total Provision for Income Taxes	<u>19,914</u>	<u>3,421</u>
Net Profit/(Loss)	<u>74,916</u>	<u>16,903</u>
Retained Earnings - Beginning	(\$552,734)	(\$569,637)
Prior Year Adjustment	-	-
Retained Earnings - Ending	<u><u>(\$477,818)</u></u>	<u><u>(\$552,734)</u></u>

*See Independent Auditor's Report and Notes to the Financial Statements*

**SHASUN USA INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED**

	<u>MARCH 31, 2022</u>	<u>MARCH 31, 2021</u>
<b><u>Cash Flow from Operating activities:</u></b>		
Net Income/(Loss) for the period	\$74,916	16,903
Add: Depreciation	471	5,622
Rounding off error		
Changes in assets and liabilities:		
Accounts Receivable	(51,124)	147,211
Deposits	-	25,788
Prepaid Expenses	-	-
Accounts Payable	(46,344)	(84,431)
Accrued Expenses	-	-
Corporate Tax Payable	-	-
Other Current Liabilities	23,015	(110,499)
Net increase(decrease) in cash from Operating activities	\$934	594
<b><u>Cash Flow from Investing activities:</u></b>		
Purchase of Fixed Assets	-	-
Net decrease in cash from Investing activities	-	-
<b><u>Cash Flow from Financing Activities :</u></b>		
Loan-SVADS	-	-
Dividend Paid	-	-
Net increase in cash from Financing activities	-	-
Net increase in cash	934	594
Prior Period Adjustments	-	-
Cash - Beginning	11,339	10,745
<b>Cash - Ending</b>	<b>12,273</b>	<b>11,339</b>
Supplementary information:		
Income taxes paid	\$ 19,914	\$ 75,309
Interest paid	0	0

*See Independent Auditor's Report and Notes to the Financial Statements*

**SHASUN USA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31,2022 and 2021**

**Note 1 - Summary of Significant Accounting Policies:**

**A. General**

Shasun USA Inc was incorporated in 1997 as a wholly owned subsidiary of Solara Active Pharma Sciences Limited (“Solara”) with a paid-up capital of \$ 15,000.00. As per the Composite Scheme of Arrangement entered into between Strides Shasun Limited and Solara, w.e.f October 1, 2017, Solara is 100 % shareholder of Shasun USA..The subsidiary is a trading outfit of Solara. The main business of the Company is to stock and sell finished products of Solara and also do marketing for Solara’s existing as well as new products. It also assists Solara in procurement of reference standards and other regulatory related activities with the end customers.

**B. Inventory**

Inventory is carried at lower of cost or market value.

**C. Property and Equipment / Depreciation**

Property and equipment are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the respective assets.

**Note 2 – Revenue Recognition:**

Revenue is recognised only when it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and the amount of revenue can be measured with reliability. Shasun USA Inc earns its revenue from sale of products and also as commission by marketing products of Strides Shasun Limited (SSL). Revenue from sale of pharmaceutical products is recognised when all significant risks and rewards have been transferred to the buyer.

*See Independent Auditor’s Report*



**SHASUN USA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022 AND 2021**

**Note 3 - Property and Equipment:**

Property and Equipment at March 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Office Equipment	\$ 11,599	\$11,599
Computers	48,728	48,728
Furnitures	57,772	57,772
Other Assets	36,082	36,082
Telephone	<u>9,234</u>	<u>9,234</u>
Total Assets	163,415	163,415
Less: Accumulated Depreciation	<u>(163,415)</u>	<u>(162,944)</u>
Net Assets	<u>\$ 0</u>	<u>\$ 471</u>

The depreciation expense for the years ended March 31, 2022 and 2021 is \$ 5,622 and \$ 26,244 respectively.

The depreciation rates used for Property and Equipment are as follows:

Office Equipments	13.91%
Computers	40%
Furniture	18.10%
Other Assets	20%
Telephone	13.91%

**Note 4 – Security Deposits:**

The amount represents utility and rent deposits for New Jersey office. Located at 2, Tower Centre Blvd., East Brunswick, NJ 08816.

**Note 5– Related Party transactions**

Shasun USA Inc is a 100% subsidiary of Solara. During the year, the total commission earned from the Parent Company is \$398,753.

*See Independent Auditor's Report*

**SHASUN USA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022 AND 2021**

**Note 6 – Subsequent Event**

Management has evaluated subsequent events through April 21, 2022, the date the financial statements were available to be issued.

**Note 7 – Impact of COVID-19 on Operations**

Management has indicated that there was no material impact on the US operations because of COVID-19 lockdown.

*See Independent Auditor's Report*

**SHASUN USA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEARS ENDED**

**Notes 9- Selling, General and Administrative expenses**

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Audit Fees	\$6,000	\$6,000
Bank Service & Other Charges	190	347
Telephone Expenses	-	-
Salaries	286,776	234,357
Professional fees	810	1,000
Rates, Fees & Taxes	9,379	649
Interest Expense	50	-
	<u><u>\$303,205</u></u>	<u><u>\$242,353</u></u>

*See Independent Auditor's Report and Notes to the Financial Statements*