

**SHASUN USA, INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2023 AND 2022**

**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**

**Opinion on the Financial Statements:**

We have audited the accompanying financial statements ( " Company"), which comprise the Balance Sheets of Shasun USA, Inc. as of March 31, 2023 and 2022 and the related statements of income and retained earnings and statement of cash flows for the years then ended.

**Basis for Opinion:**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Act, and in conformity with generally accepted accounting principles in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company. and to meet our other ethical responsibilities relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related that we identified during the audit.

  
Ravi Venkataraman, CPA  
Princeton, NJ  
May 5, 2023

**SHASUN USA, INC  
BALANCE SHEET**

<u>ASSETS</u>	<u>MARCH 31, 2023</u>	<u>MARCH 31, 2022</u>
<b><u>Current Assets:</u></b>		
Cash	\$15,018	\$12,273
Accounts Receivable- Trade	-	97,382
Total Current Assets	15,018	109,655
<b><u>Property and Equipment, (Net of Accumulated</u></b>		
Depreciation of \$ 294 and \$ 163,415 respectively)	-	-
<b>TOTAL ASSETS</b>	<b>15,018</b>	<b>109,655</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts Payable-Trade	471,985	543,180
Other Current Liabilities	1,296	29,293
Total Current Liabilities	473,281	572,473
<b><u>Stockholders' Equity:</u></b>		
Common Stock	15,000	15,000
Retained Earnings	(473,263)	(477,818)
Dividend Payable	-	-
Total Stockholders' Equity	(458,263)	(462,818)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$15,018</b>	<b>\$109,655</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, 2023</u>	<u>March 31, 2022</u>
Sales	\$0	\$0
Other income	101,876	398,753
Cost of Goods Sold	-	-
Exchange gain	-	-
Gross Profit	<u>101,876</u>	<u>398,753</u>
General, Sales, and Administrative Expenses (Note 9)	97,889	303,205
Depreciation & Amortization	294	718
Foreign exchange loss	-	-
Total Operating Expense	<u>98,183</u>	<u>303,923</u>
Income/(Loss) from operations	3,693	94,830
Total Profit Before Income Taxes	<u>3,693</u>	<u>94,830</u>
Provision For Income Taxes:		
Current	(862)	19,914
Prior Year	-	-
Total Provision for Income Taxes	<u>(862)</u>	<u>19,914</u>
Net Profit/(Loss)	<u>4,555</u>	<u>74,916</u>
Retained Earnings - Beginning	(\$477,818)	(\$552,734)
Prior Year Adjustment	-	-
Retained Earnings - Ending	<u><u>(\$473,263)</u></u>	<u><u>(\$477,818)</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, 2023</u>	<u>MARCH 31, 2022</u>
<b><u>Cash Flow from Operating activities:</u></b>		
Net Income/(Loss) for the period	\$4,555	74,916
Add: Depreciation	294	471
Rounding off error		
Changes in assets and liabilities:		
Accounts Receivable	97,382	(51,124)
Deposits	-	
Prepaid Expenses	-	-
Accounts Payable	(71,195)	(46,344)
Accrued Expenses	-	-
Corporate Tax Payable	-	-
Other Current Liabilities	(27,997)	23,015
Net increase(decrease) in cash from Operating activities	\$3,039	934
<b><u>Cash Flow from Investing activities:</u></b>		
Purchase of Fixed Assets	(294)	-
Net decrease in cash from Investing activities	(294)	-
<b><u>Cash Flow from Financing Activities :</u></b>		
Loan-SVADS	-	-
Dividend Paid	-	-
Net increase in cash from Financing activities	-	-
Net increase in cash	2,745	934
Prior Period Adjustments	-	-
Cash - Beginning	12,273	11,339
<b>Cash - Ending</b>	<b>15,018</b>	<b>12,273</b>
Supplementary information:		
Income taxes paid	\$ -	\$ 19,914
Interest paid	\$ -	\$ -

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

**SHASUN USA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31,2023 and 2022**

**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, 2023 AND 2022**

**Note 3 - Property and Equipment:**

Property and Equipment at March 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Office Equipment	\$ 0	\$11,599
Computers	294	48,728
Furnitures	0	57,772
Other Assets	0	36,082
Telephone	<u>0</u>	<u>9,234</u>
Total Assets	294	163,415
Less: Accumulated Depreciation	<u>(294)</u>	<u>(163,415)</u>
Net Assets	<u>\$ 0</u>	<u>\$ 0</u>

The depreciation expense for the years ended March 31, 2023 and 2022 is \$ 294 and \$ 471 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- Related Party transactions**

Shasun USA Inc is a 100% subsidiary of Solara. During the year, the total commission earned from the Parent Company is \$101,876.

*See Independent Auditor's Report*

**SHASUN USA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**Note 5 – Subsequent Event**

Management has evaluated subsequent events through May 5, 2023, the date the financial statements were available to be issued.

**Note 6 – 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, 2023</u>	<u>March 31, 2022</u>
Audit Fees	\$6,500	\$6,000
Bank Service & Other Charges	214	190
Telephone Expenses	160	-
Salaries	72,817	286,776
Professional fees	883	810
Rates, Fees & Taxes	(430)	9,379
Interest Expense	-	50
Traveling expenses	15,706	-
Printing and Stationery	744	-
Advertisement and Business Promotion	1,295	-
	<u>\$97,889</u>	<u>\$303,205</u>

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