

P. S. JOGLEKAR & CO.
CHARTERED ACCOUNTANTS



**REPORT OF THE INDEPENDENT AUDITOR ON THE SPECIAL PURPOSE
FINANCIAL STATEMENT**

To the Board of Directors of Solentus North America Inc.

We have audited the accompanying financial statements of Solentus North America Inc., which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements prepared by management of Solentus North America Inc. is for the purpose of consolidation in the parent company's consolidated financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.. implementation and maintenance of internal control relevant to the preparation of 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 audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



.....2/-

P. S. JOGLEKAR & CO.
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Solentus North America Inc. for the year ended March 31, 2023 are prepared, in all material respects in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note B to the financial statements, which describes the basis of accounting. The financial statements are prepared by Solentus North America Inc to achieve its purpose of consolidation in the parent company's consolidated financial statement. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Solentus North America Inc and should not be distributed to or used by party other than Solentus North America Inc.

Date : 18th May, 2023

Place : Mumbai



For P.S. Joglekar & Co
Chartered Accountants
FRN :- 119846W


Prasad S. Joglekar
Proprietor
M. No. 100384
UDIN- 23100384BGQWAJ8564


SOLENTUS NORTH AMERICA INC
Balance Sheet as at March 31, 2023

Canadian \$

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Current Assets			
Cash and cash equivalents	2	5,321	5,321
Other current assets	3	4,376	4,376
Total Current Assets		9,697	9,697
TOTAL ASSETS		9,697	9,697
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4	98,600	98,600
Other Equity	5	(6,98,502)	(6,67,632)
Total Equity		(5,99,902)	(5,69,032)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Short Term Borrowing	6	5,64,349	5,38,110
Other current liabilities	7	45,249	40,619
Total Current Liabilities		6,09,599	5,78,729
TOTAL EQUITY AND LIABILITIES		9,697	9,697
Significant Accounting Policies	1		

The accompanying notes 1 to 9 form an integral part of the Financial Statements.


For and on behalf of Solentus North America Inc.


Ashish S. Dandekar
Director



For P. S. Joglekar & Co

Firm Registration No.: 119846W


Prasad Joglekar
M. No. : 100384
Mumbai, May 18, 2023
UDIN : 23100384BGQWAJ8564


SOLENTUS NORTH AMERICA INC**Statement of Profit and Loss for the year ended March 31, 2023****Canadian \$**

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	8	-	-
Total income		-	-
EXPENSES			
Finance Cost	9	30,870	29,021
Total Expenses		30,870	29,021
Profit Before Tax		(30,870)	(29,021)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit for the Year		(30,870)	(29,021)

Significant Accounting Policies**1**

The accompanying notes 1 to 9 form an integral part of the Financial Statements.

For and on behalf of Solentus North America Inc.


Ashish S. Dandekar
Director



For P. S. Joglekar & Co

Firm Registration No.: 119846W


Prasad Joglekar

M. No. : 100384

Mumbai, May 18, 2023

UDIN : 23100384BGQWAJ8564

SOLENTUS NORTH AMERICA INC
Statement of Cash Flows for the year ended March 31, 2023
Canadian \$

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash Flow from Operating Activities		
Profit before Tax	(30,870)	(29,021)
Adjustment for:		
Operating Profit before working capital changes	(30,870)	(29,021)
Adjustment for:		
(Increase)/Decrease in Non Financial Assets	30,870	29,021
Cash generated from operations	-	-
Net Cash Flow from/(used in) Operating activities	-	-
Cash Flow from Investing Activities		
Net Cash Flow from/(used in) Investing Activities	-	-
Cash Flow from Financing Activities		
Net Cash Flow from Financing Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents	-	-
Cash & Cash Equivalents -Opening Balance	5,321	5,321
Cash & Cash Equivalents -Closing Balance	5,321	5,321

Note :

(a) The above Statement of Cash Flows have been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash & cash equivalents comprise of:

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	5,321	5,321
Cash & cash equivalents in the Statement of Cash Flows	5,321	5,321

(c) The accompanying notes 1 to 15 form an integral part of the Financial Statements.

For and on behalf of Solentus North America Inc.

Ashish S. Dandekar
Director



For P. S. Joglekar & Co
Firm Registration No.: 119846W

Prasad Joglekar
M. No. : 100384
Mumbai, May 18, 2023
UDIN : 23100384BGQWAJ8564

SOLENTUS NORTH AMERICA INC**Statement of Changes in Equity for the period ended March 31, 2023****a) Equity Share Capital**

Particulars	Canadian \$	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	98,600	98,600
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	98,600	98,600

b) Other Equity

Particulars	Canadian \$	
	Retained Earnings	
Balance as at March 31, 2021	(6,38,611)	
Profit for the year	(29,021)	
Balance as at March 31, 2022	(6,67,632)	
Profit for the year	(30,870)	
Balance as at March 31, 2023	(6,98,502)	

The accompanying notes 1 to 9 form an integral part of the Financial Statements.

For and on behalf of Solentus North America Inc.



Ashish S. Dandekar
Director



For P. S. Joglekar & Co

Firm Registration No.: 119846W



Prasad Joglekar

M. No. : 100384

Mumbai, May 18, 2023

UDIN : 23100384BGQWAJ8564

SOLENTUS NORTH AMERICA INC
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2 Cash and cash equivalents

Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	5,321	5,321
	5,321	5,321

3 Other current assets

Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with statutory / government authorities	4,376	4,376
	4,376	4,376

4 Equity share capital

Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Issued, subscribed and paid up share capital	98,600	98,600
	98,600	98,600

5 Other Equity

Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Balance in Statement of Profit and Loss		
Opening Balance	(6,67,632)	(6,38,611)
Profit for the year	(30,870)	(29,021)
	(6,98,502)	(6,67,632)

6 Short Term Borrowing

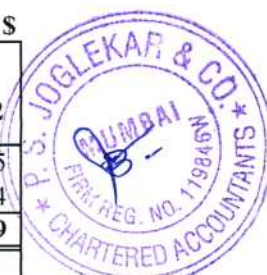
Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Loan and advances from parent co	5,64,349	5,38,110
	5,64,349	5,38,110

7 Other current liabilities

Canadian \$

Particulars	As at March 31, 2023	As at March 31, 2022
Tax payable	21,935	17,305
Other	23,314	23,314
	45,249	40,619



SOLENTUS NORTH AMERICA INC**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****8 Revenue from operations****Canadian \$**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Finished goods	-	-
	-	-

9 Finance Cost**Canadian \$**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	30,870	29,021
	30,870	29,021



1 Significant Accounting Policies

A. Company Overview:

SOLENTUS NORTH AMERICA INC. ("the Company") is engaged in sales, marketing and distribution of antioxidants, food ingredients, blends, formulations etc in USA and Canada. As decided. The Company is domiciled in Canada its registered office at 55 York Street Suite 401 Toronto, ON M5J 1R7

B. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended March 31, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements. These financial statements are prepared for the purpose of consolidation in the Parent Company's Consolidated Financial Statements.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Canadian Dollar, which is the functional currency of the Company.

a. Basis of Measurement

The Financial Statements have been prepared using historical cost convention and on accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value.

b. Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

- (i) Determination of the estimated useful lives of property, plant and equipment.
- (ii) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- (iii) Fair value of financial instruments and applicable discount rate.
- (iv) Recognition of deferred tax assets.



c. Measurement of fair values

The Company's accounting policies and disclosures require the financial instruments to be measured at fair values.

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

1 Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant on the Company's financial statements.

2 Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact of the amendment on its financial statements.

3 Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact of the amendment on its financial statements.



D.- Significant Accounting Policies

a. Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories:

- Financial assets at amortised cost
 - Financial assets at fair value through Other Comprehensive Income (FVTOCI)
 - Financial assets at fair value through profit or loss (FVTPL)
- on the basis of its business model for managing the financial assets

(iii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(v) Financial Asset at Fair Value through profit or loss (FVTPL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.



(vi) Financial Assets as Equity Investments

All equity instruments other than investment in subsidiaries and associate are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(vii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(viii) Impairment of Financial Assets

The Company applies 'Simplified Approach' for measurement and recognition of impairment loss on the following financial assets and credit exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities**(i) Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

(iv) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

III. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

IV. Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

b. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

c. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

d. Foreign Currency Transactions / Translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Statement of Profit and Loss in the year.

e. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.



(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

