

Montrose International, S. A. Panamá

**Report and Financial Statements
March 31, 2021**

Montrose International, S. A. Panamá

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Independent Auditors' Report

To the Board of Directors of
Montrose International, S. A. Panamá

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Montrose International S. A. Panama (the "Company") as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards

What we have audited

The Company's financial statements comprise:

- the Statement of financial position as at March 31, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the requirements of the code of professional ethics for certified public accountants that are relevant to our audit of the financial statements in the Republic of Panama. We have complied with the other ethical responsibilities in accordance with the IESBA Code of Ethics and the ethics requirements of the Republic of Panama.



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Emphasis of Matter

We draw attention to Note 1 of these financial statements, which refers to the approval of the Board of Directors of the parent of the Company to liquidate the Company's business. These financial statements have therefore been prepared using a liquidation basis of accounting. Our opinion is not qualified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

May 15, 2021
Panama, Republic of Panama

Montrose International, S. A. Panamá

Statement of Financial Position

March 31, 2021

(Amounts in United States dollars)

	Note	2021	2020
Assets			
Current assets			
Cash in banks		<u>1,216,596</u>	<u>1,241,808</u>
Total assets		<u>1,216,596</u>	<u>1,241,808</u>
Equity and Liabilities			
Equity			
Share capital	3	500,000	500,000
Retained earnings		<u>703,989</u>	<u>731,116</u>
Total equity		<u>1,203,989</u>	<u>1,231,116</u>
Liabilities			
Current liabilities			
Accrued expenses		<u>12,607</u>	<u>10,692</u>
Total liabilities		<u>12,607</u>	<u>10,692</u>
Total equity and liabilities		<u>1,216,596</u>	<u>1,241,808</u>

The accompanying notes are an integral part of these financial statements.

Montrose International, S. A. Panamá

Statement of Comprehensive Income For the year ended March 31, 2021 *(Amounts in United States dollars)*

	2021	2020
General and administrative expenses		
Professional charges	(27,039)	(11,863)
Bank charges and exchange rate differences	<u>(101)</u>	<u>-</u>
	(27,140)	(11,863)
Other income		
Interest income	<u>13</u>	<u>6,739</u>
Net loss	<u><u>(27,127)</u></u>	<u><u>(5,124)</u></u>

The accompanying notes are an integral part of these financial statements.

Montrose International, S. A. Panamá

Statement of Changes in Equity For the year ended March 31, 2021 (Amounts in United States dollars)

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at March 31, 2019	500,000	736,240	1,236,240
Net loss	-	(5,124)	(5,124)
Balance as at March 31, 2020	500,000	731,116	1,231,116
Net loss	-	(27,127)	(27,127)
Balance as at March 31, 2021	<u>500,000</u>	<u>703,989</u>	<u>1,203,989</u>

The accompanying notes are an integral part of these financial statements.

Montrose International, S. A. Panamá

Statement of Cash Flows For the year ended March 31, 2021 *(Amounts in United States dollars)*

	2021	2020
Cash flows from operating activities		
Net loss	(27,127)	(5,124)
Net changes in operating assets and liabilities		
Accrued expenses	<u>1,915</u>	<u>(1,548)</u>
Net cash used in operating activities	<u>(25,212)</u>	<u>(6,672)</u>
Decrease net increase in cash	(25,212)	(6,672)
Cash at beginning of the year	<u>1,241,808</u>	<u>1,248,480</u>
Cash at end of year	<u><u>1,216,596</u></u>	<u><u>1,241,808</u></u>

The accompanying notes are an integral part of these financial statements.

Montrose International, S. A. Panamá

Notes to the Financial Statements

March 31, 2021

(Amounts in United States dollars)

1. General Information

Montrose International S. A. here-in-after called (the “Company”) is a company registered in the Republic of Panama. The Company was engaged in the business of import, export and trading of alcoholic beverages and cigarettes. However, on October 25, 2016, the Company has surrendered its licenses to import, export and trade in alcoholic beverages and cigarettes.

The Company is owned by United Spirits Limited, India. The Company had a branch in Fujairah Free Zone, UAE and the business were done completely in the Fujairah branch. Consequently, with the surrender of its aforementioned licenses, the operations at the branch have ceased.

The Board of Directors of United Spirits Limited (USL), the holding company of Montrose International S. A., on May 24, 2018 approved the liquidation of Montrose International, S. A. Subsequently, USL has filed an application seeking approval of Reserve Bank of India (RBI), India’s Central Banking institution, for disinvestment by way of voluntary liquidation of Montrose International S.A. On September 24, 2020 the Reserve Bank of India approved this request; consequently, the financial statements are prepared on a liquidation basis.

All assets and liabilities have been recognized as current at their fair value. On the basis of their assessment, the company’s directors estimated that the fair value approximates to the carrying value as at March 31, 2021.

The financial statements were authorized for their issuance by Management on May 14, 2021.

2. Summary of Significant Accounting Policies

A summary of significant accounting policies adopted by the Company in the preparation of these financial statements is presented as follows; these have been consistently applied to the period presented, unless otherwise stated.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The financial statements have been prepared under the historical cost convention.

Montrose International, S. A. Panamá

Notes to the Financial Statements

March 31, 2021

(Amounts in United States dollars)

2. Summary of Significant Accounting Policies (Continued)

Basis of Preparation (continued)

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires Management to use judgment and accounting estimates. There are not estimates balances for the years ended March 31, 2021 and 2020.

New Standards, Amendments and Interpretations Adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing April 1, 2020

- Definition of material: amendments to IAS 1 and IAS 8
- Annual improvements to IFRS standards Cycle 2018 - 2020

The amendments listed above had no impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New Standards, Amendments and Interpretations not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Functional and Presentation Currency

These financial statements are expressed in US\$ Dollars, rounded to the nearest Dollar.

Financial Instruments

Non - Derivative Financial Assets

The Company initially recognizes deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Non-Derivative Financial Liabilities

Trade payables are recognized initially at the transaction price and sub-sequently measured at amortized cost using the effective interest method.

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Notes to the Financial Statements

March 31, 2021

(Amounts in United States dollars)

2. Summary of Significant Accounting Policies (Continued)

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

Impairment of Assets

Financial Assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Cash

Cash for the purpose of cash flow statement consist of cash at bank.

3. Share Capital

The share capital comprises 500 fully paid shares of US\$1,000 - each.

4. Financial Risk Management Objectives and Policies

Credit Risk

Financial assets, which potentially subject the Company to credit risk, comprises mainly of bank balances. Bank balances are with regulated financial institutions.

Montrose International, S. A. Panamá

Notes to the Financial Statements

March 31, 2021

(Amounts in United States dollars)

4. Financial Risk Management Objectives and Policies (Continued)

Interest Rate Risk

The Company does not have credit facilities from any banks or financial institutions.

Exchange Rate Risk

There were no significant exchange rate risks as the financial assets and liabilities are denominated in US\$ Dollars.

Liquidity Risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payment dates:

	<u>3 Months</u>	<u>Total</u>
Financial liabilities as at March 31, 2021		
Accrued expenses	<u>12,607</u>	<u>12,607</u>
Financial liabilities as at March 31, 2020		
Accrued expenses	<u>10,692</u>	<u>10,692</u>

5. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include bank balances. Financial liabilities of the Company include accrued expenses and provisions. The fair values of the financial assets and liabilities are not materially different from their carrying values unless stated otherwise.

6. Subsequent Event

On April 6, 2021, the dissolution of the Company was filed in the Panama Public Registry.