

Virendra K Jain
Certified Public Accountant

PISGAH LABS INC., USA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2018

Virendra K Jain
Certified Public Accountant

CONTENTS

Independent Accountant's Report

Financial Statements :

Balance Sheet

Statement of Income

Statement of Retained Earnings

Notes to Financial Statements

Virendra K Jain
Certified Public Accountant

Independent Accountant's Report

To The Shareholders of
Pisgah Laboratories Inc.
d/b/a - Pisgah Labs Inc.,
3222 Old Hendersonville Hwy,
Pisgah Forest, NC – 28768, USA

I have audited the accompanying financial statements of PISGAH LABS INC., USA as of March 31, 2018 and the related statements of Income, Retained earnings for the year then ended in accordance with standards established by the American Institute of Certified Public Accountants. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respect, the financial position of Pisgah Labs Inc. USA as of March 31, 2018, and the result of operations for the year ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA

 05/22/18

Virendra K Jain, CPA
New York, NY
License No. 093066
Date : May 22, 2018

PISGAH LABS INC., USA
BALANCE SHEET
MARCH 31, 2018

	<u>2018</u>
Current Assets:	\$
Cash & Bank	349,709
Accounts Receivables (Royalty)	299,000
Inventory	186,063
 Total Current Assets	 <u>834,772</u>
 Fixed Assets:	
Property & Equipment	3,208,015
Accumulated Depreciation	<u>(39,081)</u>
Net Property & Equipment	3,168,934
 Other Assets:	
Technical Know How	5,916,504
Accumulated Amortization	<u>(147,913)</u>
Net Other Assets	5,768,591
 Deferred Taxes	 262,647
 Total Assets	 <u>10,034,944</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities:	
Accounts Payable	5,330
Dividend Payable	348,065
Total Current Liabilities	<u>353,395</u>
Stockholders' Equity:	
Common Stock (Note 4)	92,000
Retained Earnings	(144,330)
Fair Value Adjustment Reserve	<u>9,733,879</u>
 Total Stockholders' Equity	 <u>9,681,549</u>

TOTAL LIABILITIES AND
STOCKHOLDERS EQUITY 10,034,944

See accompanying notes to Financial Statements

PISGAH LABS INC., USA
STATEMENT OF INCOME
FOR THE PREIOD ENDED MARCH 31, 2018

	<u>2018</u>
	\$
<u>Revenue:</u>	
Royalty Income	250,000
Interest Income	137
Misc. Income	<u>9,883</u>
Gross Revenue	260,020
 <u>Cost of Sales:</u>	
Inventory Sales	<u>2,255</u>
Total Cost of Sales	<u>2,255</u>
Gross Profit	257,765
<u>Operating Expenses:</u>	
Salaries & Payroll Taxes	99,609
Rent & Utilities	14,921
Professional & Legal Exp	24,621
Supplies & Office Exp	5,305
Insurance	21,776
Repairs & Maintenance	8,025
Depreciation	39,081
Amortization Exp	147,913
Telephone & Communications	1,286
Licensing Fees	4,267
R & D Expenses	25,532
Shipping & Courier	2,292
Transport & Auto Exp	3,001
Miscellaneous Expenses	<u>4,466</u>
TOTAL OPERATING EXPENSES	<u>402,095</u>
 Income (loss) before Corporate Taxes	 (144,330)
Corporate Taxes (Note 3)	---
Net Income (loss)	<u>(144,330)</u>

See accompanying notes to Financial Statements

PISGAH LABS INC., USA
STATEMENT OF RETAINED EARNINGS
FOR THE PREIOD ENDED MARCH 31, 2018

	<u>2018</u>
	\$
Retained Earning	<u>(144,330)</u>
Retained Earnings – END OF THE PERIOD	<u><u>(144,330)</u></u>

See accompanying notes to Financial Statements

**PISGAH LABS INC., USA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Note 1 A summary of significant Accounting Policies

CORPORATION:

The entity is C Corporation organized and incorporated under the laws of state of North Carolina (NC) founded in the year 1981. The company (Pisgah) is acquired on 16th January 2018 jointly by Ipca Pharmaceuticals Inc NJ USA (90%) and Onyx Scientific Limited UK (10%) , both are wholly owned subsidiaries of IPCA Laboratories Limited India

USE OF ESTIMATES IN FINANCIAL STATEMENTS PREPARATION:

The preparation of Financial statements in conformity with accounting principal generally accepted in United State of America require the use of estimates and assumptions that affect the reported amounts of Assets & Liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The company's financial statements include amounts that are based on management's best estimates and judgments.

FIXED ASSETS

Acquisition of equipment's, furniture and fixtures are capitalized in their respective accounts at cost. Ordinary maintenance and repair items are charged directly to expenses as incurred.

Depreciation is being provided based in the estimated useful life using straight line method.

NOTE 2 ACQUISITION BY IPCA USA AND ONYX SCINTIFIC LIMITED UK

(A) During the year under report effective January 16th 2018, the Company .Ipca USA has acquired 90% common stock of Pisgah Laboratories Inc. (Pisgah) based out of North Carolina, USA. Pisgah was originally founded in the year 1981 as a contract manufacturer and developer of active pharmaceutical ingredients (APIs) and intermediates and has been a chemistry solutions provider for over three decades. This acquisition will help the Company to establish its foothold in the US market (including but not limited to) in the field of research / small volume APIs and intermediates manufacturing. Pisgah will continue to operate out of its North Carolina manufacturing facility under the Pisgah trade name.

(B) Ipca Pharmaceuticals Inc. USA has acquired a USA company "Pisgah Laboratories Inc." a C Corporation Incorporated in State of North Carolina, (NC) USA on January 16th, 2018 with 10% ownership of Onyx Scientific Limited, of UK, a step down subsidiary of Ipca Laboratories Limited, India. A summary of the total deal arrived as under

Total Cost of Acquisition	\$ 9,825,879
Share of 10% of the purchase consideration paid by Onyx Scientific Limited, UK	\$ <u>(965,000)</u>
Balance 90% paid by Ipca USA	\$ <u>8,860,879</u>

NOTE 3 Corporate Tax:

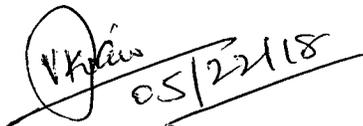
Since the corporation has loss in current year, no Income Tax provision has been made for Corporate Tax.

NOTE 4 Common Stock:

Authorized Share Capital 100,000 shares @ \$1 each. (Total value \$ 100,000)

Issued & Paid Up Capital 92,000 shares @1 each (total value \$92,000)

For Virendra K Jain, CPA

Handwritten signature of Virendra K Jain and date 05/22/18.

Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date : May 22, 2018