

Virendra K Jain
Certified Public Accountant
4 Ann Street , Bergenfield , NJ 07621
Tel: 718-874-6725, Cell: 201-284-1820
Email: vkjainusa@yahoo.com,

PISGAH LABS INC., USA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

Virendra K Jain
Certified Public Accountant
4 Ann Street , Bergenfield , NJ 07621
Tel: 718-874-6725, Cell: 201-284-1820
Email: vkjainusa@yahoo.com,

CONTENTS

Independent Accountant's Report

Financial Statements:

Balance Sheet

Statement of Income

Statement of Retained Earnings

Statement of Cash Flow

Notes to Financial Statements

Virendra K Jain
Certified Public Accountant
4 Ann Street , Bergenfield , NJ 07621
Tel: 718-874-6725, Cell: 201-284-1820
Email: vkjainusa@yahoo.com,

Independent Accountant's Report

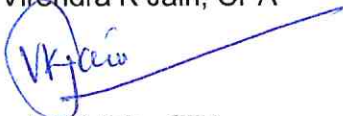
To,
The Shareholders of
Pisgah Laboratories Inc.
d/b/a - Pisgah Labs Inc.,
3222 Old Hendersonville Hwy,
Pisgah Forest, NC – 28768, USA

I have audited the accompanying financial statements of Pisgah Labs Inc., USA as of March 31, 2024 and 2023, 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 the 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, 2024 and 2023, and the result of operations for the year ended March 31, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA



Virendra K Jain, CPA
New York, NY
License No. 093066
Date: May 23, 2024

PISGAH LABORATORIES INC. USA
BALANCE SHEET
MARCH 31, 2024 AND 2023

	As at March 31 <u>2024</u> \$	As at March 31 <u>2023</u> \$
Current Assets:		
Cash & Bank	633,323	1,792,785
Accounts Receivables	163,889	150,650
Unbilled Revenue	206,630	----
Inventory	974,148	746,309
Loans & Exchange	12,700	4,143
Prepaid Expenses	32,875	45,384
Total Current Assets	<u>2,023,565</u>	<u>2,739,271</u>
Fixed & Intangible Assets:		
Fixed Assets	3,697,847	3,697,847
Accumulated Depreciation	<u>(1,546,774)</u>	<u>(1,391,069)</u>
Net Fixed Assets	2,151,073	2,306,778
Intangible Assets	5,916,504	5,916,504
Accumulated Amortization & Impairment	<u>(5,573,133)</u>	<u>(5,487,291)</u>
Net Intangible Assets	343,371	429,213
Total Fixed & Intangible Assets	<u>2,494,444</u>	<u>2,735,991</u>
Other Assets:		
Construction - WIP	4,231,191	955,998
Deferred Taxes	157,588	210,118
Capital Advance	106,957	----
Security Deposit	4,300	3,000
Total Other Assets	<u>4,500,036</u>	<u>1,169,116</u>
Total Assets	<u>9,018,045</u>	<u>6,644,378</u>

See accompanying notes to Financial Statements

**PISGAH LABORATORIES INC. USA
BALANCE SHEET
MARCH 31, 2024 AND 2023**

LIABILITIES AND STOCKHOLDERS EQUITY

	As at March 31 <u>2024</u> \$	As at March 31 <u>2023</u> \$
Current Liabilities:		
Accounts Payable	32,800	286,171
Accrued Expenses	151,758	83,615
Advance from Customers	46,000	----
Total Current Liabilities	<u>230,558</u>	<u>369,786</u>
Stockholders' Equity:		
Fair Value Adjustment Reserve	9,733,879	9,733,879
Common Stock (Note 3)	92,000	92,000
Redeemable Pref. Shares	15,950,000	10,700,000
Retained Earnings	<u>(16,988,391)</u>	<u>(14,251,287)</u>
Total Stockholders' Equity	<u>8,787,488</u>	<u>6,274,592</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>9,018,045</u>	<u>6,644,378</u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Revenue:</u>		
Revenue from Operations	956,829	900,141
PPP - Loan forgiveness	---	239,000
Other Income	<u>900,904</u>	<u>1,122,197</u>
Total Income	1,857,733	2,261,338
<u>Expenses:</u>		
Cost of Materials Consumed & Inventory Adjustment	(11,524)	444,926
Employee Benefit Expenses	2,771,033	1,815,418
Depreciation, Amortization & Impairment	241,547	340,122
Other Expenses	<u>1,527,251</u>	<u>775,801</u>
TOTAL OPERATING EXPENSES	<u>4,528,307</u>	<u>3,376,267</u>
Income / (Loss) before Corporate Taxes	(2,670,574)	(1,114,929)
Deferred Taxes	52,530	52,529
Corporate Taxes (Note 4)	14,000	10,000
Net Income (loss)	(2,737,104)	(1,177,458)

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
	\$	\$
Retained Earnings – Beginning of the Year	(14,251,287)	(13,073,829)
Income / (Loss) for the year	<u>(2,737,104)</u>	<u>(1,177,458)</u>
Retained Earnings – End of the Year	<u>(16,988,391)</u>	<u>(14,251,287)</u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Current Assets:	\$	\$
Cash flows from operating activities:		
Net Income (loss)	(2,737,104)	(1,177,458)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	155,705	254,280
Amortization & impairment	85,842	85,842
Changes in assets and liabilities:		
Decrease / (Increase) in Accounts Receivables	(13,239)	493,483
Decrease / (Increase) in Unbilled Revenue	(206,630)	493,483
Decrease / (Increase) in Inventory	(227,839)	37,395
Decrease / (Increase) in Loans & Exchange	(8,557)	(3,643)
Decrease / (Increase) in Prepaid Expenses	12,509	2,679
Decrease / (Increase) in Accrued Expenses	68,143	49,505
Decrease / (Increase) in Accounts Payable	(253,372)	272,133
(Decrease) / Increase in Other Payables	<u>46,000</u>	<u>(827,398)</u>
Total adjustments	<u>(341,438)</u>	<u>364,275</u>
Net cash provided by operating activities	<u>(3,078,542)</u>	<u>(813,183)</u>
Cash flow from investing activities:		
Decrease / (Increase) in Fixed Assets	---	(113,050)
Decrease / (Increase) in Capital WIP	(3,275,193)	(909,098)
Decrease / (Increase) in Capital WIP	(55,727)	49,529
Net Cash from investing activities	(3,330,920)	(973,079)
Cash flow from financing activities:		
Increase in Investments	5,250,000	3,500,000
(Decrease) in Dividend Payable	---	---
Net Cash used from financing activities:	<u>5,250,000</u>	<u>3,500,000</u>
Net Increase (Decrease) in cash	(1,159,462)	1,713,738
Cash at beginning of period	<u>1,792,785</u>	<u>79,047</u>
CASH AT END OF PERIOD	<u>633,323</u>	<u>1,792,785</u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 and 2023

Note 1 Organization

Pisgah Laboratories Inc. (Pisgah) is C Corporation organized and incorporated under the laws of state of North Carolina (NC) founded in the year 1981. Pisgah is a contract manufacturer and developer of Active Pharmaceutical Ingredients (APIs) and Intermediates.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates in Financial Statements preparation:

The preparation of Financial statements in conformity with accounting principle 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 judgment Actual results could differ from those estimates.

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. The assets were revalued at the time of acquisition and fair market values were considered as carrying cost in the books.

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

PISGAH LABORATORIES INC. USA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 and 2023

Intangible Assets:

Intangible assets are stated at cost less accumulated amortization as at 03/31/2024 & 03/31/2023. However, impairment of \$ 3,898,550 are included in accumulated amortization of \$ 5,573,133 & \$ 5,487,291 in 03/31/2024 & 03/31/2023. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Inventories:

Items of inventories are valued lower of cost or estimated net realizable value.

Revenue:

Revenue from sale of goods is recognized as net of returns when Company satisfies the performance obligation by transferring promised goods or services to customer. Revenue from services is recognized when all relevant activities are completed and the right to receive income is established.

NOTE: 3 SHAREHOLDERS EQUITY

Pisgah Labs Inc have following Shareholding pattern as of March 31, 2024:

Authorized

Common Stock: 100,000 shares @ \$ 1 per share:	Total \$	100,000
Redeemable Preference shares 100,000 shares @ \$ 1000 each	Total \$	100,000,000
(Non-voting)		

Issued and Paid up

Common Stock: 92,000 shares @ \$ 1 per share	Total \$	92,000
Redeemable Preference shares 15950 shares @ \$ 1000	Total \$	15,950,000
(Non-voting)		(Previous Year \$ 10,700,000)

PISGAH LABORATORIES INC. USA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 and 2023

NOTE 4 CORPORATE TAX

Since the corporation has loss in current year, Income tax provision not provided for Federal Corporate Tax. However, provision for NC State tax is included as per tax rates of the State of North Carolina

NOTE 5 RELATED PARTY DISCLOSURE

During the year Pisgah Labs Inc. issues Preference shares of USD 5,250,000 (Previous Year USD 3,500,000) to Ipca Pharmaceuticals Inc. USA.

For Virendra K Jain, CPA



Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date: May 23, 2024