

Virendra K Jain

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BAYSHORE PHARMACEUTICALS, LLC

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

Virendra K Jain

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Independent Accountant's Report


To Partners/Shareholders of
Bayshore Pharmaceuticals, LLC
One Tower Center Blvd, Suite 2200
East Brunswick, NJ – 08816

I have audited the accompanying financial statements of Bayshore Pharmaceuticals, LLC as of March 31, 2025, and 2024 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 Bayshore Pharmaceuticals, LLC as of March 31, 2025, and 2024, and the result of operations for the year ended March 31, 2025 and 2024, 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 14, 2025

BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
	\$	\$
Current Assets:		
Cash & Bank	704,019	460,947
Accounts Receivables	----	5,037,681
Inventory	----	3,790,721
Prepaid Expenses	----	56,036
Total Current Assets	<u>704,019</u>	<u>9,345,385</u>
Fixed & Intangible Assets:		
Fixed Assets	----	36,988
Accumulated Depreciation	----	(30,160)
Net Fixed Assets	----	6,828
Organization Cost	----	2,813
Accumulated Amortization	----	(2,407)
Net Organization Cost	----	406
Intangible Assets & under Development (R&D)	----	15,166,775
Accumulated Amortization	----	(8,400,687)
Net Intangible Assets	----	6,766,088
Total Fixed & Intangible Assets	----	<u>6,773,322</u>
Other Assets:		
Security Deposit	----	2,658
Total Other Assets	----	<u>2,658</u>
Total Assets	<u>704,019</u>	<u>16,121,365</u>

BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2025 AND 2024

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities:

Accounts Payable	----	4,624,919
Other Payable	----	2,384,508
Interest Payable	----	146,308
Loan from Bank (Citi Bank)	----	4,250,000

Total Current Liabilities	----	<u>11,405,735</u>
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Long Term Liabilities:

Loans and Notes Payable	----	7,250,000
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Total Long Term Liabilities	----	<u>7,250,000</u>
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Stockholders' Equity:

Equity – IPCA USA	1,394,725	1,394,725
Fair Value Adjustment Reserve	----	11,658,164
Retained Earnings	<u>(690,706)</u>	<u>(15,587,259)</u>

Total Stockholders' Equity	<u>704,019</u>	<u>(2,534,370)</u>
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TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>704,019</u>	<u>16,121,365</u>
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See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Revenue:</u>		
Revenue from Operations	9,836,403	16,318,477
Other Income	<u>10,836,610</u>	<u>---</u>
Total Income	20,673,013	16,318,477
<u>Expenses:</u>		
Purchase of Stock in Trade	8,687,941	14,551,403
Employee Benefit Expenses	802,809	1,800,025
Finance Cost	352,012	557,815
Depreciation & Amortization	895,263	1,823,080
Other Expenses	<u>1,015,344</u>	<u>2,036,289</u>
Total Operating Expenses	<u>11,753,369</u>	<u>20,768,612</u>
Net Income/ (Loss) Before Taxes	8,919,644	(4,450,135)
Corporate Taxes	375,000	---
Net Income / (Loss)	8,544,644	(4,450,135)

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
	\$	\$
Retained Earnings – Beginning of the period	(15,587,259)	(11,137,124)
Transfer from Fair Value Adjustment Reserve	6,351,909	---
Income / (Loss) for the year	<u>8,544,644</u>	<u>(4,450,135)</u>
Retained Earnings – End of the Year	<u>(690,706)</u>	<u>(15,587,259)</u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
	\$	\$
Current Assets:		
Cash flows from operating activities:		
Net Income (loss)	----	(4,450,135)
Adjustments to reconcile net income to		
Net cash provided by operating activities:		
Depreciation	----	4,442
Acc. Organisation Cost	----	188
Amortization	----	1,818,450
Changes in assets and liabilities:		
Decrease / (Increase) in Accounts Receivables	----	218,738
Decrease / (Increase) in Inventory	----	816,177
Decrease / (Increase) in Prepaid Expenses	----	27,142
Decrease / (Increase) in Accrued Expenses	----	(2,500)
Decrease / (Increase) in Accounts Payable	----	(511,113)
Decrease / (Increase) in Other Payable	----	909,461
(Decrease) / Increase in Interest Payable	----	12,877
(Decrease) / Increase in Corp. Taxes Paid	(375,000)	----
Total adjustments	<u>(375,000)</u>	<u>3,293,862</u>
Net cash provided by operating activities	<u>(375,000)</u>	<u>(1,156,273)</u>
Cash flow from investing activities:		
Decrease / (Increase) in Intangible Assets	----	----
Decrease / (Increase) in Fixed Assets	----	----
Cash from investing activities	----	----
Cash flow from financing activities:		
(Decrease) / Increase in Loan – Ipca	(7,250,000)	----
(Decrease) / Increase in Loan – Citi Bank	(4,250,000)	----
Receipt from Sale of Business	12,650,000	----
Adjustment from Sale of Business	(531,928)	----
Net Cash used from financing activities:	<u>618,072</u>	<u>----</u>
Net Increase / (Decrease) in Cash	243,072	(1,156,273)
Cash at beginning of period	460,947	1,617,220
CASH AT END OF PERIOD	<u>704,019</u>	<u>460,947</u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2025 and 2024

Note 1 **Nature of Business**

Bayshore Pharmaceuticals LLC (Bayshore) organized and incorporated under the laws of state of New Jersey (NJ) in the year 2011. Bayshore was originally founded as a sales and marketing company of FDA approved generics drug products in the USA. The company is currently engaged in the selling & marketing of its own registered generics drug products as well as the registered drug products of other companies. Bayshore is also registered in the State of Ohio.

IPCA Pharmaceuticals Inc. (IPCA USA) NJ USA, had acquired 80% share capital of Bayshore on October 2, 2018 which was a wholly owned (100%) subsidiary of IPCA Laboratories Limited India. On September 30, 2021, IPCA USA acquired remaining 20% shares and become 100% subsidiary of IPCA USA effective October 1, 2021.

Unichem Pharmaceuticals (USA) Inc. NJ USA, had acquired 100% share capital of Bayshore on October 1, 2024 which is a wholly owned (100%) subsidiary of IPCA Laboratories Limited India.

Note 2 **Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the Corporation 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 preparations:

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 judgment Actual results could differ from those estimates.

Revenue

Revenue from sale of goods is recognized net of chargebacks, credit to customers, allowances and cash discount etc., when Company satisfies the performance obligation by transferring promised goods or service to customer.

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2025 and 2024

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.

Inventories

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

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. 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.

NOTE 3 Sale of Business

During the year 2024-25, Bayshore Pharmaceuticals LLC, USA ("Bayshore USA") has entered into an agreement with Unichem Laboratories Limited, India (fellow subsidiary) and Unichem Pharmaceuticals (USA), Inc. (fellow subsidiary) for sale of all of rights, title and interest in the product approvals and all goodwill associated with nine (9) ANDAs for US Dollar Two Million Six Hundred Fifty Thousand (\$2,650,000) owned by Bayshore USA and sale of USA generics formulations marketing/distribution business of Bayshore USA as a going concern through slump sale/transfer of entire business (debt free) and all goodwill associated with the business through business sale agreement for US Dollar Ten Millions (\$10,000,000) to Unichem USA.

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2025 and 2024

NOTE 4 Corporate Tax

During the year company has earned Income from sale of its rights, title and interest. Corporate tax of USD 360,000 has been paid to IRS and USD 15,000 has been paid to New Jersey State.

NOTE 5 Related Party Transactions

IPCA LABORATORIES LTD. INDIA

As of March 31, 2025, Bayshore Pharmaceuticals LLC owes USD NIL to Ipca Laboratories Ltd. India (Previous Year USD 411,194).

IPCA PHARMACEUTICALS INC., USA

IPCA Pharmaceuticals Inc. USA has given loan to Bayshore Pharmaceuticals LLC, USA in amount of \$7.25 million at an annual fixed interest rate of 4%. The outstanding loan balance as at 31 March 2025 USD NIL (Previous year USD 7,250,000). Interest expense on Loan during the year is USD 210,082 (Previous year USD 290,795). Interest payable on Loan as at 31 March 2025 is USD NIL (Previous year USD 144,850).

UNICHEM PHARMACEUTICALS (USA) INC.

During the year company has sold goods of USD NIL to Unichem Pharmaceuticals (USA) Inc., (Previous Year USD 501,250) which is a fellow subsidiary of the company. Receivable from Unichem Pharmaceuticals (USA) Inc., is USD NIL in Trade Receivables (Previous Year USD 501,250).

During the year company reimbursed to Unichem Pharmaceuticals (USA) Inc., USD 842,433 for the expenses paid on behalf of the company (Previous Year USD NIL).

During the year company utilized the office space of Unichem Pharmaceuticals (USA) Inc., for which rent was paid USD 24,000 (Previous Year USD NIL).

For Virendra K Jain, CPA



Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date: May 14, 2025