

**IND SWIFT LABORATORIES INC.**  
(A DEVELOPMENT STAGE COMPANY)

**FINANCIAL STATEMENTS**

**December 31, 2015**

# **IND SWIFT LABORATORIES INC.**

(A DEVELOPMENT STAGE COMPANY)

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April 13, 2016

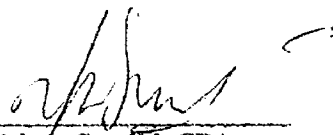
**INDEPENDENT AUDITOR'S REPORT**

**To the Stockholder's  
Ind Swift Laboratories, Inc.**

We have audited the accompanying balance sheet of Ind Swift Laboratories, Inc. (a development stage company) as of December 31, 2015 and the related statements of income and retained earnings for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 disclosures in the financial statements. 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ind Swift Laboratories, Inc. (a development stage company) as of December 31, 2015, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

  
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**Vishaw Sondli, CPA**  
Certified Public Accountant

# IND SWIFT LABORATORIES, INC.

(A DEVELOPMENT STAGE COMPANY)

## BALANCE SHEET DECEMBER 31, 2015 AND 2014

### ASSETS

|   | 2015                       | 2014                       |
|---|----------------------------|----------------------------|
| Current Assets:                             |                            |                            |
| Cash in Bank                                | \$ 150,198                 | \$ 195,650                 |
| Accounts Receivable- Trade                  | 2,647,580                  | 2,229,057                  |
| Other Receivables                           | 8,280                      | 10,655                     |
| Total Current Assets                        | <u>\$ 2,806,058</u>        | <u>\$ 2,435,362</u>        |
| Furniture and Equipments                    |                            |                            |
| Less: Depreciation of \$60,494 and \$60,494 | -                          | -                          |
| Other Assets - Security Deposit             | <u>\$ 3,815</u>            | <u>\$ 3,815</u>            |
| Total Assets                                | <u><u>\$ 2,809,873</u></u> | <u><u>\$ 2,439,177</u></u> |

### LIABILITIES & STOCKHOLDERS' EQUITY

|   |                            |                            |
|---|----------------------------|----------------------------|
| Current Liabilities:  |                            |                            |
| Accounts Payable and Accrued Expenses   | \$ 1,284,889               | \$ 966,143                 |
| Taxes Payable   | 18,500                     | -                          |
| Other Payable   | 17,496                     | 48,255                     |
| Total Current Liabilities   | <u>\$ 1,320,885</u>        | <u>\$ 1,014,398</u>        |
| Stockholders' Equity  |                            |                            |
| Common Stock, no par value, 1500 Shares<br>authorized, 1204 shares issued and outstanding | \$ 1,204,000               | \$ 1,204,000               |
| Additional Paid-in-Capital  | 850                        | 850                        |
| Retained Earning  | 284,138                    | 219,929                    |
| Total Partner's Equity  | <u>\$ 1,488,988</u>        | <u>\$ 1,424,779</u>        |
| Total Liabilities & Stockholders' Equity  | <u><u>\$ 2,809,873</u></u> | <u><u>\$ 2,439,177</u></u> |

See attached Accountant's Reports and notes to financial statements.

**IND SWIFT LABORATORIES, INC**

(A DEVELOPMENT STAGE COMPANY)

**STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

|  | <u>2015</u>      | <u>2014</u>      |
|--|------------------|------------------|
| <b>Income</b>                          |                  |                  |
| Gross Sales                            | \$ 4,000,718     | \$ 3,712,864     |
| Less: Sales Returns                    | 30,600           | -                |
| Net Sales                              | <u>3,970,118</u> | <u>3,712,864</u> |
| Cost of Sales                          | <u>3,077,145</u> | <u>2,775,084</u> |
| Gross Profit                           | <u>892,973</u>   | <u>937,780</u>   |
| <b>Expenses:</b>                       |                  |                  |
| Selling, General and<br>Administrative | <u>801,158</u>   | <u>868,259</u>   |
| Profit (Loss) before taxes             | 91,815           | 69,521           |
| Taxes on Income                        | <u>28,000</u>    | <u>22,220</u>    |
| Net Income                             | 63,815           | 47,301           |
| Other Income                           | 394              | -                |
| Accumulated Earnings - Beginning       | 219,929          | 169,758          |
| Adjustment - Accumulated Earning       | <u>-</u>         | <u>2,870</u>     |
| Accumulated Earning- Ending            | <u>284,138</u>   | <u>219,929</u>   |

See attached Accountant's Reports and notes to financial statements.

**IND SWIFT LABORATORIES, INC.**

(A DEVELOPMENT STAGE COMPANY)

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

|  | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
| Cash Flows from Operating Activities   |             |             |
| Net Income   | 64,209      | 47,301      |
| Adjustment to reconcile Net Income to<br>Net Cash provided by (used in) Operating Activities |             |             |
| (Increase) Decrease in Other Assets  | 9,000       | (3,935)     |
| (Increase) Decrease in Due from Credit Cards   | (8,962)     | 6,956       |
| (Increase) Decrease in Accounts Receivable   | (418,523)   | 249,972     |
| (Increase) Decrease in Accounts Payable  | 318,746     | (309,442)   |
| (Increase) Decrease in Due/to(from) Officer  | (6,626)     | -           |
| (Increase) Decrease in other payable   | (21,796)    | 17,534      |
| (Increase) Decrease in Taxes Payable   | 18,500      | (66,500)    |
| Net Cash Provided by (Used in) Operating Activities  | (45,452)    | (58,114)    |
| Cash Flows from Investing Activities:  |             |             |
| Purchase of Furniture and Equipments   | -           | -           |
| Cash Flows from Financing Activities:  |             |             |
| Repaying of Note Payable   | -           | -           |
| Additional Paid-in-Capital   | -           | -           |
| Retained Earnings  | -           | (2,870)     |
| Net Cash Provided by Financing Activities  | -           | (2,870)     |
| Net Increase (Decrease) in Cash  | (45,452)    | (55,244)    |
| Cash- Beginning of Year  | 195,650     | 250,894     |
| Cash- End of Year  | 150,198     | 195,650     |

**Supplemental Disclosures:**

Cash paid during the year for:  
Income Taxes

See attached Accountant's Reports and notes to financial statements.

# **IND SWIFT LABORATORIES, INC.**

(A DEVELOPMENT STAGE COMPANY)

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

### **1. Organization and Business:**

Ind Swift Laboratories, Inc, a Delaware Corporation, was formed on January 2, 2004. The Company is a wholly owned subsidiary of Ind Swift Laboratories Ltd. (India). At present, the Company is engaged in the sale of raw materials to pharmaceutical companies.

### **2. Summary of Significant Accounting Policies:**

#### **a. Method of Accounting**

The company employs accrual method of accounting for its revenue expenses.

#### **b. Cash and Cash Equivalents**

The company considers all liquid investments maturing in 90 days or less to be cash equivalents.

#### **c. Revenue Recognition**

Revenue from sales are recognized when the risk and rights of ownership have passed to the customers. The Company, under certain conditions, permits its customers to return or exchange. A provision for sales returns is not recorded concurrently with revenue recognition.

#### **d. Furniture and Equipment**

Furniture and Equipment are carried at cost and are depreciated using the straight-line method based on the estimated useful life ranging from three to seven years.

#### **e. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

f. Development Stage

The Company has been in the development stage since its formation on January 2, 2004. The operations of the company since then consisted of raising capital and the legal process for importing raw materials from a foreign country.

In the year 2015, ISL INC. was instrumental in getting its parent company's manufacturing facility successfully audited by USFDA for 16 ANDAs covering its seven Active Pharmaceutical Ingredients (APIs) including an oncology product.

The company is continuing shipping the commercial supplies of multiple APIs in North America and getting ready for commercial supplies of newly approved products. Also, the company has supplied the bio-batch quantity of 2 new products this year.

This year ISL INC has forayed into CRAMS business with one of the leading speciality chemical and technology company.

3. Furniture and Equipment:

Furniture and Equipment at cost consisted of the following on December 31, 2015 AND 2014:

|                                | <u>2015</u>      | <u>2014</u>      |
|--------------------------------|------------------|------------------|
| Furniture                      | \$ 5,018         | \$ 5,018         |
| Office Equipment               | 11,365           | 11,365           |
| Vehicle                        | <u>44,111</u>    | <u>44,111</u>    |
|                                | 60,494           | 60,494           |
| Less: Accumulated Depreciation | \$ <u>60,494</u> | \$ <u>60,494</u> |
|                                | \$ -0-           | \$ -0-           |



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**Jan - Dec 15**

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|                              |        |
|------------------------------|--------|
| Accounting expenses          | 6670   |
| Auto expenses                | 27508  |
| Bank charges                 | 1084   |
| Business Promotion Expenses  | 150497 |
| Insurance                    | 7846   |
| Memberships                  | 7700   |
| Office expenses              | 7006   |
| Outside services             | 4246   |
| Postage and delivery         | 2949   |
| Rent expenses                | 26580  |
| Telephone                    | 8506   |
| Travel and entertainment     | 70109  |
| Utilities                    | 5806   |
| Net Allowance VN             | 276109 |
| Net Allowance SP& Consulting | 36000  |
| FDA Consulting               | 2000   |
| State Funds                  | 19431  |
| Federal Funds                | 120860 |
| P Taxes                      | 20251  |
|                              | <hr/>  |
|                              | 801158 |