

IND SWIFT LABORATORIES INC.
(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

December 31, 2016

IND SWIFT LABORATORIES INC.

(A DEVELOPMENT STAGE COMPANY)

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May 15, 2017

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, 2016, 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, 2016, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.



Vishaw Sondhi, CPA
Certified Public Accountant

IND SWIFT LABORATORIES, INC.

(A DEVELOPMENT STAGE COMPANY)

BALANCE SHEET DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Current Assets:		
Cash in Bank	\$ 276,360	\$ 150,198
Accounts Receivable- Trade	4,166,402	2,647,580
Other Receivables	6,730	8,280
Total Current Assets	<u>\$ 4,449,492</u>	<u>\$ 2,806,058</u>
Furniture and Equipments	66,236	60,494
Accumulated Depreciation	<u>(66,236)</u>	<u>(60,494)</u>
Other Assets - Security Deposit	\$ 3,815	\$ 3,815
Total Assets	<u><u>\$ 4,453,307</u></u>	<u><u>\$ 2,809,873</u></u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 2,705,038	\$ 1,284,889
Taxes Payable	3,724	18,500
Advance Received from Customers	155,000	-
Other Payable	5,162	17,496
Total Current Liabilities	<u>\$ 2,868,924</u>	<u>\$ 1,320,885</u>


Stockholders' Equity

Common Stock, no par value, 1500 Shares authorized, 1204 shares issued and outstanding	\$ 1,204,000	\$ 1,204,000
Additional Paid-in-Capital	850	850
Retained Earning	379,533	284,138
	<u>\$ 1,584,383</u>	<u>\$ 1,488,988</u>

Total Partner's Equity

Total Liabilities & Stockholders' Equity	<u><u>\$ 4,453,307</u></u>	<u><u>\$ 2,809,873</u></u>
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See attached Accountant's Reports and notes to financial statements.


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IND SWIFT LABORATORIES, INC

(A DEVELOPMENT STAGE COMPANY)

**STATEMENT OF OPERATIONS & RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Income		
Gross Sales	\$ 7,406,533	\$ 4,000,718
Less: Sales Returns	-	30,600
Net Sales	<u>7,406,533</u>	<u>3,970,118</u>
Cost of Sales	<u>6,315,013</u>	<u>3,077,145</u>
Gross Profit	<u>1,091,520</u>	<u>892,973</u>
Expenses:		
Selling, General and Administrative	<u>951,925</u>	<u>801,158</u>
Profit (Loss) before taxes	139,595	91,815
Taxes on Income	<u>44,200</u>	<u>28,000</u>
Net Income	95,395	63,815
Other Income	-	394
Accumulated Earnings - Beginning	<u>284,138</u>	<u>219,929</u>
Accumulated Earning- Ending	<u><u>379,533</u></u>	<u><u>284,138</u></u>

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IND SWIFT LABORATORIES, INC.

(A DEVELOPMENT STAGE COMPANY)

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Net Income	<u>95,395</u>	<u>64,209</u>
Adjustment to reconcile Net Income to Net Cash provided by (used in) Operating Activities		
(Increase) Decrease in Other Assets	1,550	9,000
(Increase) Decrease in Due to Credit Cards	(2,489)	(8,962)
(Increase) Decrease in Accounts Receivable	(1,518,822)	(418,523)
(Increase) Decrease in Accrued Expenses	150,000	-
(Increase) Decrease in Advance from Customers	155,000	-
(Increase) Decrease in Accounts Payable	1,270,149	318,746
(Increase) Decrease in Due/to(from) Officer	-	(6,626)
(Increase) Decrease in other payable	(9,845)	(21,796)
(Increase) Decrease in Taxes Payable	<u>(14,776)</u>	<u>18,500</u>
Net Cash Provided by (Used in) Operating Activities	<u>126,162</u>	<u>(45,452)</u>
Cash Flows from Investing Activities:		
Purchase of Furniture and Equipments	5,742	-
Less : Accumulated Depreciation	<u>(5,742)</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	126,162	(45,452)
Cash- Beginning of Year	<u>150,198</u>	<u>195,650</u>
Cash- End of Year	<u><u>276,360</u></u>	<u><u>150,198</u></u>

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IND SWIFT LABORATORIES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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. During 2013 the Company purchased 100% of its merchandise from its parent company.

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.


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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.

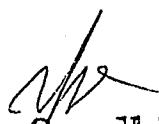
During the current year, the company continued with the commercial supplies of multiple APIs, including an oncology product from the containment facility, for North America. The company's three products are being actively reviewed by regulatory agencies. The company is progressing well with its plans with execution of manufacturing and supply agreements with North American generic pharmaceutical companies.

This year, the company has further strengthened CRAMS portfolio with enhanced supplies of multiple new products to a reputed US organization from the CRAMS SBU of the parent company.

3. Furniture and Equipment:

Furniture and Equipment at cost consisted of the following on December 31, 2016 AND 2015:

	<u>2016</u>	<u>2015</u>
Furniture	\$ 5,018	\$ 5,018
Office Equipment	17,107	11,365
Vehicle	<u>44,111</u>	<u>44,111</u>
	66,236	60,494
Less: Accumulated Depreciation	<u>\$ 66,236</u>	<u>\$ 60,494</u>
	\$ -0-	\$ -0-


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Jan-Dec 16

Accounting & legal	10,781.57
Auto	19,398.17
Bank	1308.49
Business Promotion	138920.76
Insurance	11,032.23
Memberships&Gft	8,583.20
Office Exp	7373.24
Computer/Internet/Gif	7339.46
Outside Services	5,005.96
Post/DEL/Permits	3,841.59
Rent Expenses	23580
Furniture etc Dep	5742.48
Telephone & Cng	5,224.79
Travel & Enter	70,419.56
Utilities	6,013.59
Net Allowance VN	276109
FDA Consul & Training	6500
State Funds	19431
Federal funds	120860
Net Allowance SP	33000
P Taxes	21460.13
Total	8,01,925.22
Business Advisory	150000
TOTAL SG&A	9,51,925.22