

**IND SWIFT LABORATORIES INC.**

(A DEVELOPMENT STAGE COMPANY)

**FINANCIAL STATEMENTS**

**December 31, 2017**

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

	<u>Page</u>
Independent Auditor's Report	1
Balance Sheet- December 31, 2017 and 2016	2
Statement of Operations And Accumulated Retained Earnings December 31, 2017 and 2016	3
Statement of Cash Flows - December 31, 2017 and 2016	4
Notes to Financial Statements	5

VISHAW SONDHI, CPA, PC

Member AICPA

[www.vsondhicpa.com](http://www.vsondhicpa.com)

[vishaw@vsondhicpa.com](mailto:vishaw@vsondhicpa.com)

-----Certified Public Accountant-----

100 BROAD ST.  
EATONTOWN, NJ 07724  
Phone: (732) 542-1777  
Fax: (732) 542-3444

870 GREEN ST.  
ISELIN, NJ 08830  
Phone: (732) 542-1777  
Fax: (732) 542-3444

May 17, 2018

## 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, 2017, 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, 2017, 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, 2017 AND 2016**

**ASSETS**

	2017	2016
Current Assets:		
Cash in Bank	\$ 453,545	\$ 276,360
Accounts Receivable- Trade	4,334,729	4,166,402
Other Receivables	33,997	6,730
Total Current Assets	<u>\$ 4,822,271</u>	<u>\$ 4,449,492</u>
Furniture and Equipments	60,494	60,494
Accumulated Depreciation	<u>(60,494)</u>	<u>(60,494)</u>
Other Assets - Security Deposit	\$ 3,815	\$ 3,815
Total Assets	<u><u>\$ 4,826,086</u></u>	<u><u>\$ 4,453,307</u></u>

**LIABILITIES & STOCKHOLDERS' EQUITY**

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 1,691,898	\$ 2,705,038
Taxes Payable	393,574	3,724
Advance Received from Customers	492,689	155,000
Other Payable	3,776	5,162
Total Current Liabilities	<u>\$ 2,581,937</u>	<u>\$ 2,868,924</u>

**Stockholders' Equity**

Common Stock, no par value, 1500 Shares authorized, 1204 shares issued and outstand	\$ 1,204,000	\$ 1,204,000
Additional Paid-in-Capital	850	850
Retained Earning	1,039,299	379,533
Total Partner's Equity	<u>\$ 2,244,149</u>	<u>\$ 1,584,383</u>

Total Liabilities & Stockholders' Equity	<u><u>\$ 4,826,086</u></u>	<u><u>\$ 4,453,307</u></u>
--	----------------------------	----------------------------

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

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

**STATEMENT OF OPERATIONS & RETAINED EARNINGS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Income</b>		
Gross Sales	\$ 10,595,896	\$ 7,406,533
Less: Sales Returns	<u>-</u>	<u>-</u>
Net Sales	10,595,896	7,406,533
Cost of Sales	<u>8,211,159</u>	<u>6,315,013</u>
Gross Profit	<u>2,384,737</u>	<u>1,091,520</u>
<b>Expenses:</b>		
Selling, General and Administrative	<u>1,261,907</u>	<u>951,925</u>
Profit (Loss) before taxes	1,122,830	139,595
Taxes on Income	<u>463,064</u>	<u>44,200</u>
Net Income	659,766	95,395
Other Income	-	-
Accumulated Earnings - Beginning	<u>379,533</u>	<u>284,138</u>
Accumulated Earning- Ending	<u><u>1,039,299</u></u>	<u><u>379,533</u></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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Net Income	<u>659,766</u>	<u>95,395</u>
Adjustment to reconcile Net Income to Net Cash provided by (used in) Operating Activities		
(Increase) Decrease in Other Assets	(27,267)	1,550
(Increase) Decrease in Due to Credit Cards	538	(2,489)
(Increase) Decrease in Accounts Receivable	(168,327)	(1,518,822)
(Increase) Decrease in Accrued Expenses	(23,120)	150,000
(Increase) Decrease in Advance from Customers	337,689	155,000
(Increase) Decrease in Accounts Payable	(990,020)	1,270,149
(Increase) Decrease in other payable	(1,924)	(9,845)
(Increase) Decrease in Taxes Payable	<u>389,850</u>	<u>(14,776)</u>
Net Cash Provided by (Used in) Operating Activities	<u>177,185</u>	<u>126,162</u>
Cash Flows from Investing Activities:		
Purchase of Furniture and Equipments	-	5,742
Less : Accumulated Depreciation	-	(5,742)
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	177,185	126,162
Cash- Beginning of Year	<u>276,360</u>	<u>150,198</u>
Cash- End of Year	<u><u>453,545</u></u>	<u><u>276,360</u></u>

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

**IND SWIFT LABORATORIES, INC.**  
(A DEVELOPMENT STAGE COMPANY)  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**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 2017 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.

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 2017, Ind Swift Laboratories INC. was instrumental in getting its parent company's manufacturing facility successfully audited by USFDA. This was a CDER initiated post-approval inspection for multiple APIs including an oncology product. The main focus of the inspection was Temozolomide because of its containment requirement and consideration as a high potency product.

During the current year, the company enhanced commercial supplies of 2 new APIs in addition to continued commercial supplies of multiple ongoing products.

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.

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.

**3. Furniture and Equipment:**

Furniture and Equipment at cost consisted of the following on December 31, 2017 AND 2016:

	<u>2017</u>	<u>2016</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-

**4. Accounts Payable:**

Accounts Payable due to parent company IND Swift Ltd India includes 842,850 for which invoices will be following in 2018.



Expense	Jan - Dec 17
Rent and utilities	27449
Federal, Ss, Med,Ue and state funds	140400
Rate, Taxes, fee and regulatory	21614
Allowances and corp exp	276000
Allowance (SP)	36000
Bpe /arr Ct/ cons	138921
Auto/outside services/legal/professional	34513
Office and business exp	31553
Tel/postage/mis	9800
Travel	70102
Membership/subs fee/ insurance	24474
Accounting and bank charges	11200
Accured Expenses Retirement Contribution	126880
Auto	25000
PE Consulting	50000
Business Consulting	238000
<b>Total Expense</b>	<b>1261907</b>

