

IND SWIFT LABORATORIES INC.

(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

December 31, 2018

IND SWIFT LABORATORIES INC.

(A DEVELOPMENT STAGE COMPANY)

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April 17th, 2019


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, 2018, 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, 2018, 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, 2018 AND 2017****ASSETS**

	2018	2017
Current Assets:		
Cash in Bank	\$ 125,282	\$ 453,545
Accounts Receivable- Trade	2,559,818	4,334,729
Other Receivables	107,458	33,997
Total Current Assets	<u>\$ 2,792,558</u>	<u>\$ 4,822,271</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>\$ 2,796,373</u>	<u>\$ 4,826,086</u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 1,504,557	\$ 1,691,898
Taxes Payable	45,000	393,574
Advance Received from Customers	311,376	492,689
Other Payable	16,630	3,776
Total Current Liabilities	<u>\$ 1,877,563</u>	<u>\$ 2,581,937</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
Accumulated Deficit- Ending	(285,190)	1,039,299
Total Stockholders' Equity	<u>\$ 918,810</u>	<u>\$ 2,244,149</u>

Total Liabilities & Stockholders' Equity	<u>\$ 2,796,373</u>	<u>\$ 4,826,086</u>
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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 2018**

	<u>2018</u>	<u>2017</u>
Income		
Gross Sales	\$ 6,878,721	\$ 10,595,896
Less: Sales Returns	-	-
Net Sales	<u>6,878,721</u>	<u>10,595,896</u>
Cost of Sales	<u>5,658,143</u>	<u>8,211,159</u>
Gross Profit	<u>1,220,578</u>	<u>2,384,737</u>
Expenses:		
Selling, General and Administrative	<u>1,087,772</u>	<u>1,261,907</u>
Profit (Loss) before taxes	132,806	1,122,830
Taxes on Income	<u>57,295</u>	<u>463,064</u>
Net Income	75,511	659,766
Other Income	-	-
Accumulated Earnings - Beginning	1,039,299	379,533
Less : Dividend Paid	1,400,000	-
Accumulated Deficit- Ending	<u><u>(285,190)</u></u>	<u><u>1,039,299</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 2018**

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Net Income	<u>\$ 75,511</u>	<u>\$ 659,766</u>
Adjustment to reconcile Net Income to Net Cash provided by (used in) Operating Activities		
(Increase) Decrease in Other Assets	(73,461)	(27,267)
(Increase) Decrease in Due to Credit Cards	8,559	538
(Increase) Decrease in Accounts Receivable	1,774,911	(168,327)
(Increase) Decrease in Accrued Expenses	(126,880)	(23,120)
(Increase) Decrease in Advance from Customers	(181,313)	337,689
(Increase) Decrease in Accounts Payable	(60,461)	(990,020)
(Increase) Decrease in other payable	4,294	(1,924)
(Increase) Decrease in Taxes Payable	-348,574	389,850
Net Cash Provided by (Used in) Operating Activities	<u>1,072,585</u>	<u>177,185</u>
Cash Flows from Investing Activities:		-
Purchase of Furniture and Equipments		-
Less : Accumulated Depreciation	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities	1,072,585	177,185
Net Increase (Decrease) in Cash		
Cash Flows from Financing Activities:		-
Return of Equity	(850)	-
Dividend declared	<u>(1,400,000)</u>	<u>-</u>
Net Cash Provided by (Used in) Financing Activities	<u>(1,400,850)</u>	<u>-</u>
Cash- Beginning of Year	<u>453,545</u>	<u>276,360</u>
Cash- End of Year	<u><u>125,281</u></u>	<u><u>453,545</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, 2018

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 in the business of selling Active Pharmaceutical Ingredients and providing Contract Research and Manufacturing Services (CRAMS) in North America.

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 2018 ISL INC. was instrumental in getting its parent company's manufacturing facility successfully audited by USFDA. This was a CDER initiated CGMP inspection for multiple APIs including an oncology product.

During the current year, the company continued with the commercial supplies of multiple APIs. This year company's another three products are being actively reviewed by regulatory agencies.

Company started supplying commercial quantities of new finished dosage product launched in Canadian market. The company is progressing well in its plans with execution of manufacturing and supply agreements with North American generic pharmaceutical companies.

The company is in process of continuously strengthening CRAMS portfolio with commercial supplies of multiple new and existing products to a reputed US organization from the CRAMS SBU of the parent company

2. Furniture and Equipment:

Furniture and Equipment at cost consisted of the following on December 31, 2018 AND 2017:

	<u>2018</u>	<u>2017</u>
Furniture	\$ 5,018	\$ 5,018
Office Equipment	11365	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-