

Virendra K Jain
Certified Public Accountant
2 west 46 street, suite 1014, New York, NY 10036
Tel: 718-874-6725, Email: vkjainusa@yahoo.com,

BAYSHORE PHARMACEUTICALS, LLC
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

Virendra K Jain
Certified Public Accountant
2 west 46 street, suite 1014, New York, NY 10036
Tel: 718-874-6725, Email: vkjainusa@yahoo.com,

CONTENTS

Independent Accountant's Report

Financial Statements:

Balance Sheet

Statement of Income

Statement of Retained Earnings

Statement of Cash Flow

Notes to Financial Statements

Virendra K Jain
Certified Public Accountant
2 west 46 street, suite 1014, New York, NY 10036
Tel: 718-874-6725, Email: vkjainusa@yahoo.com,

Independent Accountant's Report

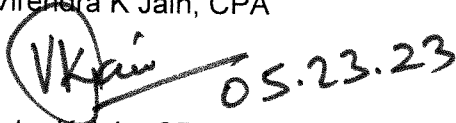
To Partners/Shareholders of
Bayshore Pharmaceuticals, LLC
788 Morris Turnpike, Suite 200
Short Hills, NJ – 07078, USA

I have audited the accompanying financial statements of Bayshore Pharmaceuticals, LLC as of March 31, 2023 and 2022 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, 2023 and 2022 , and the result of operations for the year ended March 31, 2023 and 2022 , in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA

VKJain 05.23.23

Virendra K Jain, CPA
New York, NY
License No. 093066
Date: May 23, 2023

BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
	\$	\$
Current Assets:		
Cash & Bank	1,617,220	1,211,794
Accounts Receivables	5,256,419	5,876,920
Inventory	4,606,898	5,403,612
Prepaid Expenses	83,178	289,766
Total Current Assets	<u>11,563,715</u>	<u>12,782,092</u>
Fixed & Intangible Assets:		
Fixed Assets	36,988	36,988
Accumulated Depreciation	<u>(25,717)</u>	<u>(20,686)</u>
Net Fixed Assets	11,271	16,302
Organization Cost	2,813	2,813
Accumulated Amortization	<u>(2,220)</u>	<u>(2,032)</u>
Net Organization Cost	593	781
Intangible Assets & under Development (R&D)	15,165,151	15,169,158
Accumulated Amortization	<u>(6,580,612)</u>	<u>(4,690,336)</u>
Net Intangible Assets	8,584,539	10,478,822
Total Fixed & Intangible Assets	<u>8,596,403</u>	<u>10,495,905</u>
Other Assets:		
Security Deposit	2,658	2,658
Total Other Assets	<u>2,658</u>	<u>2,658</u>
Total Assets	<u>20,162,776</u>	<u>23,280,655</u>

**BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2023 AND 2022**

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities:

Accounts Payable	5,136,032	5,283,878
Other Payable	1,475,048	1,055,391
Interest Payable	133,431	116,129
Accrued Expenses	2,500	10,000
Loan from Bank (Citi Bank)	4,250,000	3,750,000

Total Current Liabilities	<u>10,997,011</u>	<u>10,215,398</u>
----------------------------------	--------------------------	--------------------------

Long Term Liabilities:

Loans and Notes Payable (Patners)	7,250,000	5,750,000
-----------------------------------	-----------	-----------

Total Long Term Liabilities	<u>7,250,000</u>	<u>5,750,000</u>
------------------------------------	-------------------------	-------------------------

Stockholders' Equity:

Equity – IPCA USA	1,394,725	1,394,725
Fair Value Adjustment Reserve	11,658,164	11,658,164
Retained Earnings	<u>(11,137,124)</u>	<u>(5,737,632)</u>

Total Stockholders' Equity	<u>1,915,765</u>	<u>7,315,257</u>
-----------------------------------	-------------------------	-------------------------

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>20,162,776</u>	<u>23,280,655</u>
--	--------------------------	--------------------------

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Revenue:</u>		
Revenue from Operations	18,700,056	20,765,123
Other Income - PPP Loan Forgiveness	<u>-----</u>	<u>175,000</u>
Total Income	18,700,056	20,940,123
<u>Expenses:</u>		
Purchase of Stock in Trade	17,202,635	19,052,174
Employee Benefit Expenses	1,929,763	1,456,316
Finance Cost	407,712	254,856
Depreciation & Amortization	1,895,496	1,442,722
Other Expenses	<u>2,663,942</u>	<u>1,357,901</u>
TOTAL OPERATING EXPENSES	<u>24,099,548</u>	<u>23,563,969</u>
Net Income / (Loss)	(5,399,492)	(2,623,846)

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2023 AND Oct 2018 /March 20221

	<u>2023</u>	<u>2022</u>
	\$	\$
Retained Earnings – Beginning of the period	(5,737,632)	(3,113,786)
Income / (Loss) for the year	<u>(5,399,492)</u>	<u>(2,623,846)</u>
Retained Earnings – End of the Year	<u>(11,137,124)</u>	<u>(5,737,632)</u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2023 AND Oct 2018 /March 2022

	<u>2023</u>	<u>2022</u>
	\$	\$
Current Assets:		
Cash flows from operating activities:		
Net Income (loss)	(5,399,492)	(2,623,846)
Adjustments to reconcile net income to		
Net cash provided by operating activities:		
Depreciation	5,031	6,003
Acc. Organisation Cost	188	188
Amortization	1,891,900	580,712
Changes in assets and liabilities:		
Decrease / (Increase) in Accounts Receivables	620,501	(321,011)
Decrease / (Increase) in Inventory	796,714	1,155,810
Decrease / (Increase) in Prepaid Expenses	206,588	(201,919)
Decrease / (Increase) in Accrued Expenses	(7,500)	(2,047)
Decrease / (Increase) in Accounts Payable	(147,846)	(2,051,751)
Decrease / (Increase) in Other Payable	419,687	897,342
(Decrease) / Increase in Interest Payable	17,302	114,698
Total adjustments	<u>3,802,535</u>	<u>178,024</u>
Net cash provided by operating activities	<u>(1,596,957)</u>	<u>(2,445,822)</u>
Cash flow from investing activities:		
Decrease / (Increase) in Intangible Assets	2,383	829,889
Decrease / (Increase) in Fixed Assets	----	(9,740)
Cash from investing activities	<u>2,383</u>	<u>820,149</u>
Cash flow from financing activities:		
Decrease / (Increase) in Fair Value Adjustment	----	----
(Decrease) / Increase in Loans & Exchange	2,000,000	2,000,000
Net Cash used from financing activities:	<u>2,000,000</u>	<u>2,000,000</u>
Net Increase / (Decrease) in Cash	405,426	374,327
Cash at beginning of period	<u>1,211,794</u>	<u>837,467</u>
CASH AT END OF PERIOD	<u>1,617,220</u>	<u>1,211,794</u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2023 and 2022

Note 1 Organization

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% units of Bayshore on 2nd October 2018 who is a wholly owned (100%) subsidiary of IPCA Laboratories Limited India. In current year on 1st Oct 2022, Ipca USA acquired remaining 20% shares and become 100% subsidiary of Ipca USA effective 1st Oct 2022.

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.

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.

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2023 and 2022

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.

Inventories

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

Revenue

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

NOTE 3 Corporate Tax

Since there is loss in the company , no provision for tax is made in current year .

For Virendra K Jain, CPA

Handwritten signature of Virendra K Jain and date 05.23.23

Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date: May 23, 2023