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BAYSHORE PHARMACEUTICALS, LLC
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

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Independent Accountant's Report

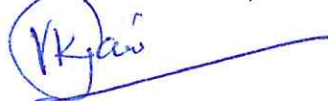
To Partners/Shareholders of
Bayshore Pharmaceuticals, LLC
One Tower Center Blvd. Ste 2200
East Brunswick, NJ – 08816, USA

I have audited the accompanying financial statements of Bayshore Pharmaceuticals, LLC as of March 31, 2024 and 2023 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, 2024 and 2023, and the result of operations for the year ended March 31, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA



Virendra K Jain, CPA
New York, NY
License No. 093066
Date: May 22, 2024

BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
	\$	\$
Current Assets:		
Cash & Bank	460,947	1,617,220
Accounts Receivables	5,037,681	5,256,419
Inventory	3,790,721	4,606,898
Prepaid Expenses	56,036	83,178
Total Current Assets	<u>9,345,385</u>	<u>11,563,715</u>
Fixed & Intangible Assets:		
Fixed Assets	36,988	36,988
Accumulated Depreciation	<u>(30,160)</u>	<u>(25,717)</u>
Net Fixed Assets	6,828	11,271
Organization Cost	2,813	2,813
Accumulated Amortization	<u>(2,407)</u>	<u>(2,220)</u>
Net Organization Cost	406	593
Intangible Assets & under Development (R&D)	15,166,775	15,165,151
Accumulated Amortization	<u>(8,400,687)</u>	<u>(6,580,612)</u>
Net Intangible Assets	6,766,088	8,584,539
Total Fixed & Intangible Assets	<u>6,773,322</u>	<u>8,596,403</u>
Other Assets:		
Security Deposit	2,658	2,658
Total Other Assets	<u>2,658</u>	<u>2,658</u>
Total Assets	<u>16,121,365</u>	<u>20,162,776</u>

**BAYSHORE PHARMACEUTICALS, LLC
BALANCE SHEET
MARCH 31, 2024 AND 2023**

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities:

Accounts Payable	4,624,919	5,136,032
Other Payable	2,384,508	1,475,048
Interest Payable	146,308	133,431
Accrued Expenses	----	2,500
Loan from Bank (Citi Bank)	4,250,000	4,250,000
Total Current Liabilities	<u>11,405,735</u>	<u>10,997,011</u>

Long Term Liabilities:

Loans and Notes Payable	7,250,000	7,250,000
Total Long Term Liabilities	<u>7,250,000</u>	<u>7,250,000</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>(15,587,259)</u>	<u>(11,137,124)</u>
Total Stockholders' Equity	<u>(2,534,370)</u>	<u>1,915,765</u>

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>16,121,365</u>	<u>20,162,776</u>
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See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Revenue:</u>		
Revenue from Operations	<u>16,318,477</u>	<u>18,700,056</u>
Total Income	16,318,477	18,700,056
<u>Expenses:</u>		
Purchase of Stock in Trade	14,551,403	17,202,635
Employee Benefit Expenses	1,800,025	1,929,763
Finance Cost	557,815	407,712
Depreciation & Amortization	1,823,080	1,895,496
Other Expenses	<u>2,036,289</u>	<u>2,663,942</u>
TOTAL OPERATING EXPENSES	<u>20,768,612</u>	<u>24,099,548</u>
Net Income / (Loss)	(4,450,135)	(5,399,492)

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
	\$	\$
Retained Earnings – Beginning of the period	(11,137,124)	(5,737,632)
Income / (Loss) for the year	<u>(4,450,135)</u>	<u>(5,399,492)</u>
Retained Earnings – End of the Year	<u>(15,587,259)</u>	<u>(11,137,124)</u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Current Assets:	\$	\$
Cash flows from operating activities:		
Net Income (loss)	(4,450,135)	(5,399,492)
Adjustments to reconcile net income to		
Net cash provided by operating activities:		
Depreciation	4,442	5,031
Acc. Organisation Cost	188	188
Amortization	1,818,450	1,891,900
Changes in assets and liabilities:		
Decrease / (Increase) in Accounts Receivables	218,738	620,501
Decrease / (Increase) in Inventory	816,177	796,714
Decrease / (Increase) in Prepaid Expenses	27,142	206,588
Decrease / (Increase) in Accrued Expenses	(2,500)	(7,500)
Decrease / (Increase) in Accounts Payable	(511,113)	(147,846)
Decrease / (Increase) in Other Payable	909,461	419,687
(Decrease) / Increase in Interest Payable	12,877	17,302
Total adjustments	<u>3,293,862</u>	<u>3,802,535</u>
Net cash provided by operating activities	<u>(1,156,273)</u>	<u>(1,596,957)</u>
Cash flow from investing activities:		
Decrease / (Increase) in Intangible Assets	----	2,383
Decrease / (Increase) in Fixed Assets	----	----
Cash from investing activities	----	<u>2,383</u>
Cash flow from financing activities:		
Decrease / (Increase) in Fair Value Adjustment	----	----
(Decrease) / Increase in Loans & Exchange	----	2,000,000
Net Cash used from financing activities:	----	<u>2,000,000</u>
Net Increase / (Decrease) in Cash	(1,156,273)	405,426
Cash at beginning of period	<u>1,617,220</u>	<u>1,211,794</u>
CASH AT END OF PERIOD	<u><u>460,947</u></u>	<u><u>1,617,220</u></u>

See accompanying notes to Financial Statements

BAYSHORE PHARMACEUTICALS, LLC
Notes to Financial Statements
MARCH 31, 2024 and 2023

Note 1 **Nature of Business**

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% share capital of Bayshore on October 2, 2018 which was a wholly owned (100%) subsidiary of IPCA Laboratories Limited India. On September 30, 2021, IPCA USA acquired remaining 20% shares and become 100% subsidiary of IPCA USA effective October 1, 2021.

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.

Revenue

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

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, 2024 and 2023

Inventories

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

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.

NOTE 3 Corporate Tax

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

NOTE 4 Related Party Transactions

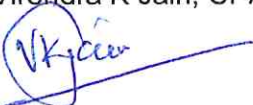
IPCA PHARMACEUTICALS INC., USA

IPCA Pharmaceuticals Inc. USA has given loan to Bayshore Pharmaceuticals LLC, USA in amount of \$7.25 million at an annual fixed interest rate of 4%. The outstanding loan balance as at 31 March 2024 USD 7,250,000 (Previous year USD 7,250,000). Interest expense on Loan during the year is USD 290,795 (Previous year USD 247,288). Interest payable on Loan as at 31 March 2024 is USD 144,850 (Previous year USD 131,973).

UNICHEM PHARMACEUTICALS (USA) INC.

During the year the company has sold goods of USD 501,250 to Unichem Pharmaceuticals (USA) Inc., which is a fellow subsidiary of company. Receivable from Unichem Pharmaceuticals (USA) Inc. is USD 501,250 included in Trade Receivables.

For Virendra K Jain, CPA



Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date: May 22, 2024