

**Virendra K Jain**

Certified Public Accountant

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PISGAH LABS INC., USA

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

**Virendra K Jain**

Certified Public Accountant

2 West 46<sup>th</sup> Street Suite 1014 New York, NY 10036

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**Independent Accountant's Report**

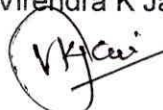
To,  
The Shareholders of  
Pisgah Laboratories Inc.  
d/b/a - Pisgah Labs Inc.,  
3222 Old Hendersonville Hwy,  
Pisgah Forest, NC – 28768, USA

I have audited the accompanying financial statements of Pisgah Labs Inc., USA as of March 31, 2025, and 2024, 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 Pisgah Labs Inc. USA as of March 31, 2025, and 2024, and the result of operations for the year ended March 31, 2025, and 2024, in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA

 05/14/2025

Virendra K Jain, CPA  
New York, NY  
License No. 093066  
Date: May 14, 2025

**PISGAH LABORATORIES INC. USA**  
**BALANCE SHEET**  
**MARCH 31, 2025 AND 2024**

	As at March 31 <u>2025</u> \$	As at March 31 <u>2024</u> \$
<b>Current Assets:</b>		
Cash & Bank	261,338	633,323
Accounts Receivables	201,389	163,889
Unbilled Revenue	56,000	206,630
Other Receivables	3,607	----
Royalty Receivables	108,333	----
Inventory	874,965	974,148
Loans & Exchange	----	12,700
Prepaid Expenses	28,740	32,875
<b>Total Current Assets</b>	<b><u>1,534,372</u></b>	<b><u>2,023,565</u></b>
<b>Fixed &amp; Intangible Assets:</b>		
Fixed Assets	4,208,221	3,697,847
Accumulated Depreciation	<u>(1,680,979)</u>	<u>(1,546,774)</u>
Net Fixed Assets	2,527,242	2,151,073
Intangible Assets	5,916,504	5,916,504
Accumulated Amortization & Impairment	<u>(5,658,975)</u>	<u>(5,573,133)</u>
Net Intangible Assets	257,529	343,371
<b>Total Fixed &amp; Intangible Assets</b>	<b><u>2,784,771</u></b>	<b><u>2,494,444</u></b>
<b>Other Assets:</b>		
Construction - WIP	11,869,102	4,231,191
Deferred Taxes	105,058	157,588
Capital Advance	----	106,957
Security Deposit	4,300	4,300
<b>Total Other Assets</b>	<b><u>11,978,460</u></b>	<b><u>4,500,036</u></b>
<b>Total Assets</b>	<b><u>16,297,603</u></b>	<b><u>9,018,045</u></b>

See accompanying notes to Financial Statements

**PISGAH LABORATORIES INC. USA**  
**BALANCE SHEET**  
**MARCH 31, 2025 AND 2024**

**LIABILITIES AND STOCKHOLDERS EQUITY**

	As at March 31 <u>2025</u> \$	As at March 31 <u>2024</u> \$
<b>Current Liabilities:</b>		
Accounts Payable	358,028	32,800
Accrued Expenses	177,118	151,758
Advance from Customers	----	46,000
<b>Total Current Liabilities</b>	<b><u>535,146</u></b>	<b><u>230,558</u></b>
<b>Stockholders' Equity:</b>		
Fair Value Adjustment Reserve	257,529	9,733,879
Common Stock (Note 3)	92,000	92,000
Redeemable Pref. Shares	27,250,000	15,950,000
Retained Earnings	<u>(11,837,072)</u>	<u>(16,988,391)</u>
<b>Total Stockholders' Equity</b>	<b><u>15,762,457</u></b>	<b><u>8,787,488</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b><u>16,297,603</u></b>	<b><u>9,018,045</u></b>

See accompanying notes to Financial Statemen

**PISGAH LABORATORIES INC. USA**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
	\$	\$
<b><u>Revenue:</u></b>		
Revenue from Operations	219,651	956,829
Other Income	<u>550,467</u>	<u>900,904</u>
<b>Total Income</b>	<b>770,118</b>	<b>1,857,733</b>
<b><u>Expenses:</u></b>		
Cost of Materials Consumed & Inventory Adjustment	153,725	(11,524)
Employee Benefit Expenses	3,172,846	2,771,033
Depreciation, Amortization & Impairment	220,047	241,547
Other Expenses	<u>1,472,002</u>	<u>1,527,251</u>
<b>Total Operating Expenses</b>	<b><u>5,018,620</u></b>	<b><u>4,528,307</u></b>
<b>Income / (Loss) before Corporate Taxes</b>	<b>(4,248,502)</b>	<b>(2,670,574)</b>
Deferred Taxes	52,529	52,530
Corporate Taxes (Note 4)	24,000	14,000
<b>Net Income / (Loss)</b>	<b>(4,325,031)</b>	<b>(2,737,104)</b>

See accompanying notes to Financial Statements



**PISGAH LABORATORIES INC. USA**  
**STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEAR ENDED MARCH 31, 2025 AND 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
	\$	\$
Retained Earnings – Beginning of the Year	(16,988,391)	(14,251,287)
Fair Value Adjustment Reserve	9,476,350	-----
Income / (Loss) for the year	<u>(4,325,031)</u>	<u>(2,737,104)</u>
<b>Retained Earnings – End of the Year</b>	<u><b>(11,837,072)</b></u>	<u><b>(16,988,391)</b></u>

See accompanying notes to Financial Statements

**PISGAH LABORATORIES INC. USA**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
	\$	\$
<b>Current Assets:</b>		
<b>Cash flows from operating activities:</b>		
Net Income (loss)	(4,325,031)	(2,737,104)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	134,204	155,705
Amortization & impairment	85,843	85,842
<b>Changes in assets and liabilities:</b>		
Decrease / (Increase) in Accounts Receivables	(37,500)	(13,239)
Decrease / (Increase) in Unbilled Revenue	150,630	(206,630)
Decrease / (Increase) in Other Receivables	(111,940)	----
Decrease / (Increase) in Inventory	99,183	(227,839)
Decrease / (Increase) in Loans & Exchange	12,700	(8,557)
Decrease / (Increase) in Prepaid Expenses	4,135	12,509
Decrease / (Increase) in Accrued Expenses	25,360	68,143
Decrease / (Increase) in Accounts Payable	325,229	(253,372)
(Decrease) / Increase in Other Payables	(46,000)	46,000
<b>Total adjustments</b>	<u><b>641,844</b></u>	<u><b>(341,438)</b></u>
<b>Net cash provided by operating activities</b>	<u><b>(3,683,187)</b></u>	<u><b>(3,078,542)</b></u>
<b>Cash flow from investing activities:</b>		
Decrease / (Increase) in Fixed Assets	(510,374)	----
Decrease / (Increase) in Capital WIP	(7,637,911)	(3,275,193)
Decrease / (Increase) in Other Assets	159,487	(55,727)
<b>Net Cash from investing activities</b>	<b>(7,988,798)</b>	<b>(3,330,920)</b>
<b>Cash flow from financing activities:</b>		
Increase in Investments	11,300,000	5,250,000
(Decrease) in Dividend Payable	----	----
<b>Net Cash used from financing activities:</b>	<u><b>11,300,000</b></u>	<u><b>5,250,000</b></u>
Net Increase / (Decrease) in cash	(371,985)	(1,159,462)
Cash at beginning of period	633,323	1,792,785
<b>CASH AT END OF PERIOD</b>	<u><u><b>261,338</b></u></u>	<u><u><b>633,323</b></u></u>

See accompanying notes to Financial Statements



**PISGAH LABORATORIES INC. USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2025 and 2024**

**Note 1      Organization**

Pisgah Laboratories Inc. (Pisgah) is C Corporation organized and incorporated under the laws of state of North Carolina (NC) founded in the year 1981. Pisgah is a contract manufacturer and developer of Active Pharmaceutical Ingredients (APIs) and Intermediates.

**Note 2      Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Company 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 preparation:**

The preparation of Financial statements in conformity with accounting principle 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. The assets were revalued at the time of acquisition and fair market values were considered as carrying cost in the books.

Depreciation is being provided based in the estimated useful life using straight line method.

**PISGAH LABORATORIES INC. USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2025 and 2024**

**Intangible Assets:**

Intangible assets are stated at cost less accumulated amortization as at 03/31/2025 & 03/31/2024. However, impairment of \$ 3,898,550 are included in accumulated amortization of \$ 5,658,975 & \$ 5,573,133 in 03/31/2025 & 03/31/2024. 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 as net of returns when Company satisfies the performance obligation by transferring promised goods or services to customer. Revenue from services is recognized when all relevant activities are completed and the right to receive income is established.

**NOTE: 3      SHAREHOLDERS EQUITY**

Pisgah Labs Inc have following Shareholding pattern as of March 31, 2025:

**Authorized**

Common Stock: 100,000 shares @ \$ 1 per share:	Total \$	100,000
Redeemable Preference shares 100,000 shares @ \$ 1000 each	Total \$	100,000,000
<b>(Non-voting)</b>		

**Issued and Paid up**

Common Stock: 92,000 shares @ \$ 1 per share	Total \$	92,000
Redeemable Preference shares 27,250 shares @ \$ 1000	Total \$	27,250,000
<b>(Non-voting)</b>		(Previous Year \$ 15,950,000)

**PISGAH LABORATORIES INC. USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2025 and 2024**

**NOTE 4      CORPORATE TAX**

Since the corporation has loss in the current year, Income tax provision not provided for Federal Corporate Tax. However, provision for NC State tax is included as per tax rates of the State of North Carolina

**NOTE 5      RELATED PARTY DISCLOSURE**

During the year PISGAH Labs Inc. issues Preference shares of USD 11,300,000 (Previous Year USD 5,250,000) to Ipca Pharmaceuticals Inc. USA.

During the year PISGAH Labs Inc. has purchased one of its products from Ipca Laboratories Ltd., India for USD 13,500 (Previous Year NIL).

During the year PISGAH Labs Inc. has sold one of its products to Unichem Pharmaceuticals (USA), Inc. for USD 56,000 (Previous Year NIL).

Also, the company has outstanding receivables from Unichem Pharmaceuticals (USA), Inc. of USD 56,000 for sale of its products (Previous Year NIL).

For Virendra K Jain, CPA

Virendra K Jain, CPA  
New York, NY 10036  
License No. 093066  
Date: May 14, 2025

**PISGAH LABORATORIES INC. USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2025 and 2024**

**NOTE 4      CORPORATE TAX**

Since the corporation has loss in the current year, Income tax provision not provided for Federal Corporate Tax. However, provision for NC State tax is included as per tax rates of the State of North Carolina

**NOTE 5      RELATED PARTY DISCLOSURE**

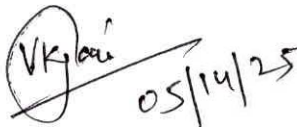
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During the year Pisgah Labs Inc. has sold one of its products to Unichem Pharmaceuticals (USA), Inc. for USD 56,000 (Previous Year NIL).

Also, the company has outstanding receivables from Unichem Pharmaceuticals (USA), Inc. of USD 56,000 for sale of its products (Previous Year NIL).

For Virendra K Jain, CPA

A handwritten signature in black ink, appearing to read 'VK Jain', is written over a horizontal line. To the right of the signature, the date '05/14/25' is handwritten.

Virendra K Jain, CPA  
New York, NY 10036  
License No. 093066  
Date: May 14, 2025