

Virendra K Jain
Certified Public Accountant

PISGAH LABS INC., USA
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

**Virendra K Jain
Certified Public Accountant**

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

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, 2021 and 2020, 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, 2021 and 2020, and the result of operations for the year ended March 31, 2021 and 2020, in conformity with accounting principles generally accepted in the United States of America.

For Virendra K Jain, CPA

 05.19.21

Virendra K Jain, CPA
New York, NY
License No. 093066
Date: May 19, 2021

**PISGAH LABORATORIES INC. USA
BALANCE SHEET
MARCH 31, 2021 AND 2020**

	As at March 31 <u>2021</u> \$	As at March 31 <u>2020</u> \$
Current Assets:		
Cash & Bank	346,634	72,206
Accounts Receivables	38,966	104,324
Inventory	531,066	501,897
Loans to Staff	----	----
Prepaid Expenses	47,096	46,467
Total Current Assets	<u>963,762</u>	<u>724,894</u>
Fixed & Intangible Assets:		
Fixed Assets	3,553,628	3,553,628
Accumulated Depreciation	<u>(860,674)</u>	<u>(582,243)</u>
Net Fixed Assets	2,692,954	2,971,385
Intangible Assets	5,916,504	5,916,504
Accumulated Amortization & Impairment	<u>(5,315,606)</u>	<u>(5,229,764)</u>
Net Intangible Assets	600,898	686,740
Total Fixed & Intangible Assets	<u>3,293,852</u>	<u>3,658,125</u>
Other Assets:		
Deferred Taxes	262,647	262,647
Total Other Assets	<u>262,647</u>	<u>262,647</u>
Total Assets	<u>4,520,261</u>	<u>4,645,666</u>

See accompanying notes to Financial Statements

**PISGAH LABORATORIES INC. USA
BALANCE SHEET
MARCH 31, 2021 AND 2020**

LIABILITIES AND STOCKHOLDERS EQUITY

	As at March 31 <u>2021</u> \$	As at March 31 <u>2020</u> \$
Current Liabilities:		
Accounts Payable	3,273	99,990
Accrued Expenses	65,201	23,500
Other Payable	244,275	----
Total Current Liabilities	<u>312,749</u>	<u>123,490</u>
Stockholders' Equity:		
Fair Value Adjustment Reserve	9,733,879	9,733,879
Common Stock (Note 4)	92,000	92,000
Redeemable Pref. Shares	5,450,000	3,400,000
Retained Earnings	<u>(11,068,367)</u>	<u>(8,703,703)</u>
Total Stockholders' Equity	<u>4,207,512</u>	<u>4,522,176</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>4,520,261</u>	<u>4,645,666</u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Revenue:</u>		
Revenue from Operations	77,451	229,000
Other Income	<u>104,676</u>	<u>166,154</u>
Total Income	182,127	395,154
<u>Expenses:</u>		
Cost of Materials Consumed	29,846	23,306
Inventory Adjustment	----	(180,443)
Employee Benefit Expenses	1,488,600	1,252,992
Depreciation, Amortization & Impairment	364,273	4,769,007
Other Expenses	<u>657,527</u>	<u>916,611</u>
TOTAL OPERATING EXPENSES	<u>2,540,246</u>	<u>6,781,473</u>
Income / (Loss) before Corporate Taxes	(2,358,119)	(6,386,319)
Corporate Taxes (Note 3)	6,545	7,500
Net Income (loss)	(2,364,664)	(6,393,819)

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	\$	\$
Retained Earnings – Beginning of the Year	(8,703,703)	(2,309,884)
Dividend Adjustment of Prior Year	---	---
Income / (Loss) for the year	<u>(2,364,664)</u>	<u>(6,393,819)</u>
Retained Earnings – End of the Year	<u>(11,068,367)</u>	<u>(8,703,703)</u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
	\$	\$
Current Assets:		
Cash flows from operating activities:		
Net Income (loss)	(2,364,664)	(6,393,819)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	278,431	278,806
Amortization & impairment	85,842	4,490,201
Changes in assets and liabilities:		
Decrease / (Increase) in Accounts Receivables	65,358	24,676
Decrease / (Increase) in Inventory	(29,169)	(185,920)
Decrease / (Increase) in Loans & Exchange	---	(2,509)
Decrease / (Increase) in Prepaid Expenses	(629)	(1,708)
Decrease / (Increase) in Accrued Expenses	41,701	(21,757)
Decrease / (Increase) in Accounts Payable	(96,717)	40,791
(Decrease) / Increase in Other Payables	<u>244,275</u>	<u>(4,712)</u>
Total adjustments	<u>589,092</u>	<u>4,622,886</u>
Net cash provided by operating activities	<u>(1,775,572)</u>	<u>(1,770,933)</u>
Cash flow from investing activities:		
Decrease / (Increase) in Fixed Assets	---	(599)
Net Cash from investing activities	---	(599)
Cash flow from financing activities:		
Increase in Investments	2,050,000	1,800,000
(Decrease) in Dividend Payable	---	---
Net Cash used from financing activities:	<u>2,050,000</u>	<u>1,800,000</u>
Net Increase (Decrease) in cash	274,428	28,468
Cash at beginning of period	<u>72,206</u>	<u>43,738</u>
CASH AT END OF PERIOD	<u><u>346,634</u></u>	<u><u>72,206</u></u>

See accompanying notes to Financial Statements

PISGAH LABORATORIES INC. USA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 and 2020

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, 2021 and 2020

Intangible Assets:

Intangible assets are stated at cost less accumulated amortization as at 03/31/2021 & 03/31/2020. However, Impairment of \$ 3,898,550 are included in accumulated amortization of \$ 5,315,606 \$ 5,229,764 in 03/31/2021 & 03/31/2020. 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 returns, when Company satisfy the performance obligation by transferring promised goods or service 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, 2021:

Authorized

Common Stock : 100,000 shares @ \$ 1 per share :	Total \$	100,000
Redeemable Preference shares 10,000 shares @ \$ 1000 each	Total \$	10,000,000
(Non voting)		

Issued and Paid up

Common Stock: 92,000 shares @ \$ 1 per share	Total \$	92,000
Redeemable Preference shares 5400 shares @ \$ 1000	Total \$	5,450,000
(Non voting)		(Previous Year \$ 3,400,000)

**PISGAH LABORATORIES INC. USA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 and 2020**

NOTE 4 CORPORATE TAX

Since the corporation has loss in 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

For Virendra K Jain, CPA

Handwritten signature of Virendra K Jain and date 05.19.21

Virendra K Jain, CPA
New York, NY 10036
License No. 093066
Date: May 19, 2021