

**RAJEEV KAUL, CPA, PC**  
**CERTIFIED PUBLIC ACCOUNTANT**

The Board of Directors  
Claris Life Sciences Inc.  
1445 US HWY 130  
North Brunswick, NJ 08902

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying Balance Sheets of Claris Lifesciences Inc. as at December 31<sup>st</sup>, 2014 and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of Claris Lifesciences Inc. management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These 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 amount 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 condition of Claris Lifesciences Inc., as at December 31<sup>st</sup>, 2014 and the results of its operation and its cash flows for the year then ended, in accordance with generally accepted accounting principles.

  
RAJEEV KAUL, CPA PC  
New York

February 20, 2015

**Claris Lifesciences Inc.**  
**Balance Sheet as at December 31st, 2014**

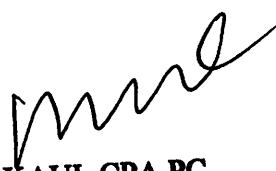
<b>PARTICULAR</b>	<b>December 31st 2014</b>		<b>December 31st 2013</b>	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents		\$ 574,450		\$ 87,146
Inventory		4,433,901		1,303,102
Inventory-in-transit		1,139,170		333,589
Accounts Receivables		5,057,812		1,193,223
Loans & Advances		56,957		1,210,915
Other assets		16,780		16,780
<b>Total Current Assets</b>		<b>11,279,070</b>		<b>4,144,754</b>
<b>Fixed Assets</b>				
Car Account	25,621		25,621	
Less : Accumulated Depreciation	(25,621)	-	(25,621)	(0)
<b>Other Assets</b>				
Pre-Operative Exp.	72,258		72,258	
Less : Accumulated Amortization	(72,258)	-	(61,966)	10,292
<b>TOTAL ASSETS</b>		<b>\$ 11,279,070</b>		<b>\$ 4,155,046</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts Payable		\$ 6,298,317		\$ 294,518
Other Current Liabilities		128,068		38,653
<b>Total Current Liabilities</b>		<b>6,426,385</b>		<b>333,171</b>
<b>Long Term Liabilities</b>				
Due from Affiliates		851,313		838,438
<b>Total Long Term Liabilities</b>		<b>851,313</b>		<b>838,438</b>
<b>Shareholders' Equity</b>				
Share Capital		4,350,200		4,350,200
Retained Earnings		(348,828)		(1,366,763)
<b>Total Shareholder's Equity</b>		<b>4,001,372</b>		<b>2,983,437</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b>\$ 11,279,070</b>		<b>\$ 4,155,046</b>

  
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**NEW YORK, NY-10016**

(The accompany notes are an integral part of the these financial statements)

**Claris Lifesciences Inc.**  
**Statements of Income and Retained Earnings**  
**for the year ended on December 31st, 2014**

PARTICULARS	December 31st 2014		December 31st 2013	
Revenue (net)		\$ 15,521,159		\$ 1,697,593
<b>Less : Cost of sales</b>				
Opening Inventory	1,303,102		542,785	
<b>Add :</b> Purchases	12,427,771		1,630,452	
Freight & CHA	746,119		152,163	
<b>Less :</b> Closing Inventory	(4,433,901)	10,043,091	(1,303,102)	1,022,298
<b>GROSS PROFIT</b>		<b>5,478,069</b>		<b>675,295</b>
<b>Less : Expenses</b>				
Payroll and employee related Exps (See Schedule)		867,679		177,948
General Administration Exps (See Schedule)		3,372,458		682,266
Selling & Distribution Exps (See Schedule)		209,705		9,186
Depreciation & Amortization (See Schedule)		10,292		10,323
<b>Total Expenses</b>		<b>4,460,134</b>		<b>879,723</b>
<b>OPERATING PROFIT/ (LOSS)</b>		<b>1,017,935</b>		<b>(204,428)</b>
<b>Profit/(Loss) Before Interest and Tax</b>		<b>1,017,935</b>		<b>(204,428)</b>
<b>Less : Interest paid</b>		<b>-</b>		<b>102</b>
<b>Profit/(Loss) After Interest</b>		<b>1,017,935</b>		<b>(204,530)</b>
<b>Opening Balance of Retained Earnings</b>		<b>(1,366,763)</b>		<b>(1,162,233)</b>
<b>Closing Retained Earnings</b>		<b>\$ (348,828)</b>		<b>\$ (1,366,763)</b>

  
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**Claris Lifesciences Inc.**  
**Statements of Cash Flows**  
**for the year ended December 31st, 2014**

	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>		
Net income as per Income statement	\$ 1,017,935	\$ (204,530)
<b>Adjustment to income:</b>		
Depreciation & amortization	10,292	10,323
<b>Changes in Working Capital</b>		
(Increase) / Decrease in Inventory	(3,936,380)	(916,648)
(Increase) / Decrease in Accounts Receivable	(3,864,589)	(522,319)
(Increase) / Decrease in Loans & Advances	1,153,957	1,613,409
(Increase) / Decrease in Other Assets	-	-
Increase / (Decrease) in Accounts Payables	6,003,799	(269,316)
Increase / (Decrease) in Other Liabilities	89,415	794
Cash provided by (used in) Operating Activities	474,430	(288,287)
<b>Investing Activities</b>		
(Increase)/Decrease in Fixed Assets	-	-
Cash provided by (used in) Investing Activities	-	-
<b>Financing Activities</b>		
Increase / (Decrease) in Additional Paid in Capital	-	-
Increase / (Decrease) in Dues from Affiliates	12,875	340,356
Cash provided by (used in) Financing Activities	12,875	340,356
Net Cash Flow Changes during the year	487,304	52,069
Cash & equivalents - beginning balance	87,146	35,076
Cash & equivalents - ending balance	\$ 574,450	\$ 87,146


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## Claris Lifesciences Inc.

Schedules to Balance Sheet as of December 31st, 2014

	2014	2013
<b>Cash and Cash Equivalent</b>		
Cash	100	100
Chase Bank	532,789	6,458
PNC Bank	41,561	80,588
<b>Total</b>	<b>574,450</b>	<b>87,146</b>
<b>Accounts Receivable</b>		
Amerisource Bergen Health Corp	2,400,265	288,704
Cardinal Health	582,661	496,694
McKesson Corp	1,626,720	344,321
Others	448,166	63,504
<b>Total</b>	<b>5,057,812</b>	<b>1,193,223</b>
<b>Loans &amp; Advances</b>		
Claris Lifesciences Ltd. India	-	1,143,885
Other Advances	-	18,085
Prepaid Expenses	8,012	-
Loan Account - CVCL	48,945	48,945
<b>Total</b>	<b>56,957</b>	<b>1,210,915</b>
<b>Other assets</b>		
PMS Canada	16,780	16,780
<b>Total</b>	<b>16,780</b>	<b>16,780</b>
<b>Accounts Payable</b>		
Trade payable	6,298,317	294,518
<b>Total</b>	<b>6,298,317</b>	<b>294,518</b>
<b>Other Current Liabilities</b>		
Car Loan	-	7,278
Bonus Payable	124,750	-
Payroll Payable	-	28,076
Payroll Tax Liability	3,318	3,299
<b>Total</b>	<b>128,068</b>	<b>38,653</b>

  
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# Claris Lifesciences Inc.

## Schedule to Statements of Income and Retained Earnings for the year ended December 31st, 2014

	2014	2013
<b>Payroll and employee related Expenses</b>		
Payroll & Bonus Expenses	\$ 818,116	\$ 162,357
Payroll Taxes	49,564	15,591
<b>Total</b>	<b>\$ 867,679</b>	<b>\$ 177,948</b>
<b>General and Administration Expenses</b>		
Automobile Expenses	\$ 2,829	\$ 3,014
Bank Service Charges	1,841	1,769
Business Development Expenses	259,685	21,431
Head Office Expenses	1,469	4,867
Commission	861,166	2,298
Computer & Internet Expenses	1,691	-
Conference Expenses	7,445	18,116
Consulting Expenses	25,000	-
Donation	-	10,000
GPO Admin Fees	395,574	70,640
Insurance Expenses	116,158	51,695
Laboratory Testing	31,667	-
Lease Charges-Auto	5,700	-
Licenses & Fees	3,330	-
Medical Affairs Services	11,183	-
Misc Expenses	24,364	-
Office Equipments Repairs	6,807	-
Office Expenses.	13,644	5,279
Office Supplies	12,265	-
Outside Services	837,858	406,708
Penalty/Interest	2,046	2,916
Postage & Delivery	8,056	4,478
Legal & Professional Fees	28,460	23,900
Rent	27,240	12,770
Repairs	1,890	-
State Registration Fees & Licenses	3,674	24,320
State Tax	2,100	-
Telephone Expense	11,184	11,449
Travel Expenses	6,130	675
Visa Fees	18,455	5,940
Warehouse Charges	643,546	-
<b>Total</b>	<b>\$ 3,372,458</b>	<b>\$ 682,266</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Promotion	59,767	\$ 9,186
Marketing Expenses	149,938	\$ -
<b>Total</b>	<b>\$ 209,705</b>	<b>\$ 9,186</b>
<b>Depreciation &amp; Amortization</b>		
Amortization of Pre-operative Exps	10,292	10,323
<b>Total</b>	<b>\$ 10,292</b>	<b>\$ 10,323</b>

(The accompany notes are an integral part of these financial statements)

**Claris Lifesciences Inc.**  
**For the year ended December 31st, 2014**

**Notes to Financial Statements**

**General**

Claris Lifesciences Inc. ('CLI' the "company") was incorporated in the State of New Jersey on March 9<sup>th</sup>, 2005. The Company is a 100% subsidiary company of Claris Pharmaservices having address at 4<sup>th</sup> Floor, Tower A, 1 Cybercity, Ebene, Mauritius. Claris Pharmaservices is the subsidiary of Catalys Venture Cap Ltd having registered office at C/O Citco (Mauritius) Limited, 4<sup>th</sup> Floor, A, 1 Cybercity, Ebene, Mauritius. Claris Lifesciences Limited having registered office at Corporate Towers, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad-380 006, Gujarat, India is the parent company of Catalys Venture Cap Ltd. It started its operations in the month of March, 2005.

**Business Activity**

The Company is an international pharmaceutical company, in the business of reselling and marketing sterile parenteral preparations, life saving medicines and hospital products, focusing on delivery systems, for treatment of critical illnesses and diseases. The company is engaged in marketing the medicines, hospitals products in US.

**Accounting Principles**

The financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States.

**Estimates and Assumptions**

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples include provisions for returns, concessions and bad debts; and the length of product life cycles and buildings' lives. Actual results may differ from these estimates.

**Revenue Recognition**

We recognize revenues when persuasive evidence of an arrangement exists, the product has been shipped or the services have been provided to the customers, the sales price is fixed or determinable and collectibility is reasonably assured.

**Cost of Revenue**

Cost of revenue includes direct costs to produce and distribute product and/or direct costs to provide services, consulting, products support.

**Cash and Cash Equivalent**

Cash and cash equivalents comprise current bank accounts and other bank deposits free of encumbrances and having original maturities of less than three months.

**Financial Instruments**

"Disclosure about Fair Value of Financial Instruments" requires disclosure of fair value information about financial instruments for which it is practicable to estimate the value, whether or not recognized on the statement of financial condition. The Fair value of all other financial assets and liabilities is considered to approximate the recorded value due to short term nature of the financial instrument and reporting policies followed by the company.

**Related Party Transactions**

There was following related party transactions during this financial year.

<b>Name of Related Party</b>	<b>Nature of Transactions</b>	<b>US\$</b>
Claris Lifesciences Limited-Vendor A/c	Purchase	4,456,783.37
Claris Lifesciences Limited-Vendor A/c	Accounts payable balance	731,590.53 P

**Claris Lifesciences Inc.**  
**For the year ended December 31st, 2014**

**Notes to Financial Statements**

Claris Injectables Limited-Vendor A/c	Purchase	5,795,387.20
Claris Injectables Limited-Vendor A/c	Accounts payable balance	3,697,093.12 P
Claris Injectables Limited-Loan A/c	Loan given	851,313.07 P
Catalys Venture Cap Limited	Loan given	48,945.35 R

***Pre-operating Expenses***

Expenses incurred by the subsidiary prior to the start of commercial operations and in bringing new facilities into operations have been deferred and are being amortized over 7 years up to year 2014.

***Income Tax***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial reporting bases of assets and liabilities and their related tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. No provisions for income tax has been made during the year as there were carry over losses from prior years.

***Stock transfer***

w. e. f. November 1<sup>st</sup> 2014 - 4,350,000 equity shares of \$1 each issued to Catalys Venture Cap Limited, incorporated in Mauritius which is the subsidiary company of Claris Lifesciences Limited – India, transferred its ownership of shares to Claris Pharmservices incorporated in Mauritius which is the subsidiary of Catalys Venture Cap Limited Mauritius.

  
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