

STABILIS PHARMA, INC
FINANCIAL STATEMENT
FOR THE PERIOD
FOR THE YEAR ENDED MARCH 31, 2016
AND FOR THE PERIOD
JUNE 23, 2014 TO MARCH 31, 2015

SUBMITTED BY
RAVI VENKATARAMAN, CPA LLC

Ravi

STABILIS PHARMA, INC

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Board of Directors
Stabilis Pharma, Inc
East Brunswick, New Jersey

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements:

We have audited the accompanying Balance Sheet of Stabilis Pharma, Inc. as of March 31, 2016, and the related statements of income and retained earnings and statement of cash flow for the year ended March 31, 2016 and the period June 23, 2014 to March 31, 2015.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

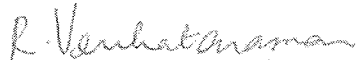
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the



Opinion:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stabilis Pharma, Inc as of March 31, 2016, and the results of its operation and its cash flow for the year ended March 31, 2016 and the period June 23, 2014 to March 31, 2015, in conformity with accounting principles generally accepted in the United States of America.



Ravi Venkataraman, CPA

Princeton, NJ

April 27, 2016

STABILIS PHARMA, INC.
BALANCE SHEET
MARCH 31

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
<u>Current Assets:</u>		
Cash	\$28,276	\$792
Accounts Receivable- Trade	20,879	38,876
Inventory (Net of Provision for obsolence)	34,712	11,435
Advance Tax	975	
Total Current Assets	84,842	51,103
 TOTAL ASSETS	 84,842	 51,103
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Accounts Payable-Trade	225,265	164,496
Provision for Taxation	975	-
Total Current Liabilities	226,240	164,496
 <u>Stockholders' Equity:</u>		
Common Stock	1,000	1,000
Retained Earnings	(142,398)	(114,393)
Dividend Payable	-	-
Total Stockholders' Equity	(141,398)	(113,393)
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$84,842	 \$51,103

See Independent Auditor's Report and Notes to the Financial Statements

STABILIS PHARMA, INC
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 2016 AND THE PERIOD JUNE 23, 2014 TO MARCH 31, 2015

	2016	2015
Sales	\$65,039	\$38,877
Cost of Goods Sold	(48,316)	(22,378)
Gross Profit	16,723	16,499
General, Sales, and Administrative Expenses (Note 6)	43,753	130,892
Total Operating Expense	43,753	130,892
Income/(Loss) from operations	(27,030)	(114,393)
Total Profit Before Income Taxes	-	-
Provision For Income Taxes:		
Current	975	-
Deferred	-	-
Total Provision for Income Taxes	975	-
Net Profit/(Loss)	(28,005)	(114,393)
Retained Earnings - Beginning	(114,393)	-
Retained Earnings - Ending	(\$142,398)	(\$114,393)

See Independent Auditor's Report and Notes to the Financial Statements



SHASUN USA INC
STATEMENT OF CASH FLOW
OR THE YEAR ENDED MARCH 2016 AND THE PERIOD JUNE 23, 2014 TO MARCH 31, 201

	2016	2015
<u>Cash Flow from Operating activities:</u>		
Net Income/(Loss) for the period	(\$28,005)	(\$114,393)
Add: Rounding off error		1
Changes in assets and liabilities:		
Accounts Receivable	17,997	(38,877)
Other Receivable		
Other Advances		
Inventory	(23,277)	(11,435)
Deposits	(975)	
Prepaid Expenses		
Accounts Payable	60,769	164,496
Accrued Expenses	975	
Corporate Tax Payable		
Other Current Liabilities		
Net increase(decrease) in cash from Operating activities	27,484	(208)
<u>Cash Flow from Investing activities:</u>		
capital contribution	0	1,000
Net increase in cash from Investing activities	0	1,000
Net increase in cash	27,484	792
Cash - Beginning	792	0
Cash - Ending	28,276	792
Supplementary information:		
Income taxes paid	\$ 975	\$ -
Interest paid	\$ -	\$ -

See Independent Auditor's Report and Notes to the Financial Statements



STABILIS PHARMA INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31,2016

Note 1 - Summary of Significant Accounting Policies:

A. General

Stabilis Pharma Inc (SPI) was incorporated in State of Delaware on June 23,2014.The Company is a wholly owned subsidiary of SVADS Holding SA, accompany based in Switzerland with a paid-up capital of \$ 1,000. The subsidiary is a trading outfit of Strides Shasun Limited (SSL). The main business of the Company is to stock and sell finished products of SSL and also do marketing for SSL's existing as well as new products. It also assists SSL in procurement of reference standards and other regulatory related activities with the end customers.

B. Inventory

Inventory is carried at lower of cost or market value.

C. Basis of Presentation

The financial statements of SPS Inc. are prepared on accrual basis. These financial statements are presented for the year ended March 31, 2016 and the period of June 23, 2014 to March 31, 2015.

D. Liquidity & Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The company has incurred losses from operations and has had a negative cash flow.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

F. Cash

Cash consists primarily of working funds. For purposes of the Statements of Cash Flows, cash is defined as unrestricted cash balances and investments with original maturities of three months or less. cash balances and investments.

See Independent Auditor's Report

**STABILIS PHARMA INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016**

Note 2 – Revenue Recognition:

Revenue is recognized only when it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and the amount of revenue can be measured with reliability. Stabilis Pharma Inc earns its revenue from sale of products and also as commission by marketing products of Strides Shasun Limited (SSL). Revenue from sale of pharmaceutical products is recognised when all significant risks and rewards have been transferred to the buyer. During the year \$ 65,039 has been recognised as revenue from sale of pharmaceutical products.

Note 3 – Related Party transactions

Stabilis Pharma Inc is a 100% subsidiary of SVADS Holding SA. SVADS Holding SA is a subsidiary of Strides Shasun Limited (SSL). During the year, the total purchases from SSL is \$ 71,793 and 33,813.

Note 4– Cost of Goods Sold

Beginning Inventory	\$	11,435
Purchases (Less Returns)		71,793
Other direct costs :		
Customs Duty,		
Freight & Storage charges		0
Total Cost of Goods available for sale		83,028
Less : Ending Inventory		(34,712)
Total Cost of Goods sold	\$	48,316

Note 5 – Subsequent Event

Management has evaluated subsequent events through April 28, 2016, the date that the financial statements were available to be issued. Management has represented that there was no event subsequent to March 31, 2016 that has an impact on the financial condition of the company.

See Independent Auditor's Report



STABILIS PHARMA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2016 AND THE PERIOD
JUNE 23, 2014 TO MARCH 31, 2015

	<u>2016</u>	<u>2015</u>
Notes 6- <u>Selling, General and</u>		
<u>Administrative expenses:</u>		
Clearing and Storage expenses	\$8,724	\$30,916
Bank Service & Other Charges	178	208
Business and Sales Promotion	22,668	51,736
Communication Expenses	1,069	4,040
License and Fees	(152)	510
Testing Charges	-	4,049
Seminar and Conference	-	14,500
Postage & Delivery	-	8,508
Legal and Professional fees	-	13,500
Office Supplies and Expenses	2,766	79
Travel and Conveyance	-	1,466
Boarding and Lodging	-	1,146
Entertainment	-	234
Packing Charges	8,500	-
	<u>\$43,753</u>	<u>\$130,892</u>

See Independent Auditor's Report