

FDC Inc.

AUDITED FINANCIAL STATEMENTS

March 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To

Board of Directors and Shareholders of  
FDC Inc.

We have audited the accompanying Financial Statements of FDC INC, which comprise the Balance Sheet as of March 31, 2021, and the related Statement of Operations, changes in Stockholder's Equity, and Cash Flows for the year then ended, and the related Notes to Financial Statements.

### *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 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 audit. We conducted our audit in accordance with auditing standards generally 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 from material misstatements.

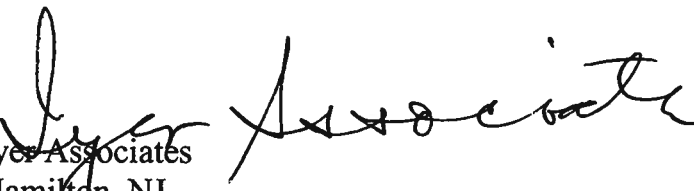
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FDC INC as of March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

  
Iyer Associates  
Hamilton, NJ  
April 28, 2021

FDC INC.  
Balance Sheet As of  
March 31, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 77,444
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TOTAL ASSETS	<u>\$ 77,444</u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities

Accrued expenses	\$ 1,050
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Other current liabilities	<u>-</u>
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Total current liabilities	<u>1,050</u>
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Stockholder's equity

Common stock, \$100 par value; 2,500 shares authorized, 500 shares issued and outstanding	50,000
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Retained earnings	<u>26,394</u>
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Total stockholder's equity	<u>76,394</u>
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TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 77,444</u>
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FDC INC.  
Statement of Operations  
For the year ended March 31, 2021

Net Sales	\$ -
General and Administrative Expenses	1,820
	<hr/>
Net Loss	<u>\$ (1,820)</u>

- See Independent Auditor's report and notes to financial statements -

FDC INC.

Statement of Changes in Stockholders' Equity

Year ended March 31, 2021

	Common stock		Retained earnings	Total stockholders' equity
	Shares	Amount		
Balance, March 31, 2020	500	\$ 50,000	\$ 28,214	\$ 78,214
Net loss for the year	-	-	(1,820)	(1,820)
Balance, March 31, 2021	<u>500</u>	<u>\$ 50,000</u>	<u>\$ 26,394</u>	<u>\$ 76,394</u>

- See Independent Auditor's report and notes to financial statements -

FDC INC.  
Statement of Cash Flows  
For the Year ended March 31, 2021

Cash flows from operating activities	
Net income/(loss)	\$ (1,820)
Adjustments to reconcile net income to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase /(decrease) in:	
Accrued expenses	-
Provision for CBT	(500)
Net cash used in operating activities	<u>(2,320)</u>
Net decrease in cash and cash equivalents	(2,320)
Cash at the beginning of the year	<u>79,764</u>
Cash at the end of the year	<u><u>\$ 77,444</u></u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Income taxes-NJ CBT	\$ 1,000



FDC, INC  
Notes to the Financial Statements  
March 31, 2021

**1. Nature of Business**

*Organization*

FDC Inc. (FDC) was incorporated in the state of New Jersey on September 01, 2004 and it is a 100% subsidiary of FDC Limited (an Indian Company). FDC imports pharmaceutical formulations and generic products from its parent company, FDC Limited, and sells and distributes such products to various consumers in the United States.

**2. Summary of Significant Accounting Policies**

*Basis of accounting*

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America; consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

*Basis of estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

*Revenue recognition*

The Company recognizes revenue based on the following criteria:

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March 31, 2021

Delivery and transfer of risk have been taken place before the year end and there is a binding sales agreement. The sale price has been determined and payment has been received or may with reasonable certainty be expected to be received.

Revenue related to services performed without a signed agreement or work order are not recognized until there is evidence of an arrangement, such as when agreements or work orders are signed or payment is received; however, the cost related to the performance of such work is recognized in the period the services are rendered.

For all services, revenue is recognized when, and if, evidence of an arrangement is obtained and other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability is assured.

Revenues related to fixed price contracts for any services are recognized using a model that is similar to the proportional performance method. Anticipated losses are recognized when they become known. Revisions in estimated profits are made in the month in which the circumstances requiring the revision become known. There was no fixed price contract for the year ended March 31, 2021.

***Cash and cash equivalents***

The Company considers all checking accounts, sweep accounts and money market accounts to be cash and cash equivalents. The amount on hand at any one time in any of these accounts may exceed the \$250,000 federal insured limit. The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

The Company's statements of financial position and results of operations are measured using the United States dollar as the functional currency.

***Property and equipment***

Property and equipment are stated at cost, net of accumulated amortization and depreciation. Property & equipment are capitalized at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the asset or the term of the lease. Product

FDC, INC  
Notes to the Financial Statements  
March 31, 2021

development costs are amortized on a straight-line basis. Depreciation and amortization are computed using straight-line method, generally over the following periods:

Computers and purchased software	3-5 years
Furniture and equipment	5-7years
Automobiles	7 years
Leasehold improvements	Term of lease
Product development	15 years

The Company charges repairs and maintenance costs that don't extend the lives of the assets to expenses as incurred. The Company has no depreciable or amortizable assets at the end of the year March 31, 2021.

***Income taxes***

The Company records income taxes using the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and the tax effect of net operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**Going Concern**

These financial statements are prepared under the Going Concern principle, the company is viewed as continuing in business for the foreseeable future. The Company is not engaged in any commercial activity at this time in the United States of America. The Management has been taking efforts to ensure the continuity of the business of Company as a going concern for the next twelve months.

**3. Business risks/ concentration**

The company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank accounts, which, at times, exceed federally insured limits. The Company has not experienced any

FDC, INC  
Notes to the Financial Statements  
March 31, 2021

losses in such accounts. The Company believes it is not exposed to significant credit risk on cash and cash equivalents.

**4. Fair value of financial instruments**

The Company's financial instruments, including cash and cash equivalents, accounts receivable, short-term borrowings and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments. The fair value of long-term borrowings is estimated based on current interest rates available to the Company for debt instruments with similar terms, degrees of risk, and remaining maturities. The carrying value of these obligations approximates their fair values.

**5. Commitments and contingencies**

The Company uses virtual office for communication and there is no lease commitment/obligation on the company at the year-end March 31<sup>st</sup> 2021.

**6. Subsequent events**

The Company has evaluated subsequent events through April 28, 2021, which is the date the financial statements were available to be issued. No reportable subsequent events have occurred through the issue date which would have a significant effect on the financial statements as of March 31, 2021, except as otherwise disclosed.