Uniparts USA Ltd. and subsidiary

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

KNAV P.A.

Certified Public Accountants
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America Counts on CPAs

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PARTNERS BEYOND BOUNDARIES

Independent auditor's report

To the Board of Directors and Shareholders
Uniparts USA Ltd. and subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Uniparts USA Ltd. and subsidiary ('the Company'), which comprise the consolidated balance sheets as of March 31, 2022, and March 31, 2021, and the related consolidated statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial information (collectively referred to as "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the consolidated financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KNAV P.A.

Atlanta, Georgia
May 17, 2022

Consolidated Financial Statements

Consolidated balance sheets

(All amounts in United States Dollars, except otherwise stated)	Notes		As at March 31, 2022	As at March 31, 2021
ASSETS				
Current assets				
Cash and cash equivalents	C		267,282	239,805
Accounts receivable, net	D		6,534,385	7,065,049
Inventories, net	E		29,680,615	21,255,024
Prepaid taxes			-	718,293
Prepaid expenses and other current assets			199,268	177,221
Total current assets		**$**	**36,681,550**	**29,455,392**
Property and equipment, net	F		2,263,691	2,021,221
Capital work in progress			163,055	186,757
Software	G		140,535	327,915
Goodwill			11,430,929	11,430,929
Total assets		**$**	**50,679,760**	**43,422,214**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Lines of credit	I		3,831,224	2,427,551
Accounts payable			985,025	1,111,716
Due to related parties	Q		5,758,967	2,969,621
Accrued expenses and other current liabilities			853,538	866,848
Current portion of long-term debt	I		278,363	228,657
Provision for taxation			298,732	-
Total current liabilities		**$**	**12,005,849**	**7,604,393**
Long term liabilities				
Long-term debt, net of current portion	I		640,200	325,964
Deferred rent			102,072	87,780
Deferred tax liability, net	N		2,225,030	2,386,448
Total long-term liabilities		**$**	**2,967,302**	**2,800,192**
Stockholder's equity				
Convertible, callable preferred stock, $10 par value, 800,000 shares authorized, issued and outstanding	R		8,000,000	8,000,000
Common stock, $10 par value, 300,000 shares authorized; 2,000 shares issued and outstanding	R		20,000	20,000
Additional paid-in capital			25,754	18,647
Retained earnings			27,660,855	24,978,982
Total stockholder's equity		**$**	**35,706,609**	**33,017,629**
Total liabilities and stockholder's equity		**$**	**50,679,760**	**43,422,214**

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

Consolidated statements of income

(All amounts in United States Dollars, unless otherwise stated)	Notes		For the year ended March 31, 2022	For the year ended March 31, 2021
Revenues, net	L		66,079,568	52,864,908
Cost of goods sold			(53,686,078)	(46,662,219)
Other revenue	L		112,524	56,712
Gross profit		**$**	**12,506,014**	**6,259,401**
Selling, general and administrative expenses			(4,915,713)	(4,733,050)
Depreciation and amortization expenses			(629,148)	(821,905)
Income from operations		**$**	**6,961,153**	**704,446**
Other income (expense)				
Fire related expenses	J		-	(1,013,753)
Insurance claim recoveries	J		-	3,211,037
Interest expense	I		(85,571)	(171,718)
Payroll protection program loan forgiveness	S		-	2,167,250
Other income	M		149,338	167,414
Total other income		**$**	**63,767**	**4,360,230**
Income before income tax expense		**$**	**7,024,920**	**5,064,676**
Income tax expense				
Current income tax expense	N		2,504,466	272,975
Deferred tax (benefit) expense	N		(161,419)	345,447
Total income tax expense		**$**	**2,343,047**	**618,422**
Net income for the year		**$**	**4,681,873**	**4,446,254**

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

Consolidated statements of stockholder's equity
For the years ended March 31, 2022, and March 31, 2021

(All amounts in United States Dollars, except number of shares)

Particulars	Convertible, callable preferred stock		Common stock		Additional paid- in capital	Retained earnings	Total stockholder's equity
	Shares	Value ($)	Shares	Value ($)			
Balance as at March 31, 2020	**800,000**	**8,000,000**	**2,000**	**20,000**	**8,995**	**20,532,728**	**28,561,723**
Net income for the year	-	-	-	-	-	4,446,254	4,446,254
Employee stock options	-	-	-	-	9,652	-	9,652
Balance as at March 31, 2021	**800,000**	**8,000,000**	**2,000**	**20,000**	**18,647**	**24,978,982**	**33,017,629**
Dividend paid during the year	-	-	-	-	-	(2,000,000)	(2,000,000)
Net income for the year	-	-	-	-	-	4,681,873	4,681,873
Employee stock options	-	-	-	-	7,107	-	7,107
Balance as at March 31, 2022	**800,000**	**8,000,000**	**2,000**	**20,000**	**25,754**	**27,660,855**	**35,706,609**

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

Consolidated statements of cash flows

(All amounts in United States Dollars, unless otherwise stated)

		For the year ended	
		March 31, 2022	**March 31, 2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**4,681,873**	**4,446,254**
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization		629,179	821,905
Provision for employee stock options		7,107	9,652
Provision for inventory and inventory written off (Note E)		1,778,880	1,826,771
Provision for doubtful debts		-	(50,069)
Deferred income tax (benefit) expense		(161,419)	345,447
Insurance claim recovery for property and equipment		-	(2,269,586)
Loss on assets written off		-	98,427
Changes in operating assets and liabilities, net			
Accounts receivable		554,793	678,055
Inventories		(10,204,470)	2,482,667
Prepaid expenses and other current assets		(260,931)	(685,079)
Other receivables		-	800,246
Accounts payable		(161,690)	(586,553)
Accrued expenses and other current liabilities		48,192	(1,077,037)
Insurance claim recoveries in advance		-	(653,558)
Due from related parties		104,836	-
Due to related parties		2,695,380	(3,101,472)
Provision for taxation, net of advance taxes		1,194,407	(27,567)
Deferred rent		14,292	14,292
Net cash provided by operating activities	**$**	**920,429**	**3,072,795**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(660,567)	(295,884)
Insurance claim recovery for property and equipment (Including advance)		-	2,269,586
Net cash (used in) provided by investing activities	$	**(660,567)**	**1,973,702**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds (repayment) of bank borrowings on lines of credit, net		1,403,673	(5,423,393)
Proceeds from loan		594,096	
Repayment of loans (short-term and long-term)		(230,154)	(335,380)
Dividend paid		(2,000,000)	-
Net cash (used in) financing activities	$	**(232,385)**	**(5,758,773)**
Net changes in cash and cash equivalents		**27,477**	**(712,276)**
Cash and cash equivalents at beginning of the year		239,805	952,081
Cash and cash equivalents at the end of the year	$	**267,282**	**239,805**

SUPPLEMENTARY CASH FLOW INFORMATION

Cash paid for interest	86,822	188,061
Cash paid for income taxes	1,606,500	1,085,490

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

Notes to consolidated financial statements

(All amounts in United State Dollars, unless otherwise stated)

NOTE A – ORGANIZATION AND NATURE OF OPERATIONS

The operations of Uniparts USA Ltd.("Parent") and its Subsidiary, Uniparts Olsen Inc. (collectively the "Company") consist of the machining of metal parts and components as well as the purchasing of machine parts from related party and third-party vendors for resale. The Company sells its products primarily to agricultural and construction equipment manufacturers in the United States of America on credit terms the Company establishes with each customer.

Uniparts USA Ltd. is a wholly owned subsidiary of Uniparts India Limited (the "Ultimate Parent").

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements are as follows:

(a) Basis of preparation

i. The accompanying consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

ii. The consolidated financial statements are for the years April 01, 2021, to March 31, 2022 and April 01, 2020 to March 31, 2021.

iii. Certain reclassifications have been made in the consolidated financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net income or retained earnings.

(b) Principles of consolidation

The consolidated financial statements include the accounts of Uniparts USA Ltd. (the "Parent") and its wholly owned subsidiary, Uniparts Olsen Inc. (the "Subsidiary"). All significant intercompany accounts and transactions have been eliminated.

(c) Use of estimates

The preparation of consolidated 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 amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting year. Estimates are used in determining, among other items, accounts receivable allowances, inventory valuation (which includes allowance for obsolescence and standard labor and overhead rates capitalized in inventory), goodwill impairment, medical insurance accruals, useful lives of tangible and intangible assets, provisions for warranty costs and deferred income taxes. Actual results could differ from those estimates.

(d) Cash and cash equivalents

The Company considers all highly liquid investments purchased with maturities of three months or less at the time of acquisition to be cash equivalents for consolidated financial statement purposes. Cash and cash equivalents comprise of cash in hand, check in transit and balance with banks.

(e) Accounts receivable

Accounts receivable are non-interest-bearing, customer obligations due under normal trade terms, usually within 30 days of services provided. The Company applies collections of accounts receivable to specific invoices in accordance with customer specifications, or if unspecified, to the oldest outstanding invoices.

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on a history of past write-offs and collections, and current credit conditions. The Company will turn an account over for collection or write balances off as uncollectible based on the facts and circumstances of each situation. As of March 31, 2022, and March 31, 2021, the allowance for doubtful accounts amounted to $4,000 and $4000, respectively.

(f) Inventories

Inventories, which consist primarily of construction, agricultural and forestry equipment parts and supplies, are stated at the lower of cost or net realizable value and are net of an allowance for obsolescence. Cost is determined using the average cost method and items are relieved from inventory on a first-in first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Leasehold improvements are amortized over the shorter of the term of the lease or the life of the assets. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets as follows:

Shop equipment	3-10 years
Office equipment	3-7 years
Computer equipment	3-5 years
Furniture and fixtures	7 years
Vehicle	5 years
Building	5-10 years
Software	3-5 years

Expenditures for maintenance and repairs are charged to expense as incurred.

(h) Capitalized software cost

The Subsidiary has developed an integrated software system and associated costs have been capitalized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350 "Intangibles - Goodwill and Other." Upon implementation of the system, the costs is amortized over a period of three years.

(i) Goodwill

The Company evaluates goodwill when internal and external factors exist which indicate that the book value of goodwill could be impaired. Based on an impairment analysis, the management has assessed that goodwill is not impaired as of March 31, 2022, and March 31, 2021.

(j) Valuation of long-lived assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the years presented in these consolidated financial statements.

(k) Fair value of financial instruments

The carrying value of financial instruments including cash, accounts receivable and accounts payable approximates fair value due to the short maturity of these instruments. The carrying amounts of long-term debt approximate fair value as the interest rates used approximate current interest rates available.

(l) Warranties

Provisions for warranty costs are recognized at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Company's obligation, net of warranties provided by suppliers.

(m) Revenue recognition

The Company has adopted FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue is recognized upon transfer of control of products or services promised to customers in an amount that reflects the consideration the Company expects to receive in exchange for these products or services. Please refer to Note L "Revenue from Contracts with Customers" for further information on the Company's revenue.

The core principle of ASC 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company’s products or services. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Revenues related to sale of products is recognized at a point in time when control of the asset is transferred to the customer based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of physical possession, the transfer of control, and acceptance by the customer. In case of product sales undertaken by the Company, sales are recognized when control of the products has transferred, being when the products are either picked up by customer or shipped from the warehouse, as agreed in the contract, the entity has right to payment and has transferred legal title to a customer. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated trade discounts, rebates and allowances.

Revenue from consignment sales is recorded on a net basis as “other revenue” under revenue from operations in the consolidated statements of income.

(n) Shipping and handling cost

The Company classifies freight billed to customers as sales revenue, which is generally included in the list price to the customer. Freight costs are considered as fulfilment cost and recorded as a cost of product revenue. The Company does not consider shipping to be a separate performance obligation.

(o) Income taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the consolidated financial statement carrying amounts and the tax basis of existing assets and liabilities. Deferred income taxes result primarily from temporary differences related to accounts receivable, inventory, net property and equipment, net goodwill, accrued expenses and deferred rent for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax expense or benefit is recognized as a result of the change in the deferred tax assets or liabilities during the year.

The Company files consolidated tax returns in the U.S. federal jurisdiction as well as various states. Furthermore, the Company has no income tax related penalties or interest for the years reported in these consolidated financial statements.

The Company has not recognized any uncertain tax positions in the consolidated financial statements as at March 31, 2022 and March 31, 2021.

(p) Operating leases

Lease rent expenses on operating leases are charged to expense over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

(q) Stock based compensation to employees

The Company accounts for stock-based compensation expense relating to equity stock options that will be settled in shares of Uniparts India Limited, Ultimate Parent Company. The Company computes the fair value of options granted using Black Scholes option pricing model. An amount equal to such compensation expense for the year is credited to additional paid-in capital of the Company.

The Company has used guidance in ASC 718; "Compensation-Stock Compensation" to account for employee share-based payments. ASC 718 requires share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in consolidated statements of income based on their fair values.

In accordance with ASC 718, the Company recognized stock-based compensation for awards granted by the ultimate parent company, that are expected to vest on a straight-line basis over the requisite service period of the awards. In respect of awards that have a graded vesting schedule and with only service conditions, compensation cost is recognized on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was-in-substance, multiple awards. In determining whether an award is expected to vest, the Company uses an estimated forfeiture rate based on historical rates. The estimated forfeiture rate is updated for actual forfeitures annually.

(r) Retirement benefits to employees

Contributions to defined contribution plans are charged to consolidated statements of income in the year in which they accrue.

(s) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

(t) Insurance recoveries

A potential insurance recovery is evaluated and accounted for separately from the related loss and does not affect the recorded amount of the loss. An asset relating to an insurance recovery is recognized only when realization of the claim is deemed probable, and only to the extent of the related loss recognized in the consolidated financial statements. Any amount expected to be recovered in excess of the recognized loss, which will result in a gain, is not recognized until any contingencies relating to the insurance claim have been resolved. A contingent gain is not recognized until realized. The recovery of a loss is generally considered probable if there is a legally enforceable contract that stipulates the terms of the insurance coverage, and the terms are not in dispute.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

		As at	
		March 31, 2022	**March 31, 2021**
Cash in hand		335	122
Balances with banks in checking accounts		266,947	239,683
Total	**$**	**267,282**	**239,805**

Cash balances with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000.

NOTE D - ACCOUNTS RECEIVABLE, NET

The Company's accounts receivable primarily relate to sale of goods to outside customers. Accounts receivable comprise the following:

	As at	
	March 31, 2022	**March 31, 2021**
Receivable from customers	6,538,385	7,069,049
Less: Allowance for doubtful accounts	(4,000)	(4,000)
Accounts receivable, net	**6,534,385**	**7,065,049**

All the accounts receivable of the Company are collateralized as security against the line of credit (Refer Note I).

NOTE E - INVENTORIES

The composition of inventories as of March 31, 2022, is as follows:

	Total	Obsolescence allowance	Net amount
Raw materials	2,149,197	(554,395)	1,594,802
Work-in-progress	984,329	(269,982)	714,347
Finished goods	26,933,334	(1,382,591)	25,550,743
Supplies	1,820,723	-	1,820,723
Total	**31,887,583**	**(2,206,968)**	**29,680,615**

During the year ended March 31, 2022, the Company has written off inventory worth of $656,913 (March 31, 2021: $1,440,840) on account of obsolete and slow-moving inventory for discontinued parts. The inventory written off has been included under cost of goods sold in the consolidated statements of income.

The composition of inventories as of March 31, 2021, is as follows:

	Total	Obsolescence allowance	Net Amount
Raw materials	1,657,422	(340,000)	1,317,422
Work-in-progress	1,339,083	(100,000)	1,239,083
Finished goods	17,520,086	(645,000)	16,875,086
Supplies	1,823,433	-	1,823,433
Total	**22,340,024**	**(1,085,000)**	**21,255,024**

All the inventories of the Company are collateralized as security against the line of credit (Refer Note I).

NOTE F - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	As at	
	March 31, 2022	March 31, 2021
Leasehold improvements	232,587	218,083
Shop equipment	10,911,182	10,264,767
Office equipment	266,823	902,554
Computer equipment	924,223	265,173
Software	7,860	7,860
Furniture & fixtures	33,538	33,538
Vehicles	344,636	344,636
Property and equipment, gross	**12,720,849**	**12,036,611**
Less: Accumulated depreciation	(10,457,158)	(10,015,390)
Property and equipment, net	**2,263,691**	**2,021,221**

Total depreciation expense for the year ended March 31, 2022, and year ended March 31, 2021, was $441,768 and $634,525, respectively.

All the property and equipment of the Company are collateralized as security against the line of credit (Refer Note I).

NOTE G – SOFTWARE

The Company's other intangible assets includes internal-use capitalized software as follows:

		As at March 31, 2022		
	Useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite life intangibles				
Software	3	562,140	(421,605)	140,535
Total		**562,140**	**(421,605)**	**140,535**

		As at March 31, 2021		
	Useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite life intangibles				
Software	3	562,140	(234,225)	327,915
Total		**562,140**	**(234,225)**	**327,915**

The Company's estimated annual amortization expense in future years for the intangible assets is as follows:

Year ending March 31,	Total
2023	140,535
Total	**140,535**

Amortization expense is $187,380 and $187,380 for the year ended March 31, 2022, and year ended March 31, 2021, respectively.

NOTE H – RISK CONCENTRATIONS

Credit risk
The Company's financial instruments that are exposed to concentration of credit risk consist primarily of trade accounts receivable.

For the year ended March 31, 2022, and year ended March 31, 2021, the Company's two largest customers accounted for approximately 44% and 53% of revenues, respectively. Two customers accounted for approximately 42% and 59% of net accounts receivable as of March 31, 2022, and March 31, 2021, respectively. Generally, the Company does not obtain security from its customers in support of accounts receivable. Potential losses from concentrations of credit risk with respect to trade accounts receivable are considered to be limited due to the Company's ongoing credit evaluation of its customers.

Foreign risk
The Company purchases a significant amount of materials from affiliates located in India. This source of materials may be subject to unpredictable changes and delays due to legal, political, and climate conditions. See Note S – "Related Party Transactions" for further information.

Economic and political risk
The United States government has called for substantial changes to its trade policy and, in certain instances, has enacted and assessed tariffs on specific products imported from certain foreign countries: conversely, certain foreign countries have enacted tariffs on specific products exported by U.S. based companies.

The results of discussions and negotiations among these affected countries is subject to a number of factors and the magnitude of the impact on the Company cannot be predicted with any degree of certainty. Changes in international trade agreements, regulations, restrictions, and tariffs may increase the Company's operating costs and make it more difficult to compete in the U.S. markets: as a result, its business, demand for products, financial condition and results of operations couid be adversely impacted. The Company is actively monitoring the status of these discussions and market reactions.

In view of the unprecedented COVID-19 pandemic and economic forecasts, the management has assessed the recoverability of its assets including receivables & inventories. In such assessment, the Company has considered internal and external information up to the date of approval of these consolidated financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTE I – DEBT

Lines of credit

In March 2022, the Subsidiary extended its revolving line of credit to extend the term of the line of credit till March 2023 and revised the amount to $4,500,000. The line of credit has a variable interest rate calculated as a "floating rate" which is a "base rate" determined by adjusted SOFR plus 150 basis points, on the utilization of the credit line. The average interest rate for the year ended March 31, 2022 and March 31 2021 was approximately 2.08% and 2.40%, respectively. The credit line is collateralized by substantially all assets of the Subsidiary and cross-collateralized with a term loan. This line of credit is secured by a corporate guarantee by the Parent.

The Subsidiary has drawn down $2,031,224 and $327,551 on the line of credit as of March 31, 2022 and March 31, 2021, respectively. The unutilized portion of the line of credit was $2,468,776 and $3,172,449 as of March 31, 2022 and March 31, 2021 respectively. Interest expense relating to this credit line was $27,895 and $58,796 for the year ended March 31, 2022 and March 31, 2021, respectively.

In March 2022, the Parent extended the term of its revolving line of credit of $4,500,000. This line of credit has a variable interest rate calculated as a "floating rate" which is a "base rate" determined by by adjusted SOFR plus 150 basis points, on the utilization of the credit line. The average interest rate for the year ended March 31, 2022 and year ended March 31 2021 was approximately 2.08% and 3.21%, respectively. This line of credit is collateralized by substantially all assets of the Parent, cross-collateralized with a term loan. The Subsidiary has guaranteed the financial performance of the Parent's liabilities as this institution.

The Parent has drawn balances of $1,800,000 and $2,100,000, on its line of credit, as of March 31, 2022 and March 31, 2021, respectively. The unutilized portion of the line of credit was $2,700,000 and $1,400,000 as of March 31, 2022 and March 31, 2021 respectively.Interest expense relating to this line was $46,443 and $93,466 for the year ended March 31, 2022 and March 31, 2021, respectively.

Note payable

The Subsidiary had capital expenditure non-revolving note facility with a bank ("Notes payable under capex line of credit"). The interest rate that is due monthly is 2.0% plus an adjusted LIBOR. The notes are collateralized by substantially all assets of the Subsidiary and secured by a corporate guarantee by the Parent. The notes payable under capex line of credit were converted to term loans under the term note agreement with varying monthly instalments and maturity dates included in the following table.
On March 29, 2021, the Subsidiary executed interim promissory note with the bank with a credit limit of $1,000,000 with an original principal repayment date of March 31, 2022. As per the agreement, if the principal balance under this promissory note is not fully repaid, it shall be converted to a term loan and shall be governed by a separate term note

agreement. If the principal balance is fully repaid by the original on or before the repayment date, the Subsidiary shall be required to pay prepayment fee of 5% on the principal balance repaid as described the agreement.

On March 31, 2022, the interim promissory note was converted into a term loan for a value of $594,096 to be repaid in equal instalments over a period of 60 months. The term note has a "floating rate" which is a "base rate" determined by by adjusted SOFR plus 150 basis points. The term loan is collateralized by fixed assets of the Company.

	As at	
	March 31, 2022	**March 31, 2021**
Uniparts USA Ltd.		
Note payable to a bank, interest at 5.29%, with fixed monthly payments of $786, including interest, through June of 2021, collateralized by equipment.	-	1,953
Note payable to a bank, interest at 3.99%, with fixed monthly payments of $138, including interest, through April of 2024, collateralized by equipment	3,310	4,804
Uniparts Olsen Inc.		
Note payable of $375,156 due in monthly installments of $6,256 bearing interest at 4.85% through April 2022	6,256	81,328
Note payable of $758,163 due in monthly installments of $12,636 bearing interest at 4.49% through April 2024	314,901	466,536
Note payable of $594,096 due in monthly installments of $9,902 bearing interest at SOFR+150 basis points, through March 2027	594,096	-
Less: Current portion	(278,363)	(228,657)
Long-term debt, net of current portion	**640,200**	**325,964**

In connection with the line of credit, the Company is subject to certain restrictive and financial covenants, including limitations on additional borrowing, minimum fixed charge coverage ratio requirements, and maximum funded debt to EBITDA ratio requirements. Additionally, the Company may not redeem any of its equity interests or return any contribution to an owner other than stock dividends. Future annual maturities of the long-term debt:

Year ending March 31:	
2023	278,363
2024	272,105
2025	130,457
2026	118,819
2027	118,819
Total	**918,563**

NOTE J – FIRE RELATED EXPENSES AND INSURANCE CLAIM RECOVERIES

During October 2019, the Company had an incident of fire at its plant and suffered property damages. The Company has settled the fire insurance claim, including the equipment claim, with the insurance company under the settlement and release agreement dated 3rd October 2020. The Company has recognized the claim to the extent it has been approved and received from the insurance company and related expenses have been incurred.

The Company incurred expenses related to fire amounting to $Nil and $1,013,753 for the years ended March 31, 2022, and March 31, 2021, respectively and has recognized insurance claim recoveries amounting to $Nil and $3,211,037 during the years ended March 31, 2022, and March 31, 2021, respectively.

NOTE K – COMMITMENTS AND CONTINGENCIES

Lease obligations

The Company has various operating leases and three building leases as of March 31, 2022. Total lease expense was approximately $848,084 and $862,203 for the year ended March 31, 2022, and ended March 31, 2021, respectively. Under the terms of the building lease, the Company is responsible for all repairs, maintenance, insurance, real estate taxes and utilities on its respective lease.

Future minimum lease payments as at March 31, 2022 for such non-cancelable leases are as follows:

Year ending March 31:	**Building**	**Vehicle**	**Fork Truck**	**Total**
2023	696,898	54,506	87,687	**839,091**
2024	436,292	54,506	87,687	**578,485**
2025	383,161	18,169	65,765	**467,095**
Thereafter	1,913,749	-	-	**1,913,749**
	3,430,100	**127,181**	**241,139**	**3,798,420**

The Parent utilizes a warehouse to manage and store its finished goods. The warehouse agreement was signed on May 31, 2018 and expires on June 30, 2023. The Parent pays rentals of $20,622 per month (including fence fees of $622 per month) (March 31, 2021: $20,622) for the full five-year term.

NOTE L - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents revenue disaggregated by product line:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Revenue from sale of goods	66,079,568	52,864,908
Consignment sales	112,524	56,712
Total	**66,192,092**	**52,921,620**

The following table presents revenue disaggregated by timing of recognition:

	For the year ended	
	March 31, 2022	**March 31, 2021**
At a point in time	66,079,568	52,864,908
Total	**66,079,568**	**52,864,908**

Consignment sales

The Subsidiary has consignment transaction with single consignor for sale of specified goods to the customer in accordance with instructions provided by the consignor. The revenue from such transactions is recognized on a net basis, as other revenue in the consolidated statements of income. For the years ended March 31, 2022, and March 31, 2021, value of sales and purchase on consignment basis is as follows:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Sale of goods	566,175	309,797
Purchase of goods	(453,651)	(253,085)
Other revenue	**112,524**	**56,712**

Contract balances

The Company's contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

		As at	
		March 31, 2022	**March 31, 2021**
Accounts receivable		6,534,385	7,065,049
Total	$	**6,534,385**	**7,065,049**

NOTE M – OTHER INCOME

Other income comprises of the following:

	For the year ended	
	March 31, 2022	**March 31,2021**
Other insurance claims	-	107,345
Provision for doubtful debts written back	-	50,069
Economic injury disaster loan income (EIDL)	-	10,000
Employee retention credit (Refer Note S)	149,338	-
Total	**149,338**	**167,414**

NOTE N – INCOME TAXES

For the years ended March 31, 2022, and March 31, 2021, the Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America.

The provision for income tax expense is as follows:

	For the year ended	
	March 31, 2022	**March 31, 2021**
<u>Federal</u>		
Current	1,688,628	159,674
Deferred	(277,724)	317,115
<u>State</u>		
Current	815,838	113,301

Deferred		116,305	28,332
Total income tax expense	$	**2,343,047**	**618,422**

The following is the summary of items giving rise to deferred tax assets and deferred tax liabilities.

	As at	
	March 31, 2022	**March 31, 2021**
Deferred tax assets		
Accrued expenses	145,206	120,021
Allowance for doubtful accounts	1,082	995
Deferred rent	27,596	21,806
Inventory	756,677	380,792
Total	**930,561**	**523,614**
Less: Valuation allowance	-	-
Deferred tax assets, net	**930,561**	**523,614**
Deferred tax liability		
Property and equipment	(640,661)	(607,219)
Goodwill	(1,868,088)	(1,716,506)
Casualty gain deferral	(21,351)	(556,775)
Prepaid expenses	(625,491)	(29,562)
Deferred tax liability	**(3,155,591)**	**(2,910,062)**
Deferred tax liability, net	**(2,225,030)**	**(2,386,448)**

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the years in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Accounting for uncertain tax positions

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's consolidated financial position, consolidated results of operation or cash flows

The tax years of 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE O – EMPLOYEE BENEFITS

Defined contribution plan

The Company has a defined contribution plan ("the Plan") under Section 401(k) of the Internal Revenue Code which covers substantially all regular full-time employees who have attained the defined age and service requirements.

The Plan provides for employee and discretionary employer matching contributions. Employer contributions to the Plan approximated $80,826 and $34,091 for the years ended March 31, 2022, and March 31, 2021, respectively.

Health and Dental plan

The Subsidiary has elected to be self-insured for its group health and dental plan which covers all employees and their immediate families up to a maximum annual claim of $80,000 per individual with an aggregate annual ceiling of approximately $1,200,000. Insurance coverage has been obtained for claims in excess of these levels. With effect from June 01, 2020, the Subsidiary discontinued its self-insured plan and outsourced its medical and dental plan to an outside third-party vendor.

The amount of expenses relating to the Plan approximated $294,605 and $463,754 for the years ended March 31, 2022, and March 31, 2021, respectively.

Similarly, expenses incurred by the Parent relating to the group health and dental plan approximated $159,155 and $161,313 for the years ended March 31, 2022, and March 31, 2021, respectively.

NOTE P – STOCK COMPENSATION EXPENSE

Uniparts India Limited ("UIL"), the ultimate parent company issued stock option incentive plans, under which the employees of the Company may subscribe to stock options. Under the plan, stock options to purchase UIL's common stock may be granted to employees at prices not lower than fair value at the date of grant. Stock options have a maximum term of 15 years.

Activity under the plan to the extent related to employees of the Subsidiary:

Balance as on	Number of stock options	Weighted-average exercise price (INR)	Weighted average remaining contractual life (Years)	Aggregate intrinsic value
March 31, 2020	**45,000**	**52.50**	**14.04**	**19,815**
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
March 31, 2021	**45,000**	**52.50**	**13.04**	**19,168**
Granted	2,500	52.50	15.00	20,843
Exercised	-	-	-	-
Forfeited	-	-	-	-
March 31, 2022	**47,500**	**52.50**	**12.04**	**20,843**
Options vested and exercisable	**21,450**	**-**	**-**	**-**

The weighted average exercise price of options is Indian Rupee 52.50 which is equivalent to $0.74. The Company has recognized $7,107 and $9,652 as stock-based compensation expense for the years ended March 31, 2022, and March 31, 2021, respectively.

Additionally, an employee of the Parent had been issued 21,826 stock options of UIL during the previous years which were fully vested by March 31, 2012, and remains unexercised as at March 31, 2022.

The following table summarizes information about the pre-tax intrinsic value of options exercised, and the weighted average grant date fair value per share of options granted.

	For the year ended	
	March 31, 2022	March 31, 2020
Intrinsic value of options exercised	-	-
Weighted average fair value of stock options granted	6,653	-

The grant date fair value of options has been estimated using the Black-Scholes single option pricing model with following assumptions:

Risk free interest rate	4.9% - 5.6%
Expected dividend yield	3.00%
Expected life of option in years	3.00 – 5.00
Weighted average expected volatility	46.6% - 50.3%

NOTE Q – RELATED PARTY TRANSACTIONS

The Company purchases materials from entities located in India that share common ownership with the Company. Purchases from these related companies approximated $43,757,000and $25,668,000 for the years ended March 31, 2022, and March 31, 2021, respectively. Additionally, there is approximately $5,758,967 and $2,969,621 due to these related companies as of March 31, 2022, and March 31, 2021, respectively. These amounts will be paid under normal trade terms with these affiliated companies. The Company provides minimal services to the aforementioned related companies. As of March 31, 2022, and March 31, 2021, and for the years then ended, sales to these related parties and the related accounts receivable are immaterial to the consolidated financial statements.

NOTE R – STOCKHOLDER'S EQUITY

Convertible, callable preferred stock

All 800,000 shares of preferred stock are convertible, at the option of the holder, into shares of common stock. Each share of preferred stock may be converted into $10 worth of common stock. The number of common shares received will be based on the fair market value of common stock on the date of the conversion. The Company, at its discretion, may call preferred stock at the rate of $10 per share. There are 800,000 shares of preferred stock, $10 par value, authorized, issued and outstanding as of March 31, 2022, and March 31, 2021.

Dividend rights for holders of convertible preferred stock are identical to the dividend rights of common stockholders.

Common stock

There are 300,000 shares of common stock, $10 par value, authorized, and 2,000 shares issued and outstanding as of March 31, 2022, and March 31, 2021. Shares of common and preferred stock have identical ownership interests in the Company.

Dividend

During the years ended March 31, 2022, and March 31, 2021, the Company paid dividend of $2,000,000 and $Nil, respectively to its shareholders.

NOTE S - PAYCHECK PROTECTION PROGRAM ("PPP") AND EMPLOYEE RETENTION CREDIT ("ERC")

Paycheck Protection Program ("PPP")

In response to the COVID-19 pandemic, the PPP was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and administered by the U.S. Small Business Administration ("SBA"). Companies who met the eligibility requirements set forth by the PPP could qualify for PPP loans provided by local lenders, which supports payroll, rent and utility expenses ("qualified expenses"). If the loan proceeds are fully utilized to pay qualified expenses over the covered year, as further defined by the PPP, the full principal amount of the PPP loan may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the organization during the covered year as compared to a baseline year.

During the year ended March 31, 2021, the Company had received a loan from Chase Bank in the amount of $2,167,250 under the PPP, out of which $1,989,209 was reimbursed to the Subsidiary. The Parent has received forgiveness for the PPP loan during the current year based on the "Qualifying expenses" incurred during the utilization period, as per SBA guidelines. Following the guidance under IAS 20 (Accounting for Government Grants and disclosure of Government Assistance), the proceeds were recognized as "Other income" for qualifying expenses amount to $ Nil for the year ended March 31, 2022, and $2,167,250 for the year ended March 31, 2021. The related costs to which the loan relates (Qualifying expenses) are accounted for in the respective expense heads in cost of goods sold and selling, general and administrative expenses.

As such, the Company has decided that the PPP loan should be accounted for as a government grant which analogizes with International Accounting Standards ("IAS") 20, Accounting for Government Grants and Disclosure of Government Assistance. Under the provisions of IAS 20, "a forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan."

Employee retention credit ("ERC")

During the year ended March 31, 2022, the Subsidiary availed benefits under the ERC scheme, established under the CARES Act. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides for a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. It is a per employee tax credit based on a percentage of qualified wages and health insurance benefits paid to employees. In accordance with the pre-existing accounting principles as applied to PPP loan, under the provisions of IAS 20, the Company has recorded total ERC credit refund received during the year ended March 31, 2022, amounting $ 149,338 under other income in the consolidated statements of income.

NOTE T – SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions that occurred after 31, 2022, through the date the consolidated financial statements were available to be issued. Based upon this evaluation the Company is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

Supplementary Information

Consolidating schedule - balance sheets

(All amounts in United States Dollars, except otherwise stated)

		As at March 31, 2022				
		Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating adjustments	Consolidated
ASSETS						
Current assets						
Cash and cash equivalents		188,282	79,000	**267,282**	-	**267,282**
Accounts receivable, net		2,417,558	4,116,827	**6,534,385**	-	**6,534,385**
Inventories, net		13,148,662	16,531,953	**29,680,615**	-	**29,680,615**
Prepaid expenses and other current assets		74,675	124,593	**199,268**	-	**199,268**
Due from related party		-	1,330,078	**1,330,078**	(1,330,078)	**-**
Total current assets	**$**	**15,829,177**	**22,182,451**	**38,011,628**	**(1,330,078)**	**36,681,550**
Property and equipment, net		114,910	2,148,781	**2,263,691**	-	**2,263,691**
Capital work-in-progress		-	163,055	**163,055**	-	**163,055**
Software		-	140,535	**140,535**	-	**140,535**
Investment in subsidiary		8,367,665	-	**8,367,665**	(8,367,665)	**-**
Deferred Tax Assets- Non current		174,496	-	**174,496**	(174,496)	**-**
Goodwill		-	6,909,650	**6,909,650**	4,521,279	**11,430,929**
Total assets	**$**	**24,486,248**	**31,544,472**	**56,030,720**	**(5,350,960)**	**50,679,760**

Consolidating schedule - balance sheets (Continued)

(All amounts in United States Dollars, except otherwise stated)

		As at March 31, 2022				
		Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating adjustments	Consolidated
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current liabilities						
Lines of credit		1,800,000	2,031,224	**3,831,224**	-	**3,831,224**
Accounts payable		69,310	950,715	**1,020,025**	(35,000)	**985,025**
Due to related parties		6,170,356	883,689	**7,054,045**	(1,295,078)	**5,758,967**
Accrued expenses and other current liabilities		152,126	701,412	**853,538**	-	**853,538**
Current portion of long-term debt		1,656	276,707	**278,363**	-	**278,363**
Provision for taxation		(842,059)	1,140,791	**298,732**	-	**298,732**
Total current liabilities	**$**	**7,351,389**	**5,984,538**	**13,335,927**	**(1,330,078)**	**12,005,849**
Long-term debt, net of current portion		1,654	638,546	**640,200**	-	**640,200**
Deferred rent		-	102,072	**102,072**	-	**102,072**
Deferred tax liability, net		-	2,399,526	**2,399,526**	(174,496)	**2,225,030**
Total non-current liabilities	**$**	**1,654**	**3,140,144**	**3,141,798**	**(174,496)**	**2,967,302**
Stockholder's equity						
Convertible, callable preferred stock, $10 par value, 800,000 shares authorized, issued and outstanding		8,000,000	-	**8,000,000**	-	**8,000,000**
Common stock, $10 par value, 300,000 shares authorized; 2,000 shares issued and outstanding		20,000	-	**20,000**	-	**20,000**
Common stock - $ 1 par value, 1,224,301 shares authorized, issued and outstanding		-	1,224,301	**1,224,301**	(1,224,301)	**-**
Additional paid-in capital			2,705,910	2,705,910	(2,680,156)	**25,754**
Retained earnings		5,183,093	16,737,818	**21,920,911**	1,058,071	**22,978,982**
Current year income		3,930,112	1,751,761	5,681,873	(1,000,000)	4,681,873
Total stockholder's equity	**$**	**17,133,205**	**22,419,790**	**39,552,995**	**(3,846,386)**	**35,706,609**
Total liabilities and stockholder's equity	**$**	**24,486,248**	**31,544,472**	**56,030,720**	**(5,350,960)**	**50,679,760**

(See independent auditor's report)

Consolidating schedule - statements of income

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2022				
	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating adjustments	Consolidated
Revenues, net	26,320,770	39,758,798	**66,079,568**	-	**66,079,568**
Less: cost of goods sold	(19,536,508)	(34,149,570)	**(53,686,078)**	-	**(53,686,078)**
Other revenue	-	112,524	**112,524**	-	**112,524**
Gross profit	**6,784,262**	**5,721,752**	**12,506,014**	**-**	**12,506,014**
Selling, general and administrative expenses	2,516,969	2,398,744	**4,915,713**	-	**4,915,713**
Depreciation and amortization expenses	79,438	549,710	**629,148**	-	**629,148**
Income from operations	**4,187,855**	**2,773,298**	**6,961,153**	**-**	**6,961,153**
Other income (expense)					
Interest expense	(46,443)	(39,128)	**(85,571)**	-	**(85,571)**
Other income	1,000,000	149,338	**1,149,338**	(1,000,000)	**149,338**
Total other income	**953,557**	**110,210**	**1,063,767**	**(1,000,000)**	**63,767**
Income before income tax expense	**5,141,412**	**2,883,508**	**8,024,920**	**(1,000,000)**	**7,024,920**
Income taxes					
Current tax expense	1,371,252	1,133,214	**2,504,466**	-	**2,504,466**
Deferred tax (benefit) expense	(159,952)	(1,467)	**(161,419)**	-	**(161,419)**
Total income tax expense	**1,211,300**	**1,131,747**	**2,343,047**	-	**2,343,047**
Net income for the year	**3,930,112**	**1,751,761**	**5,681,873**	**(1,000,000)**	**4,681,873**

(See independent auditor's report)

Consolidating computations of Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2022		
	Uniparts USA Ltd.	**Uniparts Olsen Inc.**	**Combined**
Net income	**2,930,112**	**1,751,761**	**4,681,873**
Adjustments			
Interest expense	46,443	39,128	**85,571**
Income tax expense	1,211,300	1,131,747	**2,343,047**
Depreciation and amortization expense	79,438	549,710	**629,148**
Total adjustments	**1,337,181**	**1,720,585**	**3,057,766**
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	**4,267,293**	**3,472,346**	**7,739,639**

(See independent auditor's report)