Uniparts USA Ltd. and subsidiary

Consolidated Financial Statements

March 31, 2023 and March 31, 2022

KNAV P.A.

Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE, Atlanta, GA 30328

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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, 2023, and March 31, 2022, 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 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, 2023, and March 31, 2022, 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 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 audit.

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 06, 2023

Consolidated Financial statements

Uniparts USA Ltd. and subsidiary
Consolidated Financial Statements
March 31, 2023 and March 31, 2022

Consolidated balance sheets

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

	Notes	As of March 31, 2023	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	C	280,757	267,282
Accounts receivable, net	D	4,917,730	6,534,385
Inventories, net	E	29,345,803	29,680,615
Prepaid expenses and other current assets		227,644	199,268
Total current assets		**34,771,934**	**36,681,550**
Property and equipment, net	F	2,261,785	2,263,691
Capital work in progress		262,627	163,055
Software	G	-	140,535
Goodwill		11,430,929	11,430,929
Operating lease right-of-use assets		2,437,218	-
Total non-current assets		**16,392,559**	**13,998,210**
Total assets		**51,164,493**	**50,679,760**
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Current portion of operating lease obligations		458,337	-
Line of credit	I	660,000	3,831,224
Accounts payable		847,221	985,025
Due to related parties	P	3,878,550	5,758,967
Current portion of long-term debt	I	272,219	278,363
Accrued expenses and other current liabilities		1,032,849	853,538
Provision for taxation		164,413	298,732
Total current liabilities		**7,313,589**	**12,005,849**
Non-current liabilities			
Operating lease obligations, less current portion		2,082,319	-
Long-term debt, net of current portion	I	387,892	640,200
Deferred rent		-	102,072
Deferred tax liability, net	M	2,095,330	2,225,030
Total non-current liabilities		**4,565,541**	**2,967,302**
Stockholder's equity			
Convertible, callable preferred stock, $10 par value, 800,000 shares authorized, issued and outstanding	Q	8,000,000	8,000,000
Common stock, $10 par value, 300,000 shares authorized; 2,000 shares issued and outstanding	Q	20,000.00	20,000
Additional paid-in capital		31,547	25,754
Retained earnings		31,233,816	27,660,855
Total stockholder's equity		**39,285,363**	**35,706,609**
Total liabilities and stockholder's equity		**51,164,493**	**50,679,760**

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

Consolidated statements of income

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

	Notes	For the year ended March 31, 2023	March 31, 2022
Revenues, net	J	73,648,692	66,079,568
Less: Cost of goods sold (excluding depreciation and amortization expense)		(61,553,531)	(53,686,078)
Other revenue	J	101,959	112,524
Gross profit		**12,197,120**	**12,506,014**
Selling, general and administration expenses		5,457,795	4,915,713
Depreciation and amortization expenses		590,183	629,148
Income from operations		**6,149,142**	**6,961,153**
Other income (expense)			
Interest expense	I	(126,769)	(85,571)
Loss on disposal of fixed asset		(95,023)	-
Other income	K	1,674,955	149,338
Total other income		**1,453,163**	**63,767**
Income before income tax expense		**7,602,305**	**7,024,920**
Income tax expense (benefit)			
Current tax expense	M	2,159,044	2,504,466
Deferred tax benefit	M	(129,700)	(161,419)
Total income tax expense		**2,029,344**	**2,343,047**
Net income for the year		**5,572,961**	**4,681,873**

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

Consolidated statement of stockholder's equity
For the years ended March 31, 2023 and March 31, 2022

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

	Convertible, callable preferred stock		Common stock				
	Shares	Value ($)	Shares	Value ($)	Additional paid in capital	Retained earnings	Total stockholders' equity
Balance as at March 31, 2021	**800,000**	**8,000,000**	**2,000**	**20,000**	**18,647**	**24,978,982**	**33,017,629**
Employee stock options	-	-	-	-	7,107	-	7,107
Net income for the year	-	-	-	-	-	4,681,873	4,681,873
Dividend paid	-	-	-	-	-	(2,000,000)	(2,000,000)
Balance as at March 31, 2022	**800,000**	**8,000,000**	**2,000**	**20,000**	**25,754**	**27,660,855**	**35,706,609**
Employee stock options	-	-	-	-	5,793	-	5,793
Net income for the year	-	-	-	-	-	5,572,961	5,572,961
Dividend paid	-	-	-	-	-	(2,000,000)	(2,000,000)
Balance as at March 31, 2023	**800,000**	**8,000,000**	**2,000**	**20,000**	**31,547**	**31,233,816**	**39,285,363**

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

Consolidated statements of cash flows

(All amounts are in United States Dollar unless otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Net income	**5,572,961**	**4,681,873**
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	590,183	629,179
Provision for employee stock options	5,793	7,107
Provision for inventory and inventory written off (Refer Note E)	200,000	1,778,880
Deferred income tax (benefit) expense	(129,700)	(161,419)
Loss on assets written off	95,023	-
Changes in operating assets and liabilities, net		
Accounts receivable	1,616,655	554,793
Inventories	134,812	(10,204,470)
Prepaid expenses	(28,383)	(260,931)
Operating lease right-of-use assets	(2,437,218)	-
Accounts payable	(137,804)	(161,690)
Due to related parties	(1,880,417)	2,800,216
Accrued expenses and other current liabilities	179,317	48,192
Provision for taxation	(134,319)	1,194,407
Operating lease liabilities	2,540,656	-
Deferred rent	(102,072)	14,292
Net cash provided by operating activities	**6,085,487**	**920,429**
Cash flows from investing activities		
Purchase of property and equipment	(686,611)	(660,567)
Proceeds on disposal of property and equipment	44,275	-
Net cash used in investing activities	**(642,336)**	**(660,567)**
Cash flows from financing activities		
(Repayment) proceeds of bank borrowings on line of credit, net	(3,171,224)	1,403,673
Proceeds from loan obtained	-	594,096
Repayment of loans	(258,452)	(230,154)
Dividend paid	(2,000,000)	(2,000,000)
Net cash used in financing activities	**(5,429,676)**	**(232,385)**
Net increase in cash and cash equivalents	13,475	27,477
Cash and cash equivalents, beginning of year	267,282	239,805
Cash and cash equivalents, end of year	**280,757**	**267,282**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	127,710	86,822
Cash paid for income taxes	2,246,225	1,606,500

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

Notes to Consolidated Financial Statements

(All amounts in United States 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 is as follows:

1 *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, 2022, to March 31, 2023, and April 01, 2021, to March 31, 2022.

2 *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.

3 *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 period. Significant estimates are used in determining, among other items, accounts receivable allowance, inventory valuation (which includes allowance for obsolescence and standard labor and overhead rates capitalized in inventory), employee stock compensation cost, goodwill impairment, medical insurance accruals, useful lives of tangible and intangible assets, provision for warranty costs and deferred income taxes. Actual results could differ from those estimates.

4 *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, checks in transit and balance with banks.

5 *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 turns an account over for collection or write balances off as uncollectible based on the facts and circumstances of each situation. As of March 31, 2023, and March 31, 2022, the allowance for doubtful accounts totaled $4,000 and $4,000, respectively

6 *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 estimated 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.

7 *Property, equipment and software*

Property, equipment and software 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:

Class of assets	**Estimated useful life (years)**
Shop equipment	3-10
Office equipment	3-7
Computer equipment	3-5
Furniture and Fixtures	7
Vehicle	5
Building	5-10
Software	3-5

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

8 *Capitalized software costs*

The Company 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 are amortized over a period of three years.

9 *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, 2023, and March 31, 2022.

10 *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 impairment assessment was required for the periods presented in the consolidated financial statements.

11 *Fair value of financial instruments*

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability used only when there is little, if any, market activity for the asset or liability at the measurement date.

12 *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.

13 *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 Note J "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. However, 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.

14 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.

15 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 financial statements as at March 31, 2023 and March 31, 2022.

16 Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the term of the contract, and (3) whether the Company has the right to direct the use of the asset. At the inception of a lease, the consideration in the contract is allocated to each lease component based on its relative standalone price to determine the lease payments. Leases entered into prior to April 01, 2022 have been accounted for under ASC 840 and were not reassessed.

Leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset or (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of the above criteria.

For all leases at the lease commencement date, a right-to-use ("ROU") asset and a lease liability are recognized. The lease liability represents the present value of the lease payments under the lease. Lease liabilities are initially measured as the present value of the lease payments not yet paid, discounted using the discount rate for the lease at lease commencement. The lease liabilities are subsequently measured on an amortized cost basis. The lease liability is adjusted to reflect interest on the liability and the lease payments made during the period. Interest on the lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability.

The ROU asset represents the right to use the leased asset for the lease term. The ROU asset for each lease initially includes the amount of the initial measurement of the lease liability adjusted for any lease payments made to the lessor at or before the commencement date, accrued lease liabilities and any lease incentives received, or any initial direct costs incurred by the Company.

The ROU asset of finance leases is subsequently measured at cost, less accumulated amortization and any accumulated impairment losses. The ROU asset of operating leases is subsequently measured from the carrying amount of the lease liability at the end of each reporting period, and is therefore equal to the carrying amount of lease liabilities adjusted for (1) unamortized initial direct costs, (2) prepaid/(accrued) lease payments and (3) the unamortized balance of lease incentives received.

Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

Significant judgements
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities. Upon the Company's adoption of ASC 842, the Company applied an incremental borrowing rate to leases existing as of April 01, 2022, the date of initial application.

Changes in accounting policies
Except as described below, the Company has applied accounting policies consistently to all periods presented in these consolidated financial statements. The Company adopted Accounting Standards Codification Topic 842, Leases ("Topic 842"), effective April 01, 2022. The Company applied Topic 842 using the modified retrospective adoption approach, which involves recognizing new ROU assets and lease liabilities in its statement of consolidated financial position for various operating leases. Therefore, comparative information has not been adjusted and continues to be reported under ASC Topic 840.

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As a result of the Company's adoption of this new standard, all leases are classified as either operating leases or finance leases and are recorded on the consolidated balance sheet. The Company's accounting for finance leases (capital leases under ASC 840) is substantially unchanged. The Company has elected the "package of practical expedients," which allows the Company not to reassess, under the new standard, its prior conclusions about lease identification, lease classification and initial direct costs. The Company has also elected to not separate lease and non-lease components for all of its leases and to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"). As of April 01, 2022, the date of the Company's initial application of ASC 842, the Company recognized its lease liabilities measured as the present value of lease payments not yet paid, discounted using the discount rate for the lease as of the date of initial application. The ROU asset for each existing lease as of the date of initial application includes an initial measurement of the lease liability adjusted for any lease payments made to the lessor at or before the date of initial application, accrued lease payments and any lease incentives received or any initial direct costs incurred by the Company as of the date of initial application.

17 *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. The Company computes the fair value of options granted using Black Scholes option pricing model. An amount equal to such compensation expense for the period 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 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 separate 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.

18 *Retirement benefits to employees*

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

19 *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.

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NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at March 31, 2023	As at March 31, 2022
Balances with banks in checking accounts	280,420	266,947
Cash in hand	337	335
Total	**280,757**	**267,282**

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, 2023	As at March 31, 2022
Receivable from customers	4,921,730	6,538,385
Less: Allowance for doubtful accounts	(4,000)	(4,000)
Accounts receivable, net	**4,917,730**	**6,534,385**

All the account 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, 2023, is as follows:

	Total	Obsolescence allowance	Net amount
Raw materials	1,733,200	(364,433)	1,368,767
Work-in-progress	1,084,891	(154,991)	929,900
Finished goods	26,759,951	(1,494,075)	25,265,876
Supplies	1,781,260	-	1,781,260
Total	**31,359,302**	**(2,013,499)**	**29,345,803**

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During the year ended March 31, 2023, the Company has written off inventory worth of $393,470 (March 31, 2022: $656,913) 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, 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**

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, net comprises the following:

	As at March 31, 2023	As at March 31, 2022
Leasehold improvements	234,130	232,587
Shop equipment	7,581,053	10,911,182
Computer equipment	266,823	924,223
Software	7,860	7,860
Furniture & fixtures	33,538	33,538
Vehicles	293,147	344,636
Office equipment	529,977	266,823
Property and equipment, gross	**8,946,528**	**12,720,849**
Less: Accumulated depreciation	(6,684,743)	(10,457,158)
Property and equipment, net	**2,261,785**	**2,263,691**

Total Depreciation expense is $449,648 and $441,768 for the years ended March 31, 2023, and March 31, 2022, respectively.

During the year ended March 31, 2023, the Subsidiary has written off assets carrying net book value of $134,413 (March 31, 2022: $NIL).

During the year ended March 31, 2023, the Parent has written off assets carrying net book value of $4,885 (March 31, 2022: $NIL) for a gain amounting to $39,390 (March 31, 2022: $NIL).

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

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NOTE G - SOFTWARE

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

	As at March 31, 2023			
	Useful life	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**
Definite life intangibles				
Software	3	562,140	(562,140)	-
Total		**562,140**	**(562,140)**	**-**

	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**

Amortization expense is $140,535 and $187,380 for the year ended March 31, 2023, and March 31, 2022, respectively.

NOTE H - RISK CONCENTRATION

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, 2023, and year ended March 31, 2022, the Company's two largest customers accounted for approximately 78% and 44% of revenues, respectively. Two customers accounted for approximately 71% and 42% of net accounts receivable as of March 31, 2023, and March 31, 2022, 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 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. Refer Note P "Related Party Transactions" for further information.

Economic and political risk

The United States (U.S.) 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 could be adversely impacted. The Company is actively monitoring the status of these discussions and market reactions.

NOTE I - DEBT

Line of credit

In March 2023, the Subsidiary extended its revolving line of credit to extend the term of the line of credit till March 31, 2024 and revised the amount to $1,500,000. 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 line of credit. The average interest rate for the year ended March 31, 2023, and year ended March 31, 2022, was approximately 4.82% and 2.08%, respectively. The 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 $NIL and $2,031,224 as of March 31, 2023, and March 31, 2022, respectively. The unutilized portion of the line of credit was $1,500,000 and $2,468,776 as of March 31, 2023 and March 31, 2022 respectively. Interest expense relating to this credit line was $32,784 and $27,895 for the year ended March 31, 2023, and year ended March 31, 2022, respectively.

In March 2023, the Parent extended the term of its revolving line of credit to extend the term of the line of credit till March 31, 2024 and revised the amount to $2,500,000. 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, 2023 and year ended March 31 2022 was approximately 4.38% and 2.08%, 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 $660,000 and $1,800,000, on its line of credit, as of March 31, 2023 and March 31, 2022, respectively. The unutilized portion of the line of credit was $1,840,000 and $2,700,000 as of March 31, 2023 and March 31, 2022 respectively.Interest expense relating to this line was $71,376 and $46,443 for the year ended March 31, 2023 and March 31, 2022, respectively.

Notes payable

The Subsidiary had capital expenditure non-revolving note payable 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 an 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.

	March 31, 2023	March 31, 2022
Uniparts USA Ltd.		
Note payable to a bank, interest at 3.99%, with fixed monthly payments of $138, including interest, through April of 2024, collateralized by equipment	1,762	3,310
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
Note payable of $758,163 due in monthly installments of $12,636 bearing interest at 4.49% through April 2024	163,274	314,901
Note payable of $594,096 due in monthly installments of $9,902 bearing interest at SOFR+150 basis points, through March 2027	495,075	594,096
Less: Current portion	(272,219)	(278,363)
Long-term debt, net of current portion	**387,892**	**640,200**

Future annual maturities of the long-term debt:

Year ending March 31:	
2024	272,219
2025	131,460
2026	118,824
2027	137,608
	660,111

NOTE J - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents revenue disaggregated by product line:

	For the year ended	
	March 31, 2023	March 31, 2022
Revenue from sale of goods	73,648,692	66,079,568
Consignment sales	101,959	112,524
Total	**73,750,651**	**66,192,092**

The following table presents revenue disaggregated by timing of recognition:

	For the year ended	
	March 31, 2023	**March 31, 2022**
At a point in time	73,750,651	66,079,568
Total	**73,750,651**	**66,079,568**

Consignment sales

The Subsidiary has consignment transaction with a 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 statement of income. For the year ended March 31, 2023, and year ended March 31, 2022, value of sales and purchase on consignment basis is as follows:

	For the year ended	
	March 31, 2023	**March 31, 2022**
Sale of goods	734,481	566,175
Purchase of goods	(632,522)	(453,651)
Other revenue	**101,959**	**112,524**

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	As at
	March 31, 2023	**March 31, 2022**
Accounts receivable	4,917,730	6,534,385
Total	**4,917,730**	**6,534,385**

NOTE K – OTHER INCOME

Other income comprises of the following:

	For the year ended	
	March 31, 2023	**March 31, 2022**
Employee retention credit (Refer Note R)	1,633,083	149,338
Interest income	35,740	-
Miscellaneous income	6,132	-
Total	**1,674,955**	**149,338**

NOTE L – Leases

The Company has leased office space, vehicles and forktrucks from various lessors. Certain lease agreements include options to extend the leases for up to 10 years. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company notes that on adoption of new standard resulted in recording a lease liability and right-of-use asset associated with Companys's lease agreement totatlling $3,174,558 and $3,077,486 respectively as of April 01, 2022.

General description of the lease
The Company facilitates office space, vehicles and forktrucks under operating leases which have non-cancellable terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

Package of practical expedients: The Company will not reassess whether any expired or existing contracts are leases or contain leases, the lease classification for any expired or existing leases or any initial direct costs for any expired or existing leases as of the transition date.

Additional transition method: The Company adopted the standard using a modified retrospective approach, applying the standard's transition provisions at the beginning of the period of adoption and maintain previous disclosure requirements for comparative periods.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of income.

The components of lease cost for operating lease for the year ended March 31, 2023 are as follows

	Year ended March 31, 2023
Operating lease cost	757,415
Total	**757,415**

The Company records operating lease cost in the statements of income within cost of goods sold.

Other Information

	Year ended March 31, 2023
Weighted -average remaining lease term -opertaing lease (years)	5.68
Weighted -average discount rate-operating lease	4.63%

Supplemental cash flow information related to leases was as follows:

	Year ended March 31, 2023
Operating cash flows from opertaing lease	756,049
Total	**756,049**

Future minimum lease payments relating to operating lease are as follows:

Year ending March 31,	Amount ($)
2024	566,239
2025	463,313
2026	387,529
2027	389,790
2028 onwards	1,136,430
Total minimum lease payments	**2,943,301**
Less: Imputed interest	402,646
Present value of minimum lease payments	**2,540,656**
Less: Current portion	458,337
Non-current lease obligations	**2,082,319**

The following table provides details of future minimum lease payments under lease agreements as of March 31, 2022 prior to adoption of the new lease standard:

Year ending March 31,	Amount ($)
2023	839,091
2024	578,485
2025	467,095
Thereafter	1,913,749
	3,798,420

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NOTE M - INCOME TAXES

For the year ended March 31, 2023, and year ended March 31, 2022, the Company files consolidated federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America.

The components of the provision for income taxes consisted of the following:

	For the year ended	
	March 31, 2023	**March 31, 2022**
Current taxes		
Federal	1,629,096	1,688,628
State	529,948	815,838
	2,159,044	**2,504,466**
Deferred taxes		
Federal	6,439	(277,724)
State	(136,139)	116,305
	(129,700)	**(161,419)**
Total income tax expense	**2,029,344**	**2,343,047**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Components of the deferred tax assets and deferred tax liabilities consist of the following amounts as of March 31, 2023, and March 31, 2022:

	As of	
	March 31, 2023	**March 31, 2022**
Deferred tax assets:		
Accrued expenses	210,684	145,206
Allowance for doubtful accounts	1,025	1,082
Lease liabilities	350	-
Inventory	686,999	756,677
Deferred rent	-	27,596
Total	**899,058**	**930,561**
Less: Valuation allowance	-	-
Deferred tax assets, net	**899,058**	**930,561**
Deferred tax liability		
Goodwill	(1,771,095)	(1,868,088)
Prepaid expenses	(24,222)	(625,491)
Casualty gain deferral	(593,014)	(21,351)
Property and equipment	(606,057)	(640,661)
Deferred tax liability	**(2,994,388)**	**(3,155,591)**
Net deferred tax liability	**(2,095,330)**	**(2,225,030)**

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 position

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 consolidatged financial position, consolidated results of operation or cash flows

The tax years of 2019 through 2021 remain subject to examination by the taxing authorities.

NOTE N - 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 $88,963 and $80,826 for the year ended March 31, 2023, and year ended March 31, 2022, respectively.

Health and dental plan

The amount of expenses relating to the plan inclurred by Subsidiary approximated $320,650 and $294,605 for the year ended March 31, 2023, and year ended March 31, 2022, respectively.

Similarly, expenses incurred by the Parent relating to the group health and dental plan approximated $166,502 and $159,155 for the years ended March 31, 2023, and March 31, 2022, respectively.

NOTE O – 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 Company:

Balance as on	Number of stock options	Weighted-average exercise price (INR)	Weighted average remaining contractual life (Years)	Aggregate intrinsic value
March 31, 2021	**45,000**	**52.5**	**13.04**	**19,168**
Granted	2,500	52.5	15	20,843
Exercised	-	-	-	-
Forfeited	-	-	-	-
March 31, 2022	**47,500**	**52.5**	**12.04**	**20,843**
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
March 31, 2023	**47,500**	**52.5**	**11.16**	**290,303**
Options vested and exercisable	**36,500**			

The weighted average exercise price of options is Indian Rupee 52.50 which is equivalent to $0.74. The Company has recognized $5,793 and $7,107 as stock-based compensation expense for the years ended March 31, 2023, and March 31, 2022, 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, 2023.

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%

As of March 31, 2023, the total unrecognized stock-based compensation expense related to the stock options outstanding was $2,283, which is expected to be recognized over a weighted-average service period of 1.32 years.

NOTE P - RELATED PARTY TRANSACTIONS

The Company purchases materials from companies located in India that are affiliated through common ownership. Purchases from these related companies approximated $42,465,507 and $43,757,000 for the year ended March 31, 2023, and year ended March 31, 2022, respectively. Additionally, there is approximately $3,878,550 and $5,758,967 due to these companies for purchases of materials as of March 31, 2023, and March 31, 2022, 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, 2023, and March 31, 2022, and for the periods then ended, sales to these related parties and the related accounts receivable are immaterial to the financial statements.

NOTE Q - 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, 2023, and March 31, 2022.

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, 2023, and March 31, 2022. Shares of common and preferred stock have identical ownership interests in the Company.

Dividend

During the year ended March 31, 2023, and March 31, 2022, the Company paid dividend of $2,000,000 and $2,000,000, respectively, to its shareholders.

NOTE R – EMPLOYEE RETENTION CREDIT ("ERC")

Employee retention credit ("ERC")

During the years ended March 31, 2023 and March 31, 2022, the Company availed benefits under the Employee retention credit scheme, established under the Coronavirus Aid, Relief, and Economic Security 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 Paycheck Protection Program loan, under the provisions of IAS 20, the Company has recorded total Employee retention credit refund received during the years ended March 31, 2023 and March 31, 2022, amounting to $1,633,083 and $149,338 respectively, under other income in the consolidated statements of income.

NOTE S - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023, 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)

	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating Adjustments	Consolidated
ASSETS					
Cash and cash equivalents	108,404	172,353	**280,757**	-	**280,757**
Accounts receivable, net	2,211,820	2,705,910	**4,917,730**	-	**4,917,730**
Inventories, net	12,849,613	16,496,190	**29,345,803**	-	**29,345,803**
Prepaid expenses and other current assets	57,860	169,784	**227,644**	-	**227,644**
Due from parent	-	958,427	**958,427**	(958,427)	**0**
Total current assets	**15,227,697**	**20,502,664**	**35,730,361**	**(958,427)**	**34,771,934**
Property and equipment, net	52,869	2,208,916	**2,261,785**	-	**2,261,785**
Capital work-in-progress	107,028	155,599	**262,627**	-	**262,627**
Software	-	-	**-**	-	**-**
Investment in subsidiary	8,367,665	-	**8,367,665**	(8,367,665)	**-**
Goodwill	-	6,909,650	**6,909,650**	4,521,279	**11,430,929**
Operating lease right-of-use assets	61,389	2,375,829	**2,437,218**	0	**2,437,218**
Total assets	**23,816,648**	**32,152,658**	**55,969,306**	**(4,804,813)**	**51,164,493**

LIABILITIES AND STOCKHOLDER'S EQUITY					
Current liabilities					
Current portion of operating lease obligations	61,389	396,948	**458,337**	-	**458,337**
Line of credit	660,000	0	**660,000**	-	**660,000**
Accounts payable	65,750	781,471	**847,221**	-	**847,221**
Due to related parties	3,693,759	1,143,218	**4,836,977**	(958,427)	**3,878,550**
Current portion of long-term debt	1,762	270,457	**272,219**	-	**272,219**
Accrued expenses and other current liabilities	243,597	789,252	**1,032,849**	-	**1,032,849**
Provision for taxation	(140,319)	304,732	**164,413**	-	**164,413**
Total current liabilities	**4,585,938**	**3,686,078**	**8,272,016**	**(958,427)**	**7,313,589**
Operating lease obligations, less current portion	-	2,082,319	**2,082,319**	-	**2,082,319**
Long-term debt, net of current portion	0	387,892	**387,892**	-	**387,892**
Deferred rent	-	0	**0**	-	**0**
Deferred tax liability, net	(233,615)	2,328,945	**2,095,330**	-	**2,095,330**
Total non-current liabilities	**(233,615)**	**4,799,156**	**4,565,541**	**-**	**4,565,541**
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)	**0**
Additional paid-in capital	-	2,711,703	**2,711,703**	(2,680,156)	**31,547**
Retained earnings	7,113,205	16,489,579	**23,602,784**	2,058,071	**25,660,855**
Current year income	4,331,120	3,241,841	**7,572,961**	(2,000,000)	**5,572,961**
Total stockholder's equity	**19,464,325**	**23,667,424**	**43,131,749**	**(3,846,386)**	**39,285,363**
Total liabilities and stockholder's equity	**23,816,648**	**32,152,658**	**55,969,306**	**(4,804,813)**	**51,164,493**

(See independent auditor's report)

Consolidating schedule - statements of income

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

For the year ended March 31,2023

	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating Adjustments	Consolidated
Revenues, net	28,927,210	44,721,482	**73,648,692**	-	**73,648,692**
Less: cost of goods sold	(23,052,876)	(38,500,655)	**(61,553,531)**	-	**(61,553,531)**
Other revenue	-	101,959	**101,959**	-	**101,959**
Gross profit	**5,874,334**	**6,322,786**	**12,197,120**	**-**	**12,197,120**
Selling, general and administrative expenses	2,542,285	2,915,510	**5,457,795**	-	**5,457,795**
Depreciation and amortization expenses	59,097	531,086	**590,183**	-	**590,183**
Income from operations	**3,272,952**	**2,876,190**	**6,149,142**	**-**	**6,149,142**
Other income (expense)					
Interest expense	(71,671)	(55,098)	**(126,769)**	-	**(126,769)**
Loss on disposal of fixed asset	39,390	(134,413)	**(95,023)**	-	**(95,023)**
Other income	2,120,625	1,554,330	**3,674,955**	(2,000,000)	**1,674,955**
Total other income	**2,088,344**	**1,364,819**	**3,453,163**	**(2,000,000)**	**1,453,163**
Income before income tax expense	**5,361,296**	**4,241,009**	**9,602,305**	**(2,000,000)**	**7,602,305**
Income taxes					
Current tax expense	1,089,295	1,069,749	**2,159,044**	-	**2,159,044**
Deferred tax (benefit) expense	(59,119)	(70,581)	**(129,700)**	-	**(129,700)**
Total income tax expense	**1,030,176**	**999,168**	**2,029,344**	-	**2,029,344**
Net income for the year	**4,331,120**	**3,241,841**	**7,572,961**	**(2,000,000)**	**5,572,961**

(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, 2023

	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined
Net income	**2,331,120**	**3,241,841**	**5,572,961**
Adjustments			
Interest expense	71,671	55,098	**126,769**
Income tax expense	1,030,176	999,168	**2,029,344**
Depreciation and amortization expense	59,097	531,086	**590,183**
Total adjustments	**1,160,944**	**1,585,352**	**2,746,296**
EBITDA	**3,492,064**	**4,827,193**	**8,319,257**

(See independent auditor's report)