

UNIPARTS USA LTD AND SUBSIDIARY
Translated Report on the annual accounts 2019/2020



Uniparts USA Ltd. and Subsidiary

Translated Consolidated Balance Sheets as at March 31, 2020 and March 31, 2019

(Amount in INR)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	C	7,17,29,782	97,84,089
Accounts receivable, net	D	57,95,93,259	56,39,99,516
Inventories, net	E	1,92,60,26,567	1,95,28,10,049
Prepaid taxes		-	26,11,161
Prepaid expenses and other current assets		1,58,54,173	1,20,28,682
Other receivables	L	6,02,90,534	50,84,911
Total current assets		2,65,34,94,315	2,54,63,18,408
Property and equipments, net	F	19,92,77,766	23,44,40,974
Capitalized software cost	G	3,88,22,325	1,24,75,995
Other receivables, net of current portion		-	24,83,506
Goodwill		86,12,06,191	79,09,05,978
Total assets		3,75,28,00,597	3,58,66,24,861
LIABILITY AND STOCKHOLDER'S EQUITY			
Current liabilities			
Lines of credit	I	59,14,90,121	89,12,04,009
Account payable		12,79,47,586	33,79,96,749
Due to related parties	R	45,73,96,222	19,93,02,487
Accrued expenses		14,64,52,221	7,86,72,628
Insurance claim recoveries in advance	L	4,92,39,060	-
Current portion of long-term debt	J	2,52,38,524	3,51,74,466
Provision for taxation		20,76,898	-
Total current liabilities		1,39,98,40,632	1,54,23,50,339
Long term liabilities			
Long term debt, net of current portion	J	4,18,14,002	9,99,60,800
Deferred gain-leaseback	K	-	19,49,082
Deferred rent		55,36,586	-
Deferred income taxes	O	15,37,69,091	12,78,55,301
Total long term liabilities		20,11,19,679	22,97,65,183
Stockholder's equity			
Convertible, callable preferred stock, \$ 10 @ Rs. 437.20 par value, 800,000 shares authorized, issued and outstanding.	S	34,97,60,000	34,97,60,000
Common stock, \$10 @ INR 437.20 par value, 300,000 shares authorized; 2,000 shares, issued and outstanding.	S	8,74,400	8,74,400
Paid-in capital		6,77,683	-
Retained earnings		1,54,69,35,803	1,25,96,05,541
Foreign currency translation reserve		25,35,92,400	20,42,69,398
Total stockholder's equity		2,15,18,40,286	1,81,45,09,339
Total liabilities and stockholder's equity		3,75,28,00,597	3,58,66,24,861

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



Uniparts USA Ltd. and Subsidiary

Translated Consolidated Statements of income for the years ended March 31, 2020 and March 31, 2019

(Amount in INR)

Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue, net	N	4,75,53,00,010	5,55,08,79,160
Cost of goods sold		(4,02,56,42,413)	(4,69,35,39,628)
Gross profit		72,96,57,597	85,73,39,532
Selling, general and administrative expenses		38,81,43,059	39,24,20,204
Income from operations		34,15,14,538	46,49,19,328
Other income (expense)			
Fire related expenses	L	(21,83,43,924)	-
Insurance claim recoveries	L	23,17,94,363	-
Interest expense	I	(4,09,73,607)	(4,35,55,196)
Gain on sale of property and equipment	F	6,23,59,032	-
Amortization of gain on sale and leaseback		19,97,253	47,26,103
Total other income (expense)		3,68,33,117	(3,88,29,093)
Income before income tax expense		37,83,47,655	42,60,90,235
Income tax expense			
Current income tax expense	O	5,10,64,094	8,71,14,377
Deferred tax expense	O	1,36,91,925	1,10,43,025
Total income tax expense		6,47,56,019	9,81,57,402
Net income for the year		31,35,91,636	32,79,32,833

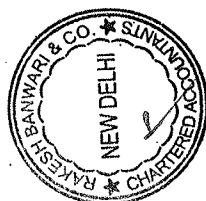
(The accompanying notes are an integral part of these consolidated financial statements)



Uniparts USA Ltd. and Subsidiary
Translated Consolidated statements of Stockholder's Equity for the years ended March 31, 2020 and March 31, 2019

Particulars	Convertible, callable preferred stock		Common Stock		Additional paid-in Capital	Retained Earnings	Foreign currency translation reserve	Total Stockholder's Equity
	Shares	Value	Shares	Value				
Balance as at March 31, 2018	8,00,000	34,97,60,000	2,000	8,74,400	-	96,17,55,111	17,15,47,800	1,48,39,37,311
Net income	-	-	-	-	-	32,79,32,833	-	32,79,32,833
Exchange difference	-	-	-	-	-	(3,00,82,403)	3,27,21,598	26,39,195
Balance as at March 31, 2019	8,00,000	34,97,60,000	2,000	8,74,400	-	1,25,96,05,541	20,42,69,398	1,81,45,09,339
Net income for the year	-	-	-	-	-	31,35,91,636	-	31,35,91,636
Employee stock options	-	-	-	-	6,77,683	-	-	6,77,683
Exchange difference	-	-	-	-	-	(2,62,61,374)	4,93,23,002	2,30,61,628
Balance as at March 31, 2020	8,00,000	34,97,60,000	2,000	8,74,400	6,77,683	1,54,69,35,803	25,35,92,400	2,15,18,40,286

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



Uniparts USA Ltd. and Subsidiary

Translated Consolidated Statement of Cash Flows for the years ended March 31, 2020 and March 31, 2019

(Amount in INR)

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year	31,35,91,636	32,79,32,833
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Depreciation and amortization	4,02,23,574	3,27,23,756
Provision for employee stock options	6,37,746	-
Provision for slow moving inventory	2,12,70,000	-
Deferred income tax expense	1,36,91,854	1,10,43,025
Amortization of gain on sale and leaseback	(19,97,253)	(47,26,103)
Insurance claim recovery for property and equipment	(31,17,189)	-
Gain on sale of property and equipment	(6,23,59,032)	-
Changes in operating assets and liabilities, net		
Accounts receivable	3,25,02,333	(20,80,23,047)
Inventories	16,72,82,524	(30,37,10,106)
Prepaid taxes	26,75,695	2,63,15,091
Prepaid expenses and other current assets	(4,98,285)	(36,13,466)
Other receivables	(4,89,81,832)	60,13,050
Accounts payable	(22,59,42,915)	8,76,04,446
Accrued expenses	5,91,58,818	92,40,487
Insurance claim recoveries in advance	1,44,32,262	-
Due to related parties	22,62,12,406	(45,74,586)
Deferred rent and deferred gain on sale and leaseback	52,10,299	(1,31,19,579)
Net cash provided by/(used in) operating activities	55,39,92,641	(3,68,94,199)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of property	12,50,65,898	-
Purchase of property and equipment	(6,29,74,373)	(2,33,73,557)
Acquisition of capitalized software	(1,07,30,077)	(34,19,787)
Insurance claim recovery for property and equipment (including advance)	3,50,22,189	-
Net cash provided by/(used in) investing activities	8,63,83,637	(2,67,93,344)
CASH FLOW FROM FINANCING ACTIVITIES		
(repayment) of/ proceeds from line of credit, net	(35,65,97,789)	14,21,27,782
Proceeds from debt	-	90,267
Repayments of debt	(7,53,74,003)	(2,65,13,035)
Net cash (used in)/ provided by financing activities	(43,19,71,792)	11,57,05,014
Net changes in cash and cash equivalents	20,84,04,486	5,20,17,471
Cash and cash equivalents at beginning of the year	97,84,089	4,22,46,038
Foreign currency translation reserve	(14,64,58,793)	(8,44,79,420)
Cash and cash equivalents at the end of year	7,17,29,782	97,84,089
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	4,32,13,905	4,35,55,196
Cash paid for income taxes	4,14,28,784	6,10,60,996
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Equipment acquired through capital expenditures debt facilities	-	3,48,86,934
Conversion of capital expenditures debt facility to note payable	-	5,30,10,757
Acquisition of capitalized software	1,63,41,316	91,87,838

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



Uniparts USA Ltd. and Subsidiary
Translated Notes to the Consolidated Financial Statements
March 31, 2020 and March 31, 2019

NOTE A – ORGANIZATION AND NATURE OF OPERATIONS

The operations of Uniparts USA Ltd. 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 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 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 ("US GAAP") to reflect the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its Subsidiary.

ii. The consolidated financial statements are for the years April 01, 2019 to March 31, 2020 and April 01, 2018 to March 31, 2019.

iii. Unless otherwise specifically noted, all amounts in these consolidated financial statements are in Indian Rupees, except number of shares.

(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 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. 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. Customer account balances with invoices dated over 90 days are considered delinquent. 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, 2020, and March 31, 2019, the allowance for doubtful accounts amounted to Rs. 41,43,700/- and Rs. 51,89,250/-, 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.



Uniparts USA Ltd. and Subsidiary
Translated Notes to the Consolidated Financial Statements
March 31, 2020 and March 31, 2019

(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	3-25 Years
Office equipment	3-7 Years
Computer equipment	3-5 Years
Furniture and Fixtures	7 Years
Vehicle	5 Years
Building	5-39 Years
Software	3 Years

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

(h) 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.

(i) Goodwill

The Company adopted the accounting pronouncement which permits management to evaluate goodwill when internal and external factors exist which indicate that the book value of goodwill could be impaired. Prior to adoption of the accounting pronouncement relating to goodwill, the Company recorded accumulated amortization of goodwill of Rs. 11,80,92,738/-. Management has determined that no impairment analysis was required and believes goodwill is not impaired as of March 31, 2020 and March 31, 2019.

(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 impairment assessment was required for the periods presented in the financial statements.

(k) Fair Value of Financial Statements

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

Effective April 01, 2019, 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. The Company adopted modified-retrospective approach for adoption of Accounting Standards Codification ("ASC") 606 and the provisions did not have a material impact on the Company's consolidated financial statements, although the consolidated financial statement presentation and disclosures have changed. Please refer to Note N "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.



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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.

(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 periods reported in these consolidated financial statements.

The Company has not recognized any uncertain tax positions in the consolidated financial statements as at March 31, 2020 and March 31, 2019.

(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 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.



Uniparts USA Ltd. and Subsidiary
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March 31, 2020 and March 31, 2019

(r) Retirement Benefits to Employees

Contributions to defined contribution plans are charged to statements of income in the period 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 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.



Uniparts USA Ltd. and Subsidiary
Translated Notes to the Consolidated Financial Statements
March 31, 2020 and March 31, 2019

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
Cash in hand	10,397	-
Check in transit*	5,57,91,756	-
Balances with banks in checking accounts	1,59,27,629	97,84,089
Total	7,17,29,782	97,84,089

Cash balances with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of Rs. 1,88,35,000/- (March 31, 2019: Rs. 1,72,97,500/-).

*Check in transit includes the check issued by the insurance company pursuant to fire related claims (Refer Note L); but not received and deposited by the Company as of March 31, 2020.

NOTE D- ACCOUNTS RECEIVABLE

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

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
Receivable from customers	58,37,36,959	56,91,88,766
Less: Allowance for doubtful accounts	(41,43,700)	(51,89,250)
Accounts receivable, net	57,95,93,259	56,39,99,516

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, 2020 is as follows:

Particulars	(Amount in INR)		
	Total	Obsolescence Allowance	Net Amount
Raw materials	18,63,03,615	-	18,63,03,615
Work-in-progress	10,26,42,915	(75,34,000)	9,51,08,915
Finished goods	1,57,83,17,248	(4,52,04,000)	1,53,31,13,248
Supplies	11,15,00,789	-	11,15,00,789
Total	1,97,87,64,567	(5,27,38,000)	1,92,60,26,567

The composition of inventories as of March 31, 2019 is as follows:

Particulars	(Amount in INR)		
	Total	Obsolescence Allowance	Net Amount
Raw materials	36,12,40,228	-	36,12,40,228
Work-in-process	11,09,84,150	(69,19,000)	10,40,65,150
Finished goods	1,38,79,83,366	(2,07,57,000)	1,36,72,26,366
Supplies	12,02,78,305	-	12,02,78,305
Total	1,98,04,86,049	(2,76,76,000)	1,95,28,10,049

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



Uniparts USA Ltd. and Subsidiary
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NOTE F - PROPERTY AND EQUIPMENT, NET
Property and equipment comprise of the following:

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
Leasehold improvements	1,59,92,196	1,46,86,754
Shop equipment	95,53,65,445	85,29,20,283
Office equipment	6,67,14,700	5,64,39,252
Computer equipment	1,99,78,134	94,69,828
Software	5,92,172	5,43,833
Furniture & fixtures	25,26,753	23,20,494
Building*	-	5,39,33,536
Land*	-	2,26,67,267
Vehicles	2,59,64,876	2,35,28,750
Property and equipment, gross**	1,08,71,34,276	1,03,65,09,997
Less: Accumulated depreciation	(88,78,56,510)	(80,20,69,023)
Property and equipment, net	19,92,77,766	23,44,40,974

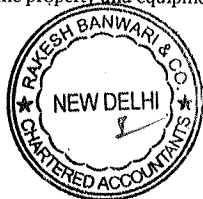
Total depreciation and amortization expense for the years ended March 31, 2020 and March 31, 2019 was Rs. 4,02,23,574/- and Rs. 3,27,23,756/- respectively.

*During the year, the Company moved its operating activities to a new location. The Company sold land and building at its earlier operating facility vide bill of sale dated March 24, 2020 for a net amount of Rs. 13,22,95,232/- (gross amount of Rs. 13,83,31,774/- less selling expenses amounting to Rs 60,36,542/-). Gain on sale of such property amounting to Rs. 6,17,91,832/- has been recorded as other income in the consolidated statement of income. The sale proceeds were used to repay the bank term loan with an outstanding balance of Rs. 4,39,64,506/-.

*During the year, the Company sold a vehicle for an amount of Rs. 6,02,720/-. Gain on sale of such vehicle amounting to Rs. 5,67,200/- has been recorded as other income in the consolidated statement of income.

**Property and equipment include capital work in progress amounting to Rs. 2,55,73,410/- as at March 31, 2020 and Rs. 3,70,65,637/- as at March 31, 2019.

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



NOTE G – CAPITALIZED SOFTWARE COSTS

Information regarding the Company's other intangible assets acquired either individually, or with a group of other assets is as follows:

(Amount in INR)				
Particulars	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying amount
Definite Life Intangibles				
Software	3	4,23,51,627	(35,29,302)	3,88,22,325
Total		4,23,51,627	(35,29,302)	3,88,22,325

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

(Amount in INR)	
Year ending March 31,	Total
2021	1,41,17,209
2022	1,41,17,209
2023	1,05,87,907
Total	3,88,22,325

During the year ended March 31, 2020, the Subsidiary incurred Rs. 2,87,66,696/- (March 31, 2019: Rs. 1,24,75,995/-) of expenses related to software and implementation of a new ERP system - BAAN. The ERP software has been completed and capitalized during the current year. The ERP system was in the process of implementation as of the March 31, 2019 and amortization of the capitalized cost did not begin as of March 31, 2019. The amortization cost is Rs. 35,29,302/- and Rs. Nil for the years ended March 31, 2020 and March 31, 2019, respectively. A portion of the costs related to the software was incurred by the Company's ultimate parent, Uniparts India Limited, and was included in due to related parties (refer Note R) on the consolidated balance sheets as of March 31, 2020 and March 31, 2019.

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, 2020 and March 31, 2019, the Company's two largest customers accounted for approximately 78% and 73% of revenues, respectively. Three customers accounted for approximately 85% and 76% of net accounts receivable as of March 31, 2020 and March 31, 2019, 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 R – "Related Party Transactions" for further information.



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Economic/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 could 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 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 financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTE I – DEBT

Line of Credit

In March 2019, the Subsidiary renewed its revolving line of credit to extend the term of the credit line to March 31, 2020. Additionally, the Subsidiary must pay a non-usage fee on the average daily unused portion of the facility at a rate of 0.25% per annum, payable in arrears within thirty days of the end of each calendar month for which the fee is due. The line of credit has a variable interest rate calculated as a "floating rate" which is a "base rate" determined by LIBOR plus a variable "margin rate" based on the utilization of the credit line. The average interest rate for the years ended March 31, 2020 and 2019 was approximately 4.35% and 4.49%, respectively. The credit line is collateralized by substantially all assets of the Subsidiary and cross-collateralized with a term loan at the bank. This line of credit is secured by a corporate guarantee by the Parent.

The Subsidiary has drawn down Rs. 36,17,03,121/- and Rs. 47,95,23,509/- on the line of credit as of March 31, 2020 and March 31, 2019 respectively. Interest expense relating to this credit line was Rs. 1,90,58,204/- and Rs. 2,04,76,072/- for the years ended March 31, 2020 and March 31, 2019 respectively.

In March 2019, the Parent renewed its revolving line of credit arrangement of Rs. 56,50,50,000/- till March 31, 2020. Additionally, the Parent must pay a non-usage fee on the average daily unused portion of the facility at a rate of 0.25% per annum, payable in arrears within thirty days of the end of each calendar month for which the fee is due. The line of credit has a variable interest rate calculated as a "floating rate" which is a "base rate" determined by LIBOR plus a variable "margin rate" based on the utilization of the line. The average interest rate for the years ended March 31, 2020 and 2019 was approximately 4.36% and 4.48%, respectively. The line is collateralized by substantially all assets of the Parent, cross-collateralized with a term loan at the bank. The Subsidiary has guaranteed the financial performance of the Parent's liabilities as this institution.

The Parent has the drawn balances of Rs. 22,97,80,000/- and Rs. 41,16,80,500/- as of March 31, 2020 and 2019. Interest expense relating to this line was Rs. 1,75,73,913/- and Rs. 1,81,55,777/- for the years ended March 31, 2020 and 2019, respectively.

NOTE J – NOTES PAYABLE

The Subsidiary has a Rs. 7,53,40,000/- capital expenditures non-revolving note facility draw down availability ("capex line of credit") that expires on March 24, 2024. The interest rate that is due monthly is 2.0% plus an adjusted LIBOR. The balance as of each March 24 (unless modified with the bank) will be amortized over a 60-month period. All interest and principal are payable in full at the end of the 60-month term. In March 2019, the agreement was modified to extend the expiration date to March 31, 2025. The capex line of credit has Rs. Nil and Rs. Nil drawn down under the availability amount as of March 31, 2020 and 2019, respectively, resulting in Rs. 7,53,40,000/- and Rs. 6,91,90,000/- of availability under the current facility as of March 31, 2020 and 2019, respectively. The debt is collateralized by substantially all assets of the Subsidiary. The loan is also secured by a corporate guarantee by the Parent. There are four notes that were converted to term loans under the agreement that have varying monthly instalments and maturity dates included in the following table.



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(Amount in INR)

Particulars	As at March 31, 2020	As at March 31, 2019
Uniparts USA Ltd.		
Bank loan payable, due in monthly principal instalments of Rs. 4,52,040/- through March 24, 2021. Interest is charged at a rate of 2.25% plus an adjusted LIBOR. The debt is collateralized by substantially all assets of the Company and a corporate guarantee by the Subsidiary.	-	4,52,50,260
Note payable to bank, interest at 5.29%, with fixed monthly payments of Rs. 59,217/-, including interest, through June of 2021, collateralized by equipment.	8,57,747	13,81,517
Note payable to bank, interest at 3.99%, with fixed monthly payments of Rs. 10,397/-, including interest, through April of 2024, collateralized by equipment	4,69,745	-
Uniparts Olsen Inc.		
Note payable of Rs. 3,89,88,450/- due in monthly instalments of Rs. 6,49,808/- bearing interest at 4.85% through March 2020	6,49,808	77,57,929
Note payable of Rs. 3,35,96,216/- due in monthly instalments of Rs. 5,59,927/- bearing interest at 4.85% through March 2021	67,19,273	1,22,72,299
Note payable of Rs. 2,82,64,253/- due in monthly instalments of Rs. 4,71,327/- bearing interest at 4.85% through April 2022	1,17,83,402	1,60,15,894
Note payable of Rs. 5,71,20,000/- due in monthly instalments of Rs. 9,51,996/- bearing interest at 4.49% through April 2024	4,65,72,551	5,24,57,367
Less: current portion	(2,52,38,524)	(3,51,74,466)
Long-term debt, net of current portion	4,18,14,002	9,99,60,800

The sale proceeds from the sale of land and building were used to repay the bank term loan with an outstanding balance of Rs. 4,39,64,506/- (Refer Note F – Property and equipment).

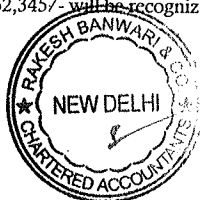
In connection with the line of credit, the Company is subject to certain restrictive and financial covenants, including limitations on additional borrowing, minimum fixed charge coverage ratio requirements, and maximum funded debt to EBITDA ratio requirements. Additionally, the Company may not redeem 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:	(Amount in INR)
2021	2,52,38,523
2022	1,73,68,432
2023	1,20,12,511
2024	1,15,45,780
2025	8,87,279
	6,70,52,525

NOTE K – SALE – LEASEBACK

In March 2002, Olsen Engineering, LP (predecessor to the Subsidiary) sold its operating facilities to Pin House, LLC resulting in a loss of Rs. 3,15,32,992/- to be recognized over the life of the lease in accordance with generally accepted accounting principles. The owners of Pin House, LLC owned approximately 87% of Olsen Holding, LP, the former 99% limited partner of Olsen Engineering, LP. These facilities were then leased back to the Subsidiary. The accumulated loss recognized through March 2007 was Rs. 1,04,15,075/-. The remaining deferred loss of Rs. 1,75,62,345/- will be recognized over the remaining lease period.



Uniparts USA Ltd. and Subsidiary
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In August 2004, Pin House, LLC sold the operating facilities to a third party resulting in a gain of Rs. 6,82,63807/-. In accordance with generally accepted accounting principles, the gain on the sale and leaseback is recognized over the fifteen-year lease period. The accumulated gain recognized through March 2007 was Rs. 1,11,83,344/- for Pin House, LLC. The remaining deferred gain of Rs. 5,37,52,357/- is being recognized over the remaining lease period.

The March 31, 2007 combined financial statements reported the deferred gain of Rs. 5,37,52,357/- from the sale and leaseback under Pin House. The current year consolidated financial statements of the Company reflect the reporting of the Pin House deferred gain. In addition, the deferred loss of Rs. 1,75,62,345/- as of March 31, 2007 has been recorded as a reduction of the deferred gain. The net deferred gain of Rs. 3,61,90,012/- is being amortized by the Company over the remaining twelve-year lease term. The gain recognized during the year ended March 31, 2020 and March 31, 2019 is Rs. 19,97,253/- and Rs. 47,26,103/-, respectively. The unrecognized deferred gain with respect to this transaction is Rs. Nil and Rs. 19,49,082/- as of March 31, 2020 and March 31, 2019, respectively.

NOTE L – FIRE RELATED EXPENSES AND INSURANCE CLAIM RECOVERIES

In October 2019, the Company had an incident of fire in the plant and suffered property damages. Since the claim process is in progress as of March 31, 2020, the Company has recognized the claim to the extent it has been approved by the insurance company and related expenses have been incurred.

During the year ended March 31, 2020, the Subsidiary incurred expenses related to fire amounting to Rs. 21,83,43,924/- and has recognized insurance claim recoveries amounting to Rs. 21,83,43,264/-. As at March 31, 2020, the Subsidiary has receivables for insurance claim amounting to Rs. 6,02,90,534/- and advance insurance claim recovery amounting to Rs. 4,92,39,060/-. In addition, the Subsidiary is working with insurance carriers on possible recovery of certain losses and costs for which no insurance recoveries have been recognized.

NOTE M – COMMITMENTS AND CONTINGENCIES

Lease Obligations

The Company has various operating equipment leases and three building leases as of March 31, 2020. Total lease expense was approximately Rs. 7,81,06,631/- and Rs. 5,36,28,640/- for the years ended March 31, 2020 and March 31, 2019, respectively. Under the terms of the building lease, the Subsidiary is responsible for all repairs, maintenance, insurance, real estate taxes and utilities on its respective lease. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of March 31, 2020.

(Amount in INR)				
Year ending March 31:	Equipment	Building	Vehicle	Total
2021	16,93,869	4,58,99,991	35,00,598	5,10,94,458
2022	58,539	4,60,58,958	35,00,598	4,96,18,095
2023	-	4,68,53,795	35,00,598	5,03,54,393
2024	-	3,28,70,239	31,83,868	3,60,54,107
2025	-	2,88,67,350	5,33,407	2,94,00,757
Thereafter	-	-	-	-
	17,52,408	20,05,50,333	1,42,19,069	21,65,21,810

The Subsidiary has a standby letter of credit for Rs. 88,21,725/- with a bank, at March 31, 2019, to secure the lease for the building. The letter of credit is secured by all assets of the Subsidiary and a guarantee by the Parent. As of March 31, 2020, the standby letter of credit has been revoked by the bank.

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 Rs. 14,64,936/- per month (including fence fees of Rs 44,100/- per month) (March 31, 2019: Rs. 9,07,422/-) for the full five-year term.

Contingencies

During the year ended March 31, 2015, a major customer (the "Customer") of the Subsidiary informed the Subsidiary of a warranty claim issue relating to a specific part supplied by the Subsidiary that was not properly heat treated and thus allegedly caused defects in the assembly ultimately sold by the Customer to its end users. Although the Customer had been aware of claims arising from this product for nearly one year, the Subsidiary was first notified of a potential claim in August of 2014, the amount of which was then unknown. Based upon the data provided to the Subsidiary by the Customer in 2015, the Customer experienced the majority of claims relating to this item in 2012 and 2013. In 2016, the Subsidiary settled this claim for Rs. 11,13,16,800/- and recorded a liability for the full amount in accrued expenses. The Subsidiary outsourced this specific part for heat treating and the Subsidiary expects to be reimbursed Rs. 2,81,60,500/- by its vendor. As of March 31, 2020, and March 31, 2019, the receivable from the vendor was approximately Rs. Nil and Rs. 74,72,520/- respectively.



Uniparts USA Ltd. and Subsidiary
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NOTE N - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents revenue disaggregated by product line:

Particulars	(Amount in INR)	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from sale of goods	4,75,53,00,010	5,55,08,79,160
Total	4,75,53,00,010	5,55,08,79,160

The following table presents revenue disaggregated by timing of recognition:

Particulars	(Amount in INR)
	For the Year ended March 31, 2020
At a point in time	4,75,53,00,010
Total	4,75,53,00,010

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. The Company adopted the new revenue recognition standard using the modified retrospective transition approach and determined that the existing revenue recognition practices comply with ASC 606. Accordingly, there was no cumulative effect adjustment to the opening balance of retained earnings in the balance sheet as at March 31, 2020, as the adoption did not result in a change to the timing of revenue recognition.

Particulars	(Amount in INR)
	As at March 31, 2020
Accounts receivable	54,54,36,182
Total	54,54,36,182

NOTE O - INCOME TAXES

For the years ended March 31, 2020 and March 31, 2019, the Company will file consolidated federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The provision for income tax expense is as follows:

Particulars	(Amount in INR)	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Federal		
Current	3,77,56,590	5,45,83,258
Deferred	1,39,50,000	23,70,008
State		
Current	1,33,07,576	3,25,31,119
Deferred	(2,58,147)	86,73,017
Total	6,47,56,019	9,81,57,402



Uniparts USA Ltd. and Subsidiary
Translated Notes to the Consolidated Financial Statements
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The following is the summary of items giving rise to deferred tax assets and deferred tax liabilities.

Particulars	(Amount in INR)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax assets:		
Accrued expenses	1,13,24,203	1,09,02,614
Allowance for doubtful accounts	10,44,966	13,41,456
Deferred gain sale and leaseback	-	5,03,911
Deferred rent	13,96,352	-
Inventory	2,41,03,526	1,96,43,595
Total	3,78,69,047	3,23,91,576
Less: Valuation allowance	-	-
Deferred tax assets, net	3,78,69,047	3,23,91,576
Deferred tax liability		
Property and equipment	(5,85,45,885)	(3,53,33,188)
Goodwill	(13,12,88,463)	(12,35,86,279)
Prepaid expenses	(18,03,790)	(13,27,410)
Deferred tax liability	(19,16,38,138)	(16,02,46,877)
Deferred liability, net	(15,37,69,091)	(12,78,55,301)

Accounting for uncertain tax position

The Company recognizes the consolidated financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years of 2016 through 2018 remain subject to examination by the taxing authorities.

NOTE P - EMPLOYEE BENEFITS

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 Rs. 70,45,049/- and Rs. 72,01,760/- for the years ended March 31, 2020 and March 31, 2019, respectively.

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 Rs. 60,27,200/- per individual with an aggregate annual ceiling of approximately Rs. 9,04,08,000/-. Insurance coverage has been obtained for claims in excess of these levels. The amount of expenses relating to the Plan approximated Rs. 5,95,38,913/- and Rs. 5,85,23,040/- for the years ended March 31, 2020 and March 31, 2019, respectively. Claims incurred but not reported for which the Subsidiary is liable were approximately Rs. 64,03,900/- and Rs. 1,05,16,880/- as of March 31, 2020 and March 31, 2019, respectively. Incurred but not reported claims are included in accrued expenses in the accompanying consolidated balance sheets.

Similarly, expenses incurred by the Parent relating to the group health and dental plan approximated Rs. 1,23,35,324/- and Rs. 1,12,84,459/- for the years ended March 31, 2020 and March 31, 2019, respectively.

NOTE Q - 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.



Uniparts USA Ltd. and Subsidiary
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Activity under the plan to the extent related to employees of the Company: (Amount in INR)

Balance as on	Number of stock options	Weighted-average exercise price (INR)	Weighted average remaining contractual life (Years)	Aggregate intrinsic value
March 31, 2019	20,000	52.50	14.65	5,10,345
Granted	25,000	52.50	15.00	9,37,154
Exercised	-	-	-	-
Forfeited	-	-	-	-
March 31, 2020	45,000	52.50	14.04	14,47,500
Options vested and exercisable	-	-	-	-

The weighted average exercise price of options is Rs. 52.50/-. The Company has recognized Rs. 6,37,746/- as stock-based compensation expense for the year ended March 31, 2020.

Additionally, an employee of the Parent had been issued 21,826 stock options of UIL during the previous years which were fully vested during the year ended March 31, 2012 and remains unexercised as at March 31, 2020.

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.

Particulars	(Amount in INR)	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Intrinsic value of options exercised	-	-
Weighted average fair value of stock options granted	84.38	78.18

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

Risk free interest	6.49% - 6.73%
Expected dividend yield	0.93%
Expected life of option in years	8.50 - 9.50
Weighted average expected volatility	14.74% - 14.84%

NOTE R - 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 Rs. 2,25,00,27,292/- and Rs. 2,71,84,05,910/- for the years ended March 31, 2020 and March 31, 2019, respectively. Additionally, there is approximately Rs. 43,04,40,565/- and Rs. 37,75,68,000/- due to these related companies as of March 31, 2020 and March 31, 2019, 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, 2020, and March 31, 2019, receivables due from these companies are immaterial to the consolidated financial statements.

During the year ended March 31, 2020 and March 31, 2019, the Company's Ultimate Parent, Uniparts India Limited, incurred costs related to the Company's purchase of software and the implementation of a new ERP system (see Note G). As at March 31, 2020 and March 31, 2019, balance due to Company's Ultimate Parent was Rs. 1,73,64,665/- and Rs. 90,91,912/-, respectively.

NOTE S - 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 Rs. 437.20 (\$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 Rs. 437.20 (\$10) per share. There are 800,000 shares of preferred stock, Rs. 437.20 (\$10) par value, authorized, issued and outstanding as of March 31, 2020 and March 31, 2019.

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



Uniparts USA Ltd. and Subsidiary
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March 31, 2020 and March 31, 2019

Common stock

There are 300,000 shares of common stock, Rs. 437.20 (\$10) par value, authorized, and 2,000 shares issued and outstanding as of March 31, 2020 and March 31, 2019. Shares of common and preferred stock have identical ownership interests in the Company.

NOTE T - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through July 30, 2020, which is the date these consolidated financial statements were available to be issued. Based upon this evaluation the Company has determined that the following events require disclosure in these consolidated financial statements.

On April 01, 2020, the bank line of credit was renewed and revised to the amount of Rs. 60,27,20,000/- and Rs. 37,67,00,000/- for the Subsidiary and Parent, respectively.

On April 10, 2020, Uniparts USA Ltd. received loan proceeds in the amount of Rs. 16,32,80,615/- from JPMorgan Chase, N.A. (the "Loan") pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which was enacted on March 27, 2020. Uniparts Olsen Inc. is also a beneficiary of the loan. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, and rent and utilities (collectively, "Qualifying Expenses"). The Company intends to use the entire Loan amount for the Qualifying Expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for Qualifying Expenses as described in the CARES Act.

NOTE U - TRANSLATION OF FINANCIAL STATEMENT INTO PRESENTATION CURRENCY

The Company's Financial Statements are prepared using its Functional Currency which is US Dollar. The same is translated into Indian Rupee in line with the requirement of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI") as amended in pursuance of the Securities and Exchange Board of India Act, 1992; The following Foreign Currency Exchange rates were used while translating the Financial Statements.

- i. All assets and liabilities are translated using closing foreign currency exchange rate as on the last day of relevant financial year.
- ii. All incomes and expenditures are translated using average foreign currency exchange rate of the relevant financial year.
- iii. Equity instruments i.e. paid up capital and common stock are translated using foreign currency exchange rate at the date of transaction.



Uniparts USA Ltd. and Subsidiary
Translated Notes to the Consolidated Financial Statements
March 31, 2020 and March 31, 2019

Supplementary Information



Uniparts USA Ltd. and Subsidiary
Translated Consolidated Balance Sheet as at March 31, 2020

(Amount in INR)

Particulars	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating Adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	1,44,26,555	5,73,03,227	7,17,29,782	-	7,17,29,782
Accounts receivable, net	16,35,79,039	41,60,14,220	57,95,93,259	-	57,95,93,259
Inventories, net	67,45,96,319	1,25,14,30,248	1,92,60,26,567	-	1,92,60,26,567
Prepaid expenses	42,66,881	1,15,87,292	1,58,54,173	-	1,58,54,173
Other current assets	-	6,02,90,534	6,02,90,534	-	6,02,90,534
Due from related party	-	3,14,34,862	3,14,34,862	3,14,34,862	-
Total current assets	85,68,68,794	1,82,80,60,383	2,68,49,29,177	3,14,34,862	2,65,34,94,315
Property and equipment, net	2,15,77,150	17,77,00,616	19,92,77,766	-	19,92,77,766
Capitalized software costs	-	3,88,22,325	3,88,22,325	-	3,88,22,325
Investment in subsidiary	63,04,19,881	-	63,04,19,881	63,04,19,881	-
Goodwill	-	52,05,73,031	52,05,73,031	(34,06,33,160)	86,12,06,191
Deferred tax assets	1,42,920	-	1,42,920	1,42,920	-
Total assets	1,50,90,08,745	2,56,51,56,355	4,07,41,65,100	32,13,64,503	3,75,28,00,597
LIABILITIES AND STOCKHOLDER'S EQUITY					
Current liabilities					
Lines of credit	22,97,87,000	36,17,03,121	59,14,90,121	-	59,14,90,121
Accounts payable	26,972	12,79,20,614	12,79,47,586	-	12,79,47,586
Due to related parties	27,18,39,905	21,69,91,179	48,88,31,084	3,14,34,862	45,73,96,222
Accrued expenses	69,40,095	13,95,12,126	14,64,52,221	-	14,64,52,221
Provision for taxation	20,76,898	-	20,76,898	-	20,76,898
Insurance claim recoveries in advance	-	4,92,39,060	4,92,39,060	-	4,92,39,060
Current portion of long-term debt	7,89,639	2,44,48,885	2,52,38,524	-	2,52,38,524
Total current liabilities	51,14,60,509	91,98,14,985	1,43,12,75,494	3,14,34,862	1,39,98,40,632
Long term debt, net of current portion	5,37,702	4,12,76,300	4,18,14,002	-	4,18,14,002
Deferred rent	-	55,36,586	55,36,586	-	55,36,586
Deferred gain- leaseback	-	-	-	-	-
Deferred income tax	-	15,39,12,011	15,39,12,011	1,42,920	15,37,69,091
Total liabilities	5,37,702	20,07,24,897	20,12,62,599	1,42,920	20,11,19,679
Stockholder's equity					
Convertible, callable preferred stock, \$ 10 @ Rs. 437.20 par value, 800,000 shares authorized, issued and outstanding.	34,97,60,000	-	34,97,60,000	-	34,97,60,000
Common stock, \$10 @ INR 437.20 par value, 300,000 shares authorized; 2,000 shares	8,74,400	-	8,74,400	-	8,74,400
Common stock, \$1 @ Rs. 45.55 par value, 612,151 shares and \$1 @ Rs. 40.29 par value 612,150 shares authorized, issued and outstanding	-	5,25,47,002	5,25,47,002	5,25,47,002	-
Additional paid-in capital	-	11,57,09,979	11,57,09,979	11,50,32,296	6,77,683
Retained earnings	39,27,83,734	1,14,97,77,000	1,54,25,60,734	(43,75,069)	1,54,69,35,803
Foreign currency translation reserve	25,35,92,400	12,65,82,492	38,01,74,892	12,65,82,492	25,35,92,400
Total stockholder's equity	99,70,10,534	1,44,46,16,473	2,44,16,27,007	28,97,86,721	2,15,18,40,286
Total liabilities and stockholder's equity	1,50,90,08,745	2,56,51,56,355	4,07,41,65,100	32,13,64,503	3,75,28,00,597



Uniparts USA Ltd. and Subsidiary
Translated Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(Amount in INR)

Particulars	Uniparts USA Ltd.	Uniparts Olsen Inc.	Combined	Eliminating Adjustments	Consolidated
Revenue, net	1,43,05,39,020	3,32,47,60,990	4,75,53,00,010	-	4,75,53,00,010
Cost of goods sold	(1,08,05,38,268)	(2,94,51,04,145)	(4,02,56,42,413)	-	(4,02,56,42,413)
Gross profit	35,00,00,752	37,96,56,845	72,96,57,597	-	72,96,57,597
Selling, general and administrative expenses	19,63,90,288	19,17,52,771	38,81,43,059	-	38,81,43,059
Income from operations	15,36,10,464	18,79,04,074	34,15,14,538	-	34,15,14,538
Other income/(expenses)					
Fire related expenses	-	(21,83,43,924)	(21,83,43,924)	-	(21,83,43,924)
Insurance claim recoveries	-	23,17,94,363	23,17,94,363	-	23,17,94,363
Gain on sale of property and equipment	6,23,59,032	-	6,23,59,032	-	6,23,59,032
Amortization of deferred gain on dispositions of property and equipment	-	19,97,253	19,97,253	-	19,97,253
Interest expense	(1,79,00,336)	(2,30,73,271)	(4,09,73,607)	-	(4,09,73,607)
Income before income tax expense	19,80,69,160	18,02,78,495	37,83,47,655	-	37,83,47,655
Income tax expense					
Current	3,16,49,051	1,94,15,043	5,10,64,094	-	5,10,64,094
Deferred	10,76,404	1,26,15,521	1,36,91,925	-	1,36,91,925
Total income tax expense	3,27,25,455	3,20,30,564	6,47,56,019	-	6,47,56,019
Net income for the year	16,53,43,705	14,82,47,931	31,35,91,636	-	31,35,91,636



Uniparts USA Ltd. and Subsidiary

Translated Computation of Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization (EBITDA) for the Year ended March 31, 2020

(Amount in INR)

Particulars	Uniparts USA Ltd.	Uniparts Olsen Inc.	Consolidated
Net income	16,53,43,705	14,82,47,931	31,35,91,636
Adjustments:			
Interest expense	1,79,00,336	2,30,73,271	4,09,73,607
Income tax expense (benefit)	3,27,25,455	3,20,30,564	6,47,56,019
Depreciation and amortization expense	84,30,847	3,17,92,727	4,02,23,574
Total adjustments	5,90,56,638	8,68,96,562	14,59,53,200
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	22,44,00,343	23,51,44,493	45,95,44,836

