

HBL America, Inc.
Financial Reporting Package as of 3.31.25
Prepared by client

Purpose of the workbook: The client prepared this Financial Reporting Package subsequent to audit adjustments proposed and agreed upon.

lavecchia & Associates, CPA, LLC agreed final audited balances reported by client to final audited trial balance.

Conclusion: Balances reported by client appear materially correct.

Signature:



Firm Name:

lavecchia & Associates, CPA, LLC

Date:

May 2, 2025

BALANCE SHEET

Name of Company: HBL America, Inc.

Balance Sheet as of: March 31, 2025

in US Dollars

			Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	Particulars	Note No		
	1	2	3	4
I	ASSETS			
	1 Non-Current Assets			
	a) Property, Plant and Equipment		38,563	49,426
	b) Capital Works in Progress			
	c) Intangible Assets		8,975	8,975
	d) Intangible Assets Under Development			
	e) Financial Assets			
	i) Investments			
	ii) Other Financial Assets			
	f) other non-current assets (security deposit)		6,230	6,230
			53,768	64,631
	2 Current Assets			
	a) Inventories		2,024,297	555,752
	b) Financial Assets			
	i) Investments			
	ii) Trade receivables		1,782,453	1,227,159
	iii) Cash and cash equivalents		175,264	117,373
	iv) Bank balances other than (iii) above			
	v) Others		4,766	-
	c) Current Tax Assets (net)			5,258
	d) other current assets		42,376	46,570
			4,029,156	1,952,112
	Total Assets		4,082,924	2,016,743
II	EQUITY AND LIABILITIES			
	1 Equity			
	a) Equity Share Capital		600,000	600,000
	b) Other Equity		(91,269)	(370,631)
			508,731	229,369
	LIABILITIES			
	2 Non-Current Liabilities			
	a) Financial Liabilities			
	i) Borrowings			
	b) Provisions			
	c) Deferred Tax liabilities (net)			
	d) Other non-current liabilities			

	Total Non-Current Liabilities			
	3 Current Liabilities			
	a) Financial Liabilities			
	i) Borrowings			
	ii) Trade Payables		3,420,455	1,563,995
	iii) Other financial liabilities (other than those specified in item (c), to be specified)			
	b) Other Current liabilities		39,598	75,667
	c) Provisions		114,140	147,712
	Total Current Liabilities		3,574,193	1,787,375

STATEMENT OF PROFIT AND LOSS

Name of Company:

HBL America, Inc.

For the Fiscal Year Ended:

March 31, 2025

in US Dollars

		Note	Figures for the current reporting period	Figures for the previous reporting period
	Particulars	No		
I	Revenue from Operations		7,792,349	6,042,774
II	Other Income			1,076
III	Total Income (I+II)		7,792,349	6,043,850
IV	EXPENSES			
	Cost of material consumed			
	Purchases of Stock-in-Trade		7,753,139	4,900,804
	Changes in inventories		1,468,545	190,563
	Employee benefit expenses		838,025	756,552
	Finance costs		(3,029)	(338)
	Depreciation and amortization expense		15,169	14,999
	Administrative & Selling Expenses		365,412	254,442
	Total Expenses (IV)		7,500,171	5,735,895
V	Profit/(loss) before exceptional items and tax (III-IV)		292,178	307,954
VI	Exceptional items - (income)/ expense			
VII	Profit/(loss) before tax (V-VI)		292,178	307,954
VIII	Tax Expense			
	1) Current tax		12,815	12,755
	2) Deferred tax			
IX	Profit/(loss) for the period from continuing operations		279,363	295,199
X	Profit/(loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII				
XIII	Profit/(loss) for the period (IX+XII)		279,363	295,199
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			

	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	Total Comprehensive income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		279,363	295,199
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		465.60	492.00
	(2) Diluted		465.60	492.00
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic			
	(2) Diluted			
XVIII				
	(1) Basic		465.60	492.00
	(2) Diluted		465.60	492.00

Name of Company: HBL America, Inc.
 Balance Sheet as of: March 31, 2025

MARK 'X' WHERE SCHEDULE IS PRESENT

BALANCE SHEET	IAS BS 1.0	<u>X</u>
FIXED ASSETS	2.0	<u>X</u>
INTANGIBLES	2.1	<u>X</u>
Construction in progress	2.2	N/A
Others {Long-term prepaid assets}	2.3	<u>N/A</u>
INVENTORIES	3.0	<u>X</u>
TRADE AND OTHER RECEIVABLES	4.0	<u>X</u>
CASH AND BANK BALANCES	5.0	<u>X</u>
INTERCOMPANY INDEBTEDNESS	6.0	<u>X</u>
Due to/from related companies	6.0	<u>X</u>
Due to/from associated companies	6.0	<u>X</u>
BORROWINGS	7.0	N/A
Bank Loans	7.1	N/A
Finance Leases	7.2	N/A
OTHER CREDITORS	8.0	<u>X</u>
TAXATION	9.0	<u>X</u>
CONTINGENT LIABILITIES	10.0	N/A
OPERATING LEASE COMMITMENTS	11.0	<u>X</u>
OTHER DISCLOSURES	12.0	<u>X</u>

PROPERTY PLANT & EQUIPMENT**Name of Company: HBL America, Inc.****For the Fiscal Year Ended: March 31, 2025****in US Dollars**

PP&E FYE-2025	<u>3/31/2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>3/31/2025</u>
Fixed Assets Capitalized value					
Computer Equipment	38,521	4,009			42,530
Leasehold Improvements	11,726				11,726
Machinery & Equipment	138,315				138,315
Furniture & Fixtures	20,237	298			20,535
Software	3,981				1,981
Total	212,780	4,307	-	-	217,087
Fixed Assets Accumulated Depreciation					
Computer Equipment	(30,179)	(5,478)			(35,657)
Leasehold Improvements	(11,273)	(4,083)			(15,356)
Machinery & Equipment	(102,900)	(4,182)			(107,082)
Furniture & Fixtures	(16,852)	(1,070)			(17,922)
Software	(2,153)	(355)			(2,508)
Total	(163,357)	(15,168)	-	-	(178,524)
Rounding Adjustment					(1)
Net Fixed Assets.....	49,423				38,563

Explanatory notes:

Equipment and leasehold improvements are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 4 to 7 years. Cost and accumulated depreciation of assets sold or disposed of are removed from the respective accounts and any gain or loss is reflected in income. Major improvements and betterments are capitalized. Maintenance and repairs are charged against income in the year incurred.

INTANGIBLE ASSETS

Name of Company: HBL America, Inc.

As of Date: March 31, 2025

in US Dollars

	USEFUL LIFE (%)	Goodwill	PRE-	DEFERRED	OTHERS (Software)	OTHERS	TOTAL
			OPERATING EXPENSES	DEVELOPMENT EXPENSES		(Describe as appropriate)	
Cost / Valuation							
Balance at 3/31/24	Indefinite					8,975	8,975
Additions							
Disposal							
Balance at 3/31/25	Indefinite					8,975	8,975
Amortization							
Balance as at 3/31/24							
Additions							
Disposal							
Balance as at 3/31/25						-	-
Net carrying value							
At beginning of year						8,975	8,975
At end of year						8,975	8,975

Explanatory notes:

The Company capitalized the cost of purchasing a private label program with its supplier. The value of the asset is evaluated annually to determine whether the amount reflected on the balance sheet as an asset has been impaired. No impairment has been reflected as of March 31, 2025 and 2024.

Name of Company:

HBL America, Inc.

As of Date:

March 31, 2025

in US Dollars

	Raw materials	WIP	Finished goods	Totals
	US\$	US\$	US\$	US\$
Stated at cost			2,024,297	2,024,297
Stated at NRV				
Gross			2,024,297	2,024,297
Provision				
Net Inventory			2,024,297	2,024,297

Explanatory notes:

Inventory is valued at lower of cost, using an average costing method, or net realizable value. The inventory consists of batteries and accessories available for sale.

TRADE DEBTORS**Name of Company:****HBL America, Inc.****As of Date:****March 31, 2025****in US Dollars**

TRADE DEBTORS	AMOUNT (US\$)	Impairment (US\$)	NET (US\$)	%	REMARKS
External (no InterCompany)					
Not past due	1,497,883	7,683	1,490,190	84.38%	
Past due 0 - 30 days	280,397	11,760	268,637	14.62%	
Past due 31 - 60 days	14,138	6,120	8,018	.11%	
Past due 61 - 90 days	0	-	-	-0-%	
More than 90 days	15,608		15,608	0.88%	
	<u>1,808,026</u>	<u>25,573</u>	<u>1,782,466</u>	<u>100.0%</u>	

Impairment movement:

Opening balance

Additions

Provision no longer required

Bad debts written off

Closing balance

25,573

25,573**Explanatory notes:**

Accounts receivable represent trade receivables that result when the Company has invoiced a customer and the Company has not yet received payment. The Company presents accounts receivable net of an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is estimated based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivables are charged against the allowance (written-off) when substantially all collection efforts cease. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance being recognized in the period in which the change occurs. As of March 31, 2025, the Company considers all of its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been established.

CASH IN BANKS**Name of Company:** HBL America, Inc.**As of Date:** March 31, 2025

in US Dollars

<u>NAME OF BANKS</u>	<u>AMOUNT</u>	<u>REMARKS</u>
	US\$	
Short term deposits		
Cash in banks	175,264	
Cash and cash equivalents	<u>175,264</u>	
Less: Deposits pledged (if any, other than the restricted cash held in trust)		
Less: Restricted Cash		
Cash and cash equivalents	<u>175,264</u>	

Explanatory Notes:

The Company considers all cash accounts which are not subject to withdrawal restrictions or early withdrawal penalties, and all highly liquid debt instruments purchased with a maturity of three months or less, as cash and cash equivalents.

Concentration of Credit Risk - The Company maintains cash deposits in banks that at times exceed federally insured deposit limits. The Company has not suffered any losses as a result of this concentration and believes their cash deposits are not subject to significant credit risk.

INTERCOMPANY INDEBTEDNESS

Name of Company:

HBL America, Inc.

As of Date:

March 31, 2025

in US Dollars

RELATED COMPANIES	DUE FROM (USD)	PROVISION (USD)	TOTAL (USD)	DUE TO (USD)	REMARKS
A/R Intercompany - HBLI					
Recapture Expense from HBLI				<u>4,766</u>	
A/P Intercompany				(1,974,258)	
Accrued Intercompany A/P				<u>(1,356,151)</u>	
				(3,330,409)	
<hr/>					
Reconciliation to Trade Payables					
Trade Payables				(65,269)	
Credit Card Payable and Other Payables				<u>(24,777)</u>	
				<u>*Total Trade Payables</u>	
				<u>(3,420,455)</u>	

Explanatory Notes:

None.

OTHER CREDITORS & ACCRUALS

Company Name: HBL America, Inc.
As of Date: March 31, 2025

in US Dollars

	Amount (USD)	REMARKS
Accrued Professional Fees	10,325	
Accrued Payroll & Related Expenses	100,497	
Accrued Taxes	<u>0</u>	
	110,822	
Payable Due to Customers	<u>39,598</u>	
	150,420	

Explanatory Notes:

None.

INCOME TAX EXPENSE

Name of Company HBL America, Inc.
For the Fiscal Year Ended: March 31, 2025

Tax expense consists of the following at March 31:

	<u>2025</u>	<u>2024</u>
Current tax expense	<u>\$ 12,815</u>	<u>\$ 12,755</u>

Reconciliation of effective tax rate:

The U.S. federal statutory income tax rate and the Company's effective income tax rate for the fiscal years ending March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
U.S. federal statutory income tax rate	21%	21%
Effective income tax rate	4%	4%

Explanatory notes:

The Company has federal tax-loss carryforwards totaling \$ 12,348 and \$ 322,215 as of March 31, 2025 and March 31, 2024, respectively as well as state tax loss carryforwards totaling \$ 738,055 and \$ 894,427 as of March 31, 2025 and March 31, 2024, respectively.

The Company's net deferred tax assets have not been recognized in respect of these items.

The Company has no uncertain tax positions as of March 31, 2025 and 2024. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; and such changes may affect tax expense in the period that such a determination is made.

OTHER DISCLOSURES

Name of Company HBL America, Inc.
For the Fiscal Year Ended: March 31, 2025

Use of Estimates

The preparation of financial statements on the accrual method of accounting can require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclose of certain contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Advertising Costs

Costs of advertising are expensed as incurred. Advertising expense was \$258 for the year ended March 31, 2025 and \$ 47 for the year ended March 31, 2024.

Foreign Currencies

Foreign currencies transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions denominated in the foreign currencies are recognized in the statements of operations and retained deficit.

Employee Benefit Plan

The Company established a 401(k) plan which covers employees meeting the plan participation requirements. The Company matches a portion of the employees' voluntary contributions up to a maximum of 4% of the employees' gross earnings. The Company's matching contribution for the years ended March 31, 2025 and 2024 was \$ 20,258 and \$18,850 respectively.