

**KIRLOSKAR AMERICAS CORPORATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024, and 2023**

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

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# Kaminski & Company, P.C.

## *Accountants and Consultants*

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### INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management  
Kirloskar Americas Corporation  
Houston, Texas

Management is responsible for the accompanying financial statements of Kirloskar Americas Corporation, which comprise the balance sheets-modified cash basis as of March 31, 2024, and 2023, and the related statements of income and retained earnings-modified cash basis and cash flows-modified cash basis for the years then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with the Statements on Standard for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures that verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 4 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



**Kaminski & Company, P.C.**  
Houston, Texas  
May 3<sup>rd</sup>, 2024

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**BALANCE SHEET**  
**AS OF MARCH 31, 2024, and 2023**

<b>ASSETS</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>CURRENT ASSETS</b>		
Cash (Note 2)	\$ 444,520	146,494
Accounts receivable (Note 4) (Note 5)	1,089,341	931,480
Less allowance for doubtful accounts (Note 4) (Note 5)	(28,920)	(25,487)
Inventory (Note 4)	587,821	641,741
Interest receivable - Wildcat (Note 6)	45,289	-
Employee advance	3,000	-
Prepaid expenses	-	9,163
Prepaid inventory (Note 4)	570,603	343,838
Federal tax assets (Note 4)	3,109	-
Receivable - KOEL India	21,166	25,305
Note receivable -Wildcat (Note 6)	1,934,083	-
<b>Total current assets</b>	<b>4,670,012</b>	<b>2,072,534</b>
<b>NONCURRENT ASSETS</b>		
Vehicles	55,204	55,204
Office furniture	162	162
Office equipment	3,126	3,126
Less accumulated depreciation and amortization	(21,446)	(10,281)
<b>Total fixed assets (Note 4)</b>	<b>37,046</b>	<b>48,211</b>
Investment in Wildcat (Note 7)	357,000	-
Operating lease right-of-use assets (Note 8)	22,219	38,850
Security deposits	3,150	3,150
<b>Total noncurrent assets</b>	<b>419,415</b>	<b>90,211</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,089,427</b>	<b>2,162,745</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade (Note 10)	\$ 1,478,468	1,039,276
Current portion of operating lease liability (Note 8)	16,626	16,630
Federal income tax payable - current (Note 9)	-	12,489
Provision for obsolete inventory	45,201	12,622
Other payables (Note 11)	19,846	24,589
<b>Total current liabilities</b>	<b>1,560,141</b>	<b>1,105,606</b>
<b>NONCURRENT LIABILITIES</b>		
Operating lease liability, net (Note 8)	5,593	22,220
<b>TOTAL LIABILITIES</b>	<b>1,565,734</b>	<b>1,127,826</b>
<b>STOCKHOLDER'S EQUITY</b>		
Common stock ( \$ 0.001 par value 50 shares issued, 1000 shares authorized)	1	1
Additional paid-in capital	249,999	249,999
Convertible preferred stocks (\$10 par value 250,000 shares issued and authorized) (Note 12)	2,500,000	-
Retained earnings	773,693	784,919
<b>Total stockholder's equity</b>	<b>3,523,693</b>	<b>1,034,919</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 5,089,427</b>	<b>2,162,745</b>

For and on behalf of Kirloskar Americas Corporation

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Gauri Kirloskar  
Director  
Date: 7th May 2024

See Accompanying Notes and Independent Accountants' Compilation Report



**KIRLOSKAR AMERICAS CORPORATION**  
(a Corporation)  
**STATEMENT OF INCOME/(LOSS)**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

	March 31, 2024	March 31, 2023
<b>SALES REVENUE</b>	\$ 3,001,657	3,496,059
<b>COST OF GOODS SOLD</b>	<u>2,259,725</u>	<u>2,743,373</u>
<b>GROSS PROFIT</b>	<u>741,932</u>	<u>752,686</u>
<b>MARKETING REVENUE (Note 14)</b>	52,560	58,451
<b>GROSS PROFIT FROM OPERATIONS</b>	<u>794,492</u>	<u>811,137</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising & sales promotions (Note 4)	45,725	66,037
Agency commissions	17,851	14,708
Provision for doubtful debts	3,433	22,781
Bank charges	4,576	4,032
Communication expense	4,971	5,500
Depreciation and amortization	11,165	7,485
Employee welfare expense	2,828	12,440
Employee benefit expense (Note 13)	10,178	2,153
Insurance expense	4,605	2,677
Logistics expense	64,386	76,784
Lease expense (Note 8)	19,532	19,220
Meals	11,275	14,326
Office expense	1,480	3,629
Professional fees	281,653	107,110
Repairs and maintenance	314	9
Reimbursement expense	(4,059)	-
Salary	222,450	213,400
Taxes	20,653	16,884
Travel expense	130,002	101,243
Utilities	1,083	535
Warranty expense	15	8,683
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>854,116</u>	<u>699,636</u>
<b>INCOME FROM OPERATIONS</b>	<u>(59,624)</u>	<u>111,501</u>
<b>OTHER INCOME/(EXPENSES)</b>		
Interest income (Note 6)	45,289	-
Gain on vehicle trade in	-	16,000
<b>TOTAL OTHER INCOME/(EXPENSES)</b>	<u>45,289</u>	<u>16,000</u>
<b>NET INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<u>(14,335)</u>	<u>127,501</u>
Federal income tax - current (Note 9)	-	29,089
Federal income tax - deferred (Note 9)	(3,109)	256
<b>TOTAL PROVISION FOR INCOME TAXES</b>	<u>(3,109)</u>	<u>29,345</u>
<b>NET INCOME</b>	<u>\$ (11,226)</u>	<u>98,156</u>

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation

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**Gauri Kirloskar**  
Director  
Date: 7th May 2024

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

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	March 31, 2024	March 31, 2023
<b>BEGINNING BALANCE - APRIL 1</b>	\$ 784,919	686,763
<b>CURRENT YEAR DIVIDENDS</b>	-	-
<b>NET INCOME/(LOSS) FOR THE YEAR</b>	(11,226)	98,156
<b>ENDING BALANCE - MARCH 31</b>	<u>\$ 773,693</u>	<u>784,919</u>

For and on behalf of Kirloskar Americas Corporation

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Director  
Date: 7th May 2024

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**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

	March 31, 2024	March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ (11,226)	98,156
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	11,165	7,485
(Increase) decrease in:		
Accounts receivable	(157,861)	705,239
Interest receivable	(45,289)	
Other receivables	4,139	(25,305)
Prepaid expenses	9,163	9,229
Inventory	53,920	(390,800)
Employee advance	(3,000)	-
Prepaid inventory	(226,765)	376,961
Prepaid federal income tax	-	256
Federal tax asset	(3,109)	-
Gain (loss) on trade in of assets	-	(16,000)
Increase (decrease) in:		
Accounts payable	439,192	(682,660)
Other payables	(4,743)	6,103
Advances received from customers	-	(19,997)
Allowance for doubtful accounts	3,433	22,781
Federal income tax payable	(12,489)	(20,474)
Provision for obsolete inventory	32,579	4,397
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>89,109</u>	<u>75,371</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(55,204)
Issuance of notes to Wildcat	(1,934,083)	-
Investment in Wildcat	(357,000)	-
Gain (loss) on trade in of assets	-	16,000
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(2,291,083)</u>	<u>(39,204)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of convertible preferred stock	2,500,000	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>2,500,000</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	298,026	36,167
<b>CASH BEGINNING OF YEAR</b>	146,494	110,327
<b>CASH END OF YEAR</b>	<u>\$ 444,520</u>	<u>146,494</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Federal income tax paid	\$ -	49,563

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**Director**  
**Date: 7th May 2024**

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**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 1 – HISTORY AND NATURE OF BUSINESS OF THE COMPANY**

Kirloskar Americas Corporation (formerly: KOEL Americas Corp.) (“the Company”) was incorporated under the State of Delaware on March 18, 2015. It is a wholly owned subsidiary of Kirloskar Oil Engines Limited, India, effective since June 23, 2015. The Company focuses on sales of diesel engines, diesel pump sets and generators in the North and Latin American regions through a distributor network. The Company’s business is affected by general economic fluctuations. The Company commenced business in June 2015.

**NOTE 2 – CASH BALANCES**

The Company considers all cash deposits at financial institutions to be cash equivalents. On March 31, 2024, the Company had a checking account valued at \$444,520, of which \$194,520 is in excess of the FDIC insured balance. On March 31, 2023, the Company had a checking account valued at \$146,494. The FDIC insures accounts up to a maximum of \$250,000.

**NOTE 3 – SUBSEQUENT EVENTS**

In accordance with ASC 855, the subsequent events have been evaluated through May 3, 2024, the date of which the consolidated financial statements were available to be issued and determined that there were not any significant items affecting the accompanying financial statements or requiring disclosure.

**NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting:***

The financial statements of the Company have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, transactions are still recorded in the accounts when revenues are earned, and liabilities are incurred. The modified cash basis of accounting differs from GAAP primarily because it pertains solely to the financial performance and position of the Company and excludes any financial data of its subsidiaries or other entities it may possess.

***Use of Estimates:***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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***Property and Equipment:***

Property and equipment are recorded at cost. For financial reporting purposes, the costs of property and equipment are depreciated over the estimated useful lives as follows:

<u>Category</u>	<u>Method</u>	<u>Estimated Life Years</u>
Vehicles	Straight-Line	5
Office equipment & furniture	Straight-Line	3 to 10

Repairs and maintenance are charged to expense as incurred. Expenditures, which substantially increase the useful lives of the respective assets, are capitalized and depreciated over their useful lives. When an asset is sold, or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

***Advertising:***

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended March 31, 2024 and 2023, were \$45,725 and \$66,037, respectively.

***Receivables:***

The Company considers accounts receivable to be fully collectible except for specific instances; accordingly, an allowance for doubtful accounts is established for the estimate of accounts that may ultimately not be collected. The Company considers receivables 180 days past due to be potentially uncollectible.

***Income Taxes:***

The Company is taxed as a C-corporation for federal income tax purposes. The components of income taxes are:

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will change within twelve months of March 31, 2024 or 2023. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Company's tax returns are subject to examination by the taxing authorities for a period of three years after filing the return.

***Inventory:***

The Company holds inventory consisting of diesel engines and generator sets for stock and sale. The inventory is valued at cost or net realizable value, whichever is lower, for financial statement purposes.

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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***Investments:***

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment in return in the income statement.

**NOTE 5 - ACCOUNT RECEIVABLES**

Customer accounts receivable is classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a quarterly basis. The Company estimates losses on receivable based on expected losses, including the historical experience of actual losses. Receivables are considered impaired and written-off when it is probable that all contractual payment due will not be collected in accordance with the terms of the agreement. The allowance for doubtful accounts was \$25,487 and \$28,920 as of March 31, 2023 and 2024, respectively.

As of March 31, 2024, the Company's aging of accounts receivable is as follows:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current	\$ 653,333	\$ 691,635
1-30 days past due	52,567	29,760
31-60 days past due	243,924	35,048
61-90 days past due	90,638	156,258
Greater than 90 days past due	<u>48,878</u>	<u>18,779</u>
Total	<u>\$ 1,089,341</u>	<u>\$ 931,480</u>

**NOTE 6 – NOTE RECEIVABLE**

As of March 31, 2024, the Company entered into a subordinated loan agreement with Engine LPG LLC dba Wildcat. The subordinated loan is non-recured, due on demand, and has an 8% annual interest rate. Interest income for the year ended March 31, 2024, was 45,289.

**NOTE 7 – INVESTMENT IN WILDCAT**

On November 29, 2023, the Company acquired 51% of the partnership interest in Engine LPG LLC dba Wildcat from Yanbas, LLC, a Louisiana limited liability company. As of March 31, 2024, the investment balance was \$357,000.

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 8 – LEASES**

The Company had a building lease in Texas as of March 31, 2023. The Texas lease expires on July 31, 2025.

The Company has elected, for all underlying classes of assts, to not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement.

The components of lease cost are as follows:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Operating lease cost	\$ 11,454	\$ 10,106
Variable lease cost	8,078	9,115
Total lease cost	<u>\$ 19,532</u>	<u>\$ 19,221</u>

Amounts reported in the consolidated balance sheets as of March 31, 2024, are as follows:

Operating lease ROU assets	\$ 22,219
Operating lease liabilities, current portion	\$ 16,626
Operating lease liabilities, non-current	<u>5,593</u>
Total operating lease liabilities	<u>\$ 22,219</u>

At March 31, 2024 the Company did not have any operating leases that had not yet commenced.

Maturities of operating lease liabilities as of March 31, 2024, were as follows:

	<u>Lease Payments</u>
Apr 1, 2024 – March 31, 2025	\$ 17,250
Apr 1, 2025 – July 31, 2025	<u>5,750</u>
Total undiscounted lease payments	23,000
Less imputed interest	<u>(781)</u>
Present value of lease liabilities	<u>\$ 22,219</u>



**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 9 – INCOME TAXES**

Income tax expense consists of the following:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current tax expense	\$ 0	\$ 16,600
Current tax accrued	0	12,489
Deferred tax expense	(3,109)	256
Income tax penalties	0	0
Income tax expense	<u>\$ (3,109)</u>	<u>\$ 29,345</u>

**NOTE 10 – ACCOUNTS PAYABLES**

As of March 31, 2024, the Company's aging of accounts payable is as follows:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current	\$ 1,384,504	\$ 1,006,694
1-30 days past due	0	(149,835)
31-60 days past due	0	(23,044)
61-90 days past due	0	26,030
Greater than 90 days past due	<u>93,963</u>	<u>179,431</u>
Total	<u>\$ 1,478,468</u>	<u>\$ 1,039,276</u>

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 11 – OTHER PAYABLES**

Other payables consisted of the following:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Accrued liabilities	\$ 8,477	\$ 12,831
Credit cards payables	4,120	5,489
Accrued payroll and related expenses	7,249	6,269
Total	<u>\$ 19,846</u>	<u>\$ 24,589</u>

**NOTE 12 – CONVERTIBLE PREFERRED STOCK**

On November 29, 2023, the Company issued 250,000 non-assessable series A-1 optionally convertible redeemable non-cumulative preference shares to Kirloskar Oil Engines, Limited. Under the terms of the Series A Stock Certificate, the holders have specific rights to be paid in cash out of the assets of the Company prior to any class shares. In the event of any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of each share of Series A Preferred Stock shall be entitled to be paid out of the assets of the Company available for distribution to holders of the Company's capital stock an amount per share equal to Ten Dollars (\$10) (the "Preference Amount"). The Preference Amount shall be paid to the holders of the Series A Preferred Stock with respect to such liquidation, dissolution, or winding up before any sums shall be paid or any assets distributed to the holders of shares of Common Stock or to the holders of any other stock of the Company ranking junior to the Series A Preferred Stock as to liquidation preferences, but after the payment of liquidation amounts to the holders of any other stock of the Company ranking senior to the Series A Preferred Stock as to liquidation preferences.

**NOTE 13 – EMPLOYEE BENEFIT PLAN**

The Company started a 401(k) plan from January 1, 2023 whereby all employees may contribute up to the maximum amount allowed each year. The employees are fully vested in their contributions when made. The Company matches a 100% contribution of up to 5% of employee's basic monthly wages to all employees. The Company has reported expenses under the plan of \$10,177 and \$2,153 for the fiscal year ended March 31, 2024 and 2023, respectively.

**KIRLOSKAR AMERICAS CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

**NOTE 14 – RELATED PARTY TRANSACTIONS**

Following are details of transactions during the fiscal years ended March 31, 2024, and 2023 with related parties:

<b>Name of the Party</b>	<b>Relationship</b>	<b>Type of Transaction</b>	<b>FYE March 31, 2024 Amount (\$)</b>	<b>FYE March 31, 2023 Amount (\$)</b>
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	2,218,335	2,533,832
Kirloskar Oil Engines Limited, India	Parent Company	Marketing revenue	52,560	58,451
Kirloskar Oil Engines Limited, India	Parent Company	Warranty reimbursement	4,008	-
Kirloskar Oil Engines Limited, India	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-
Engineman Consultants LLC	Entity in which directors have a significant controlling interest	Professional fees & travel expenses	1,087	45,453
Kirloskar Proprietary Ltd	Entity in which a director has a significant controlling interest	Professional fees (Royalty)	1,375	1,450
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loan	1,934,083	-
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Interest on loan	45,289	-
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Sales revenue	134,533	-

# **Kirloskar Americas Corporation**

(Formerly known as KOEL Americas Corp.)

## **SUPPLEMENTARY INFORMATION**

### **SCHEDULES I & II**

#### **STANDALONE FINANCIALS AS GENERALLY REPORTED IN INDIA**

**For the year ended 31 March, 2024**

**2023-24**

**Kirloskar Americas Corporation**  
**Balance Sheet as at 31 March 2024**

			In \$
Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>I. Non-current assets</b>		<b>400,304</b>	<b>51,361</b>
(a) Property, plant and equipment	1	37,045	48,211
(b) Financial assets			
(i) Investments	2	357,000	-
(ii) Other financial assets	3	3,150	3,150
(c) Deferred tax assets (net)	4	3,109	-
<b>II. Current assets</b>		<b>4,622,806</b>	<b>2,073,238</b>
(a) Inventories	5	1,113,223	972,958
(b) Financial assets			
(i) Trade receivables	6	1,082,691	944,623
(ii) Cash and cash equivalents	7	444,520	146,494
(iii) Loans	8	1,979,372	-
(c) Other current assets	9	3,000	9,163
<b>Total Assets</b>		<b>5,023,110</b>	<b>2,124,599</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>1,023,693</b>	<b>1,034,919</b>
(a) Equity share capital	10	250,000	250,000
(b) Other equity			
Retained earnings	11	773,693	784,919
<b>Liabilities</b>			
<b>I. Current liabilities</b>		<b>3,999,418</b>	<b>1,089,680</b>
(a) Financial liabilities			
(i) Borrowings	12	2,500,000	-
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	13	1,478,468	1,039,277
(b) Other current liabilities	14	20,950	37,914
(c) Current tax liabilities (net)	15	-	12,489
<b>Total Equity and Liabilities</b>		<b>5,023,111</b>	<b>2,124,599</b>
Significant accounting policies	23		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For and on behalf of Kirloskar Americas Corporation  
**Gauri Atul Kirloskar**  
 Digitally signed by  
 Gauri Atul Kirloskar  
 Date: 2024.05.07  
 14:50:49 +05'30'  
 Gauri Kirloskar  
 Director  
 Date : 7th May, 2024

**Kirloskar Americas Corporation**  
**Statement of profit and loss for the year ended 31 March 2024**

			In \$
Particulars	Notes	2023-24	2022-23
<b>Income</b>			
Revenue from operations	16	3,054,217	3,554,510
Other income	17	49,348	16,000
<b>Total Income</b>		<b>3,103,566</b>	<b>3,570,510</b>
<b>Expenses</b>			
Purchase of traded goods	18	2,399,990	2,752,822
Changes in inventories of traded goods		(140,265)	(9,443)
Employee benefits expense	19	264,013	258,935
Finance costs		-	-
Depreciation and amortisation expense	20	11,165	7,485
Other Expenses	21	582,997	433,210
<b>Total Expenses</b>		<b>3,117,900</b>	<b>3,443,009</b>
<b>Profit before exceptional items and tax</b>		<b>(14,335)</b>	<b>127,501</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(14,335)</b>	<b>127,501</b>
<b>Tax expenses</b>		<b>(3,109)</b>	<b>29,345</b>
Current tax	22	-	29,089
Deferred tax	22	(3,109)	256
<b>Profit for the year</b>		<b>(11,226)</b>	<b>98,156</b>
<b>Other comprehensive income</b>			
A. Items that will be reclassified to profit or loss in subsequent year		-	-
B. Items that will not to be reclassified to profit or loss in subsequent year		-	-
<b>Total other comprehensive income for the year, net of tax [A+B]</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(11,226)</b>	<b>98,156</b>
Earnings per equity share [nominal value per share \$ 0.001 each (31 March 2023 \$ 0.001 each)]			
Basic	23.5.4	(225)	1,963
Diluted	23.5.4	(225)	1,963

As per our report of even date

For and on behalf of Kirloskar Americas Corporation

**Gauri Atul Kirloskar**  
Digitally signed  
by Gauri Atul  
Kirloskar  
Date: 2024.05.07  
14:51:08 +05'30'

**Gauri Kirloskar**  
**Director**  
Date : 7th May, 2024

## Statement of Changes in Equity for the year ended 31 March 2024

Equity share capital		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	250,000	250,000
Issue/Reduction, if any during the year	-	-
<b>Balance at the end of the year</b>	<b>250,000</b>	<b>250,000</b>

Other equity		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	784,919	686,763
Net profit /(loss) for the year	(11,226)	98,156
<b>Balance at the end of the year</b>	<b>773,693</b>	<b>784,919</b>

As per our report of even date

For and on behalf of Kirloskar Americas Corporation

Gauri Atul  
Kirloskar

Digitally signed  
by Gauri Atul  
Kirloskar  
Date: 2024.05.07  
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Gauri Kirloskar  
Director  
Date : 7th May, 2024

**Kirloskar Americas Corporation**  
**Statement of Cash Flow for the year ended 31 March 2024**

	In \$	
Particulars	2023-24	2022-23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(14,335)	127,501
Adjustments :		
Add:		
Depreciation and amortisation expenses	11,165	7,485
Impairment loss allowance, write off on trade receivables / other receivables (net)	3,433	25,487
Write down / (reversal) in write down of inventories	32,580	4,396
Less:		
Gain on disposal of property, plant and equipment (net)	-	(16,000)
Sundry credit balances written back	4,059	-
Working Capital Adjustments:		
(Increase) / Decrease in Trade Receivables	(141,501)	663,903
(Increase) / Decrease in Inventories	(172,844)	(13,839)
(Increase) / Decrease in Financial Asset	-	-
(Increase) / Decrease in Other Current assets	6,163	9,229
Increase / (Decrease) in Trade Payables	435,130	(682,659)
Increase / (Decrease) in Other Liabilities	(16,964)	(569)
<b>Net Cash generated from / (used in) operations</b>	<b>146,886</b>	<b>124,934</b>
Income taxes paid	(12,489)	(49,563)
<b>NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>134,397</b>	<b>75,371</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Subsidiary	(357,000)	-
Purchase of property, plant and equipment (PPE)	-	(55,204)
Proceeds from sale of PPE	-	16,000
Loans granted to Subsidiary	(1,979,372)	-
<b>NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(2,336,372)</b>	<b>(39,204)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	2,500,000	-
<b>NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>2,500,000</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>298,026</b>	<b>36,167</b>
<b>Opening Cash and Cash equivalents</b>	<b>146,494</b>	<b>110,327</b>
<b>Closing Cash and Cash equivalents</b>	<b>444,520</b>	<b>146,494</b>

As per our attached report of even date.

For and on behalf of Kirloskar Americas Corporation

**Gauri Atul Kirloskar**  
Digitally signed by  
Gauri Atul Kirloskar  
Date: 2024.05.07  
14:51:33 +05'30'

Gauri Kirloskar

Director

Date : 7th May, 2024



**Note 1 : Property, plant and equipment**

	In \$			
Particulars	Furniture & Fixture	Vehicles	Office Equipment	Total
<b>Gross Block</b>				
<b>As at 1 April 2022</b>	<b>162</b>	<b>28,482</b>	<b>3,126</b>	<b>31,770</b>
Additions	-	55,204	-	55,204
Deductions	-	28,482	-	28,482
<b>As at 31 March 2023</b>	<b>162</b>	<b>55,204</b>	<b>3,126</b>	<b>115,456</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at 31 March 2024</b>	<b>162</b>	<b>55,204</b>	<b>3,126</b>	<b>115,456</b>
<b>Depreciation and Impairment</b>				
<b>As at 1 April 2022</b>	<b>103</b>	<b>28,482</b>	<b>2,693</b>	<b>31,278</b>
Depreciation for the year	16	7,361	108	7,485
Deductions	-	28,482	-	28,482
<b>As at 31 March 2023</b>	<b>119</b>	<b>7,361</b>	<b>2,802</b>	<b>67,246</b>
Depreciation for the year	16	11,041	108	11,165
Deductions	-	-	-	-
<b>As at 31 March 2024</b>	<b>135</b>	<b>18,402</b>	<b>2,910</b>	<b>78,411</b>
<b>Net Block</b>				
<b>As at 31 March 2023</b>	<b>43</b>	<b>47,843</b>	<b>325</b>	<b>48,211</b>
<b>As at 31 March 2024</b>	<b>27</b>	<b>36,802</b>	<b>217</b>	<b>37,045</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 2 : Investments (Non-current)**

		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
<b>At cost</b>		
Investments in Subsidiaries	357,000	-
<b>Total</b>	<b>357,000</b>	<b>-</b>

Pursuant to the unanimous written consent dated 9th November, 2023 of the Board of Directors of the Company, on 29th November 2023 the Company has signed a Securities Purchase Agreement for the purchase of 51% membership interest in Engines LPG LLC, dba Wildcat Power Gen, USA ("Engines LPG LLC"), from one of its existing member Yanbas, LLC, in exchange for approximate cash consideration of \$357,000, as may be adjusted on a post closing basis in accordance with the Securities Purchase Agreement including Ancilliary Agreements/documents. Consequent to the said acquisition, Engines LPG LLC has become a subsidiary of the Company with effect from 29th November, 2023.

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 3 : Other financial assets (Non current)**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Security deposits (Unsecured, considered good)	3,150	3,150
<b>Total</b>	<b>3,150</b>	<b>3,150</b>

Other Non current financial assets are at amortized cost. (Refer Note No. 23.4.9)

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 4 : Deferred tax assets (net)**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
<b>Deferred tax assets</b>		
Tax loss	3,109	-
<b>Total</b>	<b>3,109</b>	<b>-</b>

Also Refer Note No 23.4.16

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 5 : Inventories**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Traded goods	1,113,223	972,958
<b>Total</b>	<b>1,113,223</b>	<b>972,958</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 6 : Trade receivables**

	In \$	
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total Trade Receivables</b>	<b>1,082,691</b>	<b>944,623</b>
Trade receivables	1,061,525	919,318
Receivables from related parties	21,166	25,305
<b>Break-up for security details:</b>		
Unsecured, considered good	1,111,611	970,110
Loss allowance ( for expected credit loss under simplified approach)	(28,920)	(25,487)
<b>Total</b>	<b>1,082,691</b>	<b>944,623</b>

1. Trade Receivables are measured at amortized cost. Also Refer Note No. 23.4.9

2. For related party receivables, refer Note 23.5.1

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 6 : Trade receivables (Continued)**

For trade receivables outstanding, the ageing schedule is as given below:

In \$

**As at 31 March 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	674,499	408,192		28,920	-	-	1,111,611
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>							<b>1,111,611</b>
Less: Loss allowance for expected credit loss							(28,920)
<b>Total Trade Receivables</b>							<b>1,082,691</b>

\* Disputed Trade Receivables represents legal cases with customers

**As at 31 March 2023**

In \$

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	716,941	227,682	25,487	-	-	-	970,110
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>							<b>970,110</b>
Less: Loss allowance for expected credit loss							(25,487)
<b>Total Trade Receivables</b>							<b>944,623</b>

\* Disputed Trade Receivables represents legal cases with customers

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 7 : Cash and cash equivalents**

		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Balance with Bank</b>		
Checking account with HSBC Bank	444,520	146,494
<b>Total</b>	<b>444,520</b>	<b>146,494</b>



**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 8 : Loans (Current)**

	In \$	
Particulars	As at 31 March 2024	As at 31 March 2023
Loans to subsidiaries (unsecured, considered good)	1,979,372	-
<b>Total</b>	<b>1,979,372</b>	<b>-</b>

Loans are measured at amortised cost.

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 9 : Other current assets**

	In \$	
Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	-	4,718
Advance to Employees	3,000	4,445
<b>Total</b>	<b>3,000</b>	<b>9,163</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 10 : Equity share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	In \$	No. of shares	In \$
<b>Authorised share capital</b>				
1,000 Equity shares of \$ 0.001 each				
<b>Issued and subscribed share capital</b>				
50 Equity shares of \$ 0.001 each				
<b>Subscribed and fully paid up</b>				
Equity shares of \$ 0.001 each	50	250,000	50	250,000
<b>Total</b>	<b>50</b>	<b>250,000</b>	<b>50</b>	<b>250,000</b>

**1. Number of shares held by each shareholder holding more than 5% shares in the Company**

Name of the Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Kirloskar Oil Engines Limited	50	100%	50	100%

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 11 : Other equity**

		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Retained Earnings</b>	<b>773,693</b>	<b>784,919</b>
Opening Balance	784,919	686,763
Add : Profit for the year	(11,226)	98,156
Add : Other Comprehensive income	-	-
<b>Total</b>	<b>773,693</b>	<b>784,919</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 12 : Borrowings (current)**

		In \$
Particulars	As at 31 March 2024	As at 31 March 2022
<b>Unsecured</b>		
6% Optionally convertible redeemable non cumulative Preference shares ("OCRNPS")	2,500,000	-
<b>Total Borrowings</b>	<b>2,500,000</b>	<b>-</b>

1. Borrowings are measured at amortised cost.

2. The Company issued Series A-1 6% Optionally Convertible Redeemable Non-Cumulative Preference Shares (the "Series A-1 Preferred Stock - OCRNPS") at a per share price of US\$ 10 to the Parent Company for a total amount of US\$ 2,500,000 having certain rights and preferences including, but not limited to: a dividend rate of [six percent (6%)] per annum and a term of ten (10) years from the date of issuance, a par value US\$ 10.00, a redemption price US\$10, with a redemption right available anytime upon purchaser request and a conversion ratio of 1:1000 in respect of the Company's common stock (i.e. 1000 shares of common stock, par value of \$ 0.001 each, for every share of Series A-1 Preferred Stock - OCRNPS).

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 13 : Trade payables**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
<b>Total outstanding</b>		
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	1,478,468	1,039,277
<b>Total</b>	<b>1,478,468</b>	<b>1,039,277</b>

1. Trade Payables are at amortized cost. (Refer Note No. 23.4.9)

2. For related party payable, refer note no. 23.5.1

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 13 : Trade payables ( Continued)**

For trade payables outstanding, the ageing schedule is as given below:

As at 31 March 2024

In \$

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro Enterprises and Small Enterprises ("MSME")	-	-	-	-	-	-	-
Others	-	1,478,468	-	-	-	-	1,478,468
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,478,468</b>	-	-	-	-	<b>1,478,468</b>

\* Disputed dues represents legal cases with vendors

As at 31 March 2023

In \$

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro Enterprises and Small Enterprises ("MSME")	-	-	-	-	-	-	-
Others	-	1,017,813	21,464	-	-	-	1,039,277
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,017,813</b>	<b>21,464</b>	-	-	-	<b>1,039,277</b>

\* Disputed dues represents legal cases with vendors

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 14 : Other Current liabilities**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Advance from customers	1,104	13,325
<b>Other payables</b>	<b>19,845</b>	<b>24,589</b>
Statutory dues including 401k plan and tax deducted at source	6,275	5,170
Other Payables	13,570	19,419
<b>Total</b>	<b>20,950</b>	<b>37,914</b>



**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 15 : Current tax liabilities (net)**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Tax provision (Net of tax paid in advance)	-	12,489
<b>Total</b>	<b>-</b>	<b>12,489</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 16 : Revenue from operations**

	In \$	
Particulars	2023-24	2022-23
Sale of products	3,001,658	3,496,059
Sale of services	52,560	58,451
<b>Total</b>	<b>3,054,217</b>	<b>3,554,510</b>

Also Refer Note No 23.4.10

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 17 : Other Income**

	In \$	
Particulars	2023-24	2022-23
Gain on disposal of property, plant and equipment	-	16,000
Sundry Balances written back	4,059	-
Interest Income	45,289	-
<b>Total</b>	<b>49,348</b>	<b>16,000</b>

Also Refer Note 23.4.11

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 18 : Purchases of traded goods**

In \$		
Particulars	2023-24	2022-23
Engines and Gensets	2,399,990	2,752,822
<b>Total</b>	<b>2,399,990</b>	<b>2,752,822</b>

**Kirloskar Americas Corporation**  
Notes to the Financial Statements for the year ended 31 March 2024

**Note 19 : Employee benefits expense**

Particulars	In \$	
	2023-24	2022-23
Salaries, wages, bonus, etc.	249,910	232,170
Welfare and training expenses	14,103	26,765
<b>Total</b>	<b>264,013</b>	<b>258,935</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 20 : Depreciation and amortisation expense**

	In \$	
Particulars	2023-24	2022-23
Depreciation on Property, plant and equipment	11,165	7,485
<b>Total</b>	<b>11,165</b>	<b>7,485</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 21 : Other expenses**

In \$		
Particulars	2023-24	2022-23
<b>Selling expenses</b>	<b>131,395</b>	<b>180,311</b>
Commission	17,851	14,708
Freight and forwarding	64,386	76,785
Advertisement and publicity	45,725	66,037
Provision for doubtful debts and advances (net)	3,433	22,781
<b>Administration expenses</b>	<b>451,602</b>	<b>252,899</b>
Rent	19,532	19,221
Rates and taxes	3,372	267
Insurance	4,605	2,677
Travelling and conveyance	130,002	101,234
Communication expenses	4,971	5,500
Professional charges	281,653	107,110
Office expenses	2,562	4,164
Repairs and maintenance	314	9
Warranty Expenses	15	8,684
Bank charges	4,575	4,033
<b>Total</b>	<b>582,997</b>	<b>433,210</b>

**Kirloskar Americas Corporation**

Notes to the Financial Statements for the year ended 31 March 2024

**Note 22 : Tax Expenses**

The major component of tax expenses are :

In \$

Particulars	2023-24	2022-23
<b>Current tax</b>	-	<b>29,089</b>
Current income tax	-	29,089
<b>Deferred tax</b>	<b>(3,109)</b>	<b>256</b>
Relating to reversal or temporary difference	(3,109)	256
<b>Total Tax expenses reported in the Statement of profit and loss</b>	<b>(3,109)</b>	<b>29,345</b>



## 1 History and Nature of Business of the Company

Kirloskar Americas Corporation ("the Company") was incorporated under State of Delaware on 18 March 2015. With effect from 23 June 2015, it is a wholly owned subsidiary of Kirloskar Oil Engines Limited, India. The Company focuses on the sales of diesel engines, diesel pump sets and generators in North and Latin American regions through a distributor network. The Company's business is affected by general economic fluctuations. The Company has commenced business since June 2015.

On 29th November 2023, the Company has purchased of 51% membership interest in Engines LPG LLC, DBA Wildcat Power Gen, USA ("Engines LPG LLC"), from one of its existing member Yanbas, LLC, in exchange for approximate cash consideration of \$357,000. Consequent to the said acquisition, Engines LPG LLC has become a subsidiary of the Company with effect from 29th November, 2023.

KOEL Americas Corp. was renamed as Kirloskar Americas Corporation w.e.f. 21 May 2021.

## 2 Basis of preparation of Financial Statements

These financial statements have been prepared in all material aspects in accordance with accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) to the extent applicable. These financials are prepared for the limited purpose of preparation of Holdings company's (Kirloskar Oil Engines Limited) consolidated financial statements & as required under Regulation 10 (4) of Foreign Exchange Management (Overseas Investment) Regulations, 2022 (No. FEMA 400/2022-RB) and Para 5 of A.P. (DIR Series) Circular No.12 RBI/2022-2023/110 dated August 22, 2022 issued by the Reserve Bank of India in the context of submission of the Annual Performance Report and is not to be used for any other purposes.

The financial statements have been prepared on accrual basis under the historical cost convention except for certain items of financial instruments which are measured at fair value as per Ind AS.

The Company's financial statements are prepared in US Dollar which is its functional currency.

The financial statements were approved by the Board of Directors and authorized for issue on 6th May 2024.

## 3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 4 Significant Accounting Policies

### 4.1 Current Vs. Non-current classification

**The Company presents assets and liabilities in the Balance Sheet based on Current/Non-current classification.**

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
  - b. Held primarily for the purpose of trading
  - c. Expected to be realised within twelve months after the reporting period, or
  - d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as Non-current.

A liability is current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as Non-current assets and liabilities.

The Company classifies all other liabilities as Non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### **4.2 Property, Plant and Equipment:**

Property, Plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

##### **Depreciation**

Depreciation is charged on the basis of useful life of assets on straight line method which are follows:

<b>Asset Category</b>	<b>Life (in years)</b>
Vehicles	5
Office equipment and furnitures & fixtures	3 to 10

#### **4.3 Inventory:**

The Company holds inventory consisting of diesel engines and generator sets for stock and sale. The Inventory is valued at cost or net realizable value whichever is lower .

#### **4.4 Government Grant**

The Company had determined the grant as a grant related to income based on the evaluation of terms and conditions attached to the eligibility of grant and the Company accounts for the grant as income in Statement of profit and loss.

Grants and subsidies from the government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

#### **4.5 Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

#### **4.6 Cash and Cash Equivalent:**

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

#### **4.7 Cash Flow Statement:**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

#### **4.8 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 4.9 Financial Assets and Financial Liabilities:

(i) **Initial Recognition**

All financial assets are recognized initially at fair value. However, trade receivable that do not contain a significant financing component are measured at transaction price.

All financial liabilities are recognized initially at fair value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. It is normally the transaction price.

(ii) **Subsequently measurement**

For Purposes of subsequent measurement , financial assets are classified in three categories-

- (a) At amortized cost
- (b) At fair value through other comprehensive income (FVOCI)
- (c ) At fair value through profit or loss (FVTPL)

For Purposes of subsequent measurement , financial liabilities are classified in two categories.

- (a) At amortized cost
- (b) At fair value through profit or loss (FVTPL)

(ii) **Derecognition**

A financial assets is derecognized when the contractual rights to the cash flows from the financial asset expire.

OR

The Company has transferred its contractual right to receive cash flows from the asset.

A financial liability (or a part of financial liability) is derecognized from its balance sheet when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

#### 4.10 Revenue from Contracts with Customers

The Company recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer's creditworthiness.

There is no financing component in the contract as the credit period does not exceed one year.

#### 4.11 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

#### **4.12 Leases**

Ind AS 116 'Leases' provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgement.

Rental expenses recorded for low value leases for current year is US\$ 19,532 (31 March 2023 : US\$ 19,221)

#### **4.13 Provisions and Contingencies**

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

There are no contingent liabilities out of transactions for the fiscal year (Previous year: NIL).

There are no capital and other material commitments for the fiscal year (Previous year: NIL).

#### **4.14 Foreign Exchange Derivatives**

There are no foreign exchange derivatives transactions for the fiscal year (Previous year: NIL).

#### **4.15 Current income tax**

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

#### **4.16 Deferred Tax**

Deferred tax assets arises primarily from the difference between the tax base and the book base of assets and liabilities recognised not currently included as income or deductible for the tax purposes. The deferred tax represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered

#### **4.17 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interests issued by the company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of,

- the sum of consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any)
- over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

## 5 Additional Notes

### 5.1 Transactions and outstanding balances with Related Parties

Name of the party	Relationship	Type of Transaction	2023-24	2022-23
<b>Transactions:</b>				
Kirlsokar Oil Engines Limited	Parent Company	Purchase of Goods	2,218,335	2,533,832
Kirlsokar Oil Engines Limited	Parent Company	Marketing Revenue	52,560	58,451
Kirlsokar Oil Engines Limited	Parent Company	Warranty Reimbursement	4,008	-
Kirlsokar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loan	1,934,083	-
Engineman Consultants LLC	Entity in which director is interested	Professional fees and travel expenses	1,087	45,453
Kirloskar Propreitary Ltd	A public company in which director is a director and holds along with his relatives more than 2% of Paid-up share capital	Professional Fees	1,375	1,450
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Sale of Goods	134,533	
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Interest on Loan	45,289	-
<b>Outstanding Balances :</b>				
Kirlsokar Oil Engines Limited	Parent Company	Trade Payable	1,478,468	1,012,065
Kirlsokar Oil Engines Limited	Parent Company	Trade Receivable	21,166	25,305
Kirlsokar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Trade Receivable	134,533	
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loan Receivable (Including accrued interest)	1,979,372	-

### 5.2 Disclosures for investments and transactions through/ as an intermediary:

(a) No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except as stated below:

**A. Details of Investments received from Funding party :**

Name of Company	Date of transaction	Nature of transactions	Amount
<b>Parent Company:</b>			
Kirloskar Oil Engines Limited	24-Nov-23	Investment in OCRNPS (Optionally Convertible Redeemable Non-Cumulative Preference Shares)	USD 2.5 million

**B. Details of further Investments made or Inter Corporate Deposits/Loans given by Intermediary to Ultimate Beneficiary:**

Name of intermediary	Name of ultimate beneficiary	Date of transaction	Nature of transactions	Amount
<b>Company:</b>	<b>Subsidiary Company:</b>			
Kirloskar Americas Corporation	Engines LPG,LLC dba Wildcat	29-Nov-23	Equity investment	USD 0.36 million
	Engines LPG,LLC dba Wildcat	On various dates	Loan	USD 1.93 million

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), to the extent applicable, the Companies Act, 2013 for such transaction and this transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

**C. Details of each Intermediary/Ultimate Beneficiary:**

Name of Company	Registered address	Identification No. (CIN/Others)
Kirloskar Americas Coporation	33300 Egypt Lane, Suite C300, Magnolia, Texas-77354, United States of America	47-4054880
Engines LPG,LLC dba Wildcat	930 N Mosley, Wichita, KS 67204, United States of America	2226892

### 5.3 Employee Benefit Plan

The Company Started a 401 (K) plan from January 1, 2023 whereby all employees may contribute up to the maximum amount allowed each year. The Employees are fully vested in their contributions when made. The Company matches a 100 % contribution of up to 5% of employee's basic monthly wages to all employees. The Company has reported expenses under the plan of \$10,178 (31st March, 2023 : \$2,153).

### 5.4 Earnings per share (Basic and Diluted)

		In \$	
Particulars	2023-24	2022-23	
Profit for the year after taxation (Amounts in \$)	-11,226	98,156	
Total number of equity shares at the end of the year (One equity share of face value of \$ 0.001 each fully paid -up)	50	50	
Weighted average number of equity shares for the purpose of computing Basic earnings per share and Dilluted earnings per share	50	50	
<b>Basic earnings per share (in \$)</b>	<b>(225)</b>	<b>1,963</b>	

Earnings per share are calculated in accordance with Accounting Standard (Ind AS 33) "Earnings Per Share".

For and on behalf of Kirloskar Americas Corporation

Gauri

Atul

Kirloskar

Gauri Kirloskar

Director

Date : 7th May, 2024

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by Gauri Atul  
Kirloskar  
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**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2024, and 2023**



**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

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# Kaminski & Company, P.C.

## *Accountants and Consultants*

10375 Richmond Avenue Suite 1550 • Houston, Texas 77042 • 713.783.7120 • Fax 713.783.7119 • [kaminskico.com](http://kaminskico.com)

### INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management  
Kirloskar Americas Corporation  
Houston, Texas

Management is responsible for the accompanying consolidated financial statements of Kirloskar Americas Corporation & subsidiary, which comprise the consolidated balance sheets as of March 31, 2024, and 2023, and the related consolidated statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures that verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



**Kaminski & Company, P.C.**  
Houston, Texas  
May 3<sup>rd</sup>, 2024

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2024, and 2023**

ASSETS		March 31, 2024	March 31, 2023
<b>CURRENT ASSETS</b>			
Cash (Note 4)	\$	486,278	146,494
Accounts receivable (Note 2) (Note 6)		976,697	931,480
Less allowance for doubtful accounts (Note 2)		(33,409)	(25,487)
Inventory (Note 2)		2,299,589	641,741
Prepaid expenses		3,970	9,163
Prepaid inventory (Note 2)		570,603	343,838
Employee advance		16,586	-
Federal tax assets (Note 8)		91,004	-
Receivable - KOEL India		21,166	25,305
<b>Total current assets</b>		<b>4,432,484</b>	<b>2,072,534</b>
<b>NONCURRENT ASSETS (Note 4)</b>			
Leasehold improvements		19,265	-
Office furniture		6,193	162
Office equipment		11,444	3,126
Shop equipment		163,341	-
Vehicles		172,920	55,204
Less accumulated depreciation and amortization		(178,962)	(10,281)
<b>Total fixed assets (Note 2)</b>		<b>194,201</b>	<b>48,211</b>
Goodwill (Note 2) (Note 3)		679,899	-
Operating lease right-of-use assets (Note 7)		811,358	38,850
Security deposits		24,990	3,150
<b>Total noncurrent assets</b>		<b>1,710,448</b>	<b>90,211</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>6,142,932</b>	<b>2,162,745</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable - trade	\$	3,283,351	1,039,276
Advances received from customers		20,443	-
Current portion of vehicles loans		30,402	-
Current portion of operating lease liability (Note 7)		222,261	16,630
Notes payable (Note 10)		388,641	12,489
Provision for obsolete inventory		45,201	12,622
Other payables (Note 9)		189,762	24,589
<b>Total current liabilities</b>		<b>4,180,061</b>	<b>1,105,606</b>
<b>NONCURRENT LIABILITIES</b>			
Vehicle leases, non-current (Note 11)		88,260	-
Operating lease liability, non-current (Note 7)		589,097	22,220
<b>Total noncurrent liabilities</b>		<b>677,357</b>	<b>22,220</b>
<b>TOTAL LIABILITIES</b>		<b>4,857,418</b>	<b>1,127,826</b>
<b>STOCKHOLDER'S EQUITY</b>			
Common stock ( \$ 0.001 par value 50 shares issued, 1000 shares authorized)		1	1
Additional paid-in capital		249,999	249,999
Convertible preferred stocks (\$10 par value 250,000 shares issued and authorized) (Note 12)		2,500,000	-
Retained earnings		518,362	784,919
<b>Equity attributable to shareholders of Kirlorskar Americas Corp</b>		<b>3,268,362</b>	<b>1,034,919</b>
Equity attributable to noncontrolling interests		(1,982,848)	-
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$</b>	<b>6,142,932</b>	<b>2,162,745</b>

For and on behalf of Kirloskar Americas Corporation

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**Gauri Kirloskar**  
 Director  
 Date: 7th May 2024

See Accompanying Notes and Independent Accountants' Compilation Report

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
(a Corporation)  
**CONSOLIDATED STATEMENT OF INCOME/(LOSS)**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

	March 31, 2024	March 31, 2023
<b>SALES REVENUE</b>	\$ 3,226,659	3,496,059
<b>COST OF GOODS SOLD</b>	<u>2,495,845</u>	<u>2,743,373</u>
<b>GROSS PROFIT</b>	<u>730,814</u>	<u>752,686</u>
<b>MARKETING REVENUE (Note 9)</b>	52,560	58,451
<b>GROSS PROFIT FROM OPERATIONS</b>	<u>783,374</u>	<u>811,137</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising & sales promotions	65,002	66,037
Agency commissions	17,851	14,708
Provision for doubtful debts	3,433	22,781
Bank charges	4,785	4,032
Communication expense	22,191	5,500
Contract labor	1,181	-
Depreciation and amortization	24,464	7,485
Dues and subscriptions	1,498	-
Employee expense	3,312	12,440
Employee benefit expense (Note 14)	10,178	2,153
Insurance expense	38,145	2,677
Logistics expense	64,386	76,784
Lease expense (Note 7)	90,509	19,220
Meals	17,328	14,326
Office expense	6,195	3,629
Postage & delivery	4,028	-
Professional fees	293,340	107,110
Recruiting & Hiring	23,297	-
Repairs and maintenance	3,255	9
Research & development	4,179	-
Reimbursement expense	(4,059)	-
Salary	483,023	213,400
Shop expense	11,311	-
Taxes	46,618	16,884
Telephone expense	2,415	-
Trade show expense	64,077	-
Travel expense	150,348	101,243
Utilities	10,658	535
Warranty expense	2,408	8,683
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>1,465,356</u>	<u>699,636</u>
<b>INCOME FROM OPERATIONS</b>	<u>(681,982)</u>	<u>111,501</u>
<b>OTHER INCOME/(EXPENSES)</b>		
Gain on vehicle trade in		16,000
Interest income	(5,345)	-
<b>TOTAL OTHER INCOME/(EXPENSES)</b>	<u>(5,345)</u>	<u>16,000</u>
<b>NET INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<u>(687,327)</u>	<u>127,501</u>
Federal income tax - current (Note 8)	-	29,089
Federal income tax - deferred (Note 8)	(91,004)	256
Federal tax penalties	-	-
<b>TOTAL PROVISION FOR INCOME TAXES</b>	<u>(91,004)</u>	<u>29,345</u>
<b>CONSOLIDATED NET INCOME (LOSS) (Note 2) (Note 13)</b>	<u>(596,323)</u>	<u>98,156</u>
<b>LESS: NET INCOME - NONCONTROLLING INTERESTS (Note 13)</b>	<u>329,766</u>	<u>-</u>
<b>NET INCOME - ATTRIBUTABLE TO KIRLOSKAR AMERICAS CORP \$ (Note 13)</b>	<u>(266,557)</u>	<u>98,156</u>

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation  
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**Gauri Kirloskar**  
 Director  
 Date: 7th May 2024

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

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	March 31, 2024	March 31, 2023
<b>BEGINNING BALANCE - APRIL 1</b>	\$ 784,919	686,763
<b>CURRENT YEAR DIVIDENDS</b>	-	-
<b>CONSOLIDATED NET INCOME/(LOSS)</b>	(266,557)	98,156
<b>ENDING BALANCE - MARCH 31</b>	\$ <u>518,362</u>	<u>784,919</u>

For and on behalf of Kirloskar Americas Corporation

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**Gauri Kirloskar**  
**Director**  
**Date: 7th May 2024**

See Accompanying Notes and Independent Accountants' Compilation Report

**KIRLOSKAR AMERICAS CORPORATION**  
**(a Corporation)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2024, and 2023**

	March 31, 2024	March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Consolidated net income/(loss)	\$ (596,323)	98,156
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	24,464	7,485
(Increase) decrease in:		
Accounts receivable	(36,096)	705,239
Other receivables	4,139	(25,305)
Prepaid expenses	5,268	9,229
Employee advance	5,193	-
Inventory	(1,171,682)	(390,800)
Federal tax asset	(91,004)	-
Prepaid inventory	(226,765)	376,961
Prepaid federal income tax	-	256
Security deposits	(6,000)	-
Gain (loss) on trade in of assets		(16,000)
Increase (decrease) in:		
Accounts payable	1,116,255	(682,660)
Advances received from customer	30,402	(19,997)
Allowance for doubtful accounts	3,433	22,781
Other payables	(111,954)	6,103
Federal income tax payable	-	(20,474)
Provision for obsolete inventory	32,579	4,397
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(1,018,091)</u>	<u>75,371</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(92,579)	(55,204)
Gain (loss) on trade in of assets		16,000
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(92,579)</u>	<u>(39,204)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisitions of businesses (Note 3)	(357,000)	-
Issuance of convertible preferred stock	2,500,000	-
Payments of vehicles loan	27,803	-
Payments of notes payable	(723,311)	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>1,447,492</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	336,822	36,167
<b>CASH BEGINNING OF YEAR - KIRLOSKAR</b>	146,494	110,327
<b>CASH BEGINNING OF YEAR - ENGINES LPG</b>	2,962	-
<b>CASH END OF YEAR</b>	<u>\$ 486,278</u>	<u>146,494</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Federal income tax paid	\$ -	49,563

For and on behalf of Kirloskar Americas Corporation

Gauri Atul  
 Kirloskar

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 Date: 2024.05.07  
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Gauri Kirloskar  
 Director  
 Date: 7th May 2024

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 1 – HISTORY AND NATURE OF BUSINESS OF THE COMPANY**

Kirloskar Americas Corporation (formerly: KOEL Americas Corp.) (“the Company”) was incorporated under the State of Delaware on March 18, 2015. It is a wholly owned subsidiary of Kirloskar Oil Engines Limited, India, effective since June 23, 2015. The Company focuses on sales of diesel engines, diesel pump sets and generators in the North and Latin American regions through a distributor network. The Company’s business is affected by general economic fluctuations. The Company commenced business in June 2015.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation:***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The preparation of the consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of assets and liabilities in the consolidated financial statements and accompanying notes.

***Basis of Accounting:***

The consolidated financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

***Principles of Consolidation:***

The Company consolidates all entities that the Company controls by ownership of a majority voting interest. The financial statements of the subsidiary are included in the consolidated financial statements from the date the Company gains control until the date when the entity ceases to control the subsidiary.

The Company uses the equity method to account for investments in companies if the investment provides them with the ability to exercise significant influence over the operating and financial policies of the investee. The consolidated net income includes the Company’s proportionate share of the net income or loss of these companies. The judgment regarding the level of influence over each equity method investee includes considering key factors, such as the ownership interest, representation on the board of directors, participation in policy-making decisions, other commercial arrangements, and material intercompany transactions. The Company eliminates from the financial results all significant intercompany transactions.

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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***Use of Estimates:***

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Revenue Recognition:***

The Company recognizes revenue when performance obligations under the terms of the contracts with customers are satisfied. The performance obligation generally consists of the promise to sell engines, diesel pump sets and generators to their wholesalers, distributors or retailers.

***Property and Equipment:***

Property and equipment are recorded at cost. For financial reporting purposes, the costs of property and equipment are depreciated over the estimated useful lives as follows:

<u>Category</u>	<u>Method</u>	<u>Estimated Life Years</u>
Vehicles	Straight-Line	5
Computer and software	Straight-Line	5
Furniture and equipment	Straight-Line	3-10
Leasehold improvements	Straight-Line	15
Shop equipment	Straight-Line	7

The carrying values of long-lived assets, which include property and equipment, are evaluated periodically for impairment. Impairment losses are recognized when indicators of impairment are present, and the discounted cash flow estimated to be generated by the Company's long-lived assets is less than the carrying amount of such assets. The amount of impairment loss, if any, is determined by comparing the amount of the Company's long-lived assets to its estimated fair market value. No impairment losses needed to be recognized for the year ended March 31, 2024.

***Advertising:***

The Company expenses production costs of print, radio, television and other advertisements as of the first date the advertisements take place. All other marketing expenditures are expensed in the annual period in which the expenditure is incurred.

***Shipping and Handling Costs:***

Shipping and handling costs related to the movement of goods from our manufacturing locations to the sales distribution centers are included in the line item cost of goods sold in our



**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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consolidated statement of income. Shipping and handling costs incurred to move goods from our manufacturing locations or sales distribution centers to the customers are also included in the line item cost of goods sold in our consolidated statement of income. Customers generally do not pay the Company separately for shipping and handling costs. The Company recognizes the cost of shipping and handling activities that are performed after a customer obtains control of the goods as costs to fulfill our promise to provide goods to the customer. As a result of this election, the Company does not evaluate whether shipping and handling activities are services promised to customers. If revenue is recognized for the related goods before the shipping and handling activities occur, the related costs of those shipping and handling activities are accrued.

***Receivables:***

The Company considers accounts receivable to be fully collectible except for specific instances; accordingly, an allowance for doubtful accounts is established for the estimate of accounts that may ultimately not be collected. The Company considers receivables 180 days past due to be potentially uncollectible.

***Income Taxes:***

The Company is taxed as a C-corporation for federal income tax purposes. The components of income taxes are:

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will change within twelve months of March 31, 2024 or 2023. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Company's tax returns are subject to examination by the taxing authorities for a period of three years after filing the return.

***Sale and Use Taxes:***

The Company collects taxes imposed directly on its customers related to sales, use and other similar taxes. The Company then remits such taxes on behalf of its customers to the applicable government authorities. The Company excludes from net operating revenues the tax amounts imposed on revenue-producing transactions that were collected from customers to be remitted to the government authorities.

Taxes imposed directly on the Company, whether based on receipts from sales, inventory procurement costs or manufacturing activities, are recorded in the line item cost of goods sold in the statement of income.

***Inventory:***

The Company holds inventory consisting of diesel engines and generator sets for stock and sale. The inventory is valued at cost or net realizable value, whichever is lower, for financial statement purposes.

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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***Investments:***

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment in return in the income statement.

***Goodwill:***

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is included in other assets on the balance sheets.

When testing goodwill for impairment quantitatively, the Company first compares the fair value of each reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, a second step is performed to measure the amount of potential impairment. In the second step, the Company compared the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit's goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized. No impairment is recognized as of March 31, 2024.

**NOTE 3 – ACQUISITION**

On November 29, 2023, the Company acquired 51% of the partnership interest in Engines LPG LLC dba Wildcat Power Gen from Yanbas LLC, a Louisiana limited liability company. Goodwill of \$679,899 arising from the acquisition was subsequently booked. The amount of goodwill recognized in the transaction was the amount of consideration paid that exceeded the net book value of the partnership interest at the date of acquisition:

Purchase price	\$ 357,000
(Partnership interest of Yanban, LLC net book value in Engines at November 29, 2023 )	<u>322,899</u>
Goodwill, net book value at November 29, 2023–	<u>\$ 679.899</u>

The goodwill recognized as part of this acquisition is primarily related to synergistic value created from the opportunity for additional expansion. It also includes certain other intangible assets that do not qualify for separate recognition, such as an assembled workforce.

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 4 – CASH BALANCES**

The Company considers all cash deposits at financial institutions to be cash equivalents. On March 31, 2024, the Company had checking accounts valued at \$486,278, of which \$194,520 is in excess of the FDIC insured balance. On March 31, 2023, the Company had a checking account valued at \$146,494. The FDIC insures accounts up to a maximum of \$250,000.

**NOTE 5 – SUBSEQUENT EVENTS**

In accordance with ASC 855, the subsequent events have been evaluated through May 3, 2024, the date of which the consolidated financial statements were available to be issued and determined that there were not any significant items affecting the accompanying financial statements or requiring disclosure.

**NOTE 6 - ACCOUNT RECEIVABLES**

Customer accounts receivable is classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a quarterly basis. The Company estimate losses on receivable based on expected losses, including the historical experience of actual losses. Receivables are considered impaired and written-off when it is probable that all contractual payment due will not be collected in accordance with the terms of the agreement.

**NOTE 7 – LEASES**

The Company had operating leases primarily for manufacturing and offices.

The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company classified these leases as operating leases. These leases generally contain renewal options for periods ranging to 3 years. The Company recognizes a lease liability and a right of use (ROU) at Jan 01, 2022. The lease liability is recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the incremental borrowing rate, which is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term and the amount of the measured lease liability. Lease cost for lease payments is recognize on a straight-line basis over the lease term.

The Company has elected, for all underlying classes of assts, to not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement.

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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The components of lease cost are as follows:

	<u>March 31, 2024</u>
Operating lease cost	\$ 82,431
Variable lease cost	8,473
Total lease cost	<u>\$ 90,509</u>

Amounts reported in the consolidated balance sheets as of March 31, 2024, are as follows:

Operating lease ROU assets	\$ 811,358
Operating lease liabilities, current portion	222,261
Operating lease liabilities, non-current	<u>589,097</u>
Total operating lease liabilities	<u>\$ 811,358</u>

At March 31, 2024 the Company did not have any operating leases that had not yet commenced.

Maturities of operating lease liabilities as of March 31, 2024, were as follows:

	<u>Lease Payments</u>
Apr 1, 2024 – March 31, 2025	\$ 251,300
Apr 1, 2025 – March 31, 2026	246,822
Apr 1, 2026 – March 31, 2027	248,184
Apr 1, 2027 – October 30, 2027	<u>125,866</u>
Total undiscounted lease payments	872,172
Less imputed interest	<u>(60,814)</u>
Present value of lease liabilities	<u>\$ 811,358</u>

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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**NOTE 8 – INCOME TAXES**

Income tax expense consists of the following:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current tax expense	\$ 0	\$ 16,600
Current tax accrued	0	12,489
Deferred tax expense	(91,004)	256
Income tax penalties	0	0
Income tax expense	<u>\$ (91,004)</u>	<u>\$ 29,345</u>

The Company and its subsidiaries file income tax returns in all applicable jurisdictions.

**NOTE 9 – OTHER PAYABLES**

Other payables consisted of the following:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Accrued liabilities	\$ 8,655	\$ 12,831
Credit cards payables	35,189	5,489
Accrued payroll and related expenses	145,918	6,269
Total	<u>\$ 189,762</u>	<u>\$ 24,589</u>

**NOTE 10 – NOTES PAYABLE**

As of March 31, 2024, Engines LPG LLC dba Wildcat Power Gen, a subsidiary of Kirloskar Americas Corporation entered into various subordinated loan agreements Roeser Sales Partners, LLC, the noncontrolling interest partner. The subordinated loans are non-secured and subordinated to Engines LPG LLC dba Wildcat Power Gen's obligations to other vendors and credits.

Notes payables consist of the following:

<u>Lender</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Balance on March 31, 2024</u>
ZH Investments	07/15/2023	8%	\$ 87,638
Roeser Sales Partners, LLC	On demand	N/A	301,003
Total			<u>\$ 388,641</u>

See Independent Accountants' Compilation Report

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

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Engines LPG LLC dba Wildcat Power Gen's also has a short-term debt agreement with ZH Investments. The note is secured substantially by all Engines LPG LLC dba Wildcat Power Gen's assets, due on March 31, 2025, at an 8% interest rate and used for working capital.

**NOTE 11 – VEHICLE LOANS**

Engines LPG LLC dba Wildcat Power Gen, a subsidiary of Kirloskar Americas Corporation has vehicle agreements with multiple lenders. The lenders, secured vehicles, maturity dates, and interest rates of the notes are as follows:

<u>Lender</u>	<u>Vehicles</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Balance</u>
Ford	2019 Expedition	November 25, 2027	4.990%	\$ 43,408
Wells Fargo	Forklift cap lease	May 1, 2025	6.637%	5,887
Toyota	Forklift cap lease	December 28, 2024	6.299%	3,417
Wells Fargo	Forklift cap lease	March 1, 2029	7.500%	65,960
Total				<u>\$ 118,662</u>

**NOTE 12 – CONVERTIBLE PREFERRED STOCK**

On November 29, 2023, the Company issued 250,000 non-assessable series A-1 optionally convertible redeemable non-cumulative preference shares to Kirloskar Oil Engines, Limited. Under the terms of the Series A Stock Certificate, the holders have specific rights to be paid in cash out of the assets of the Company prior to any class shares. In the event of any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of each share of Series A Preferred Stock shall be entitled to be paid out of the assets of the Company available for distribution to holders of the Company's capital stock an amount per share equal to Ten Dollars (\$10) (the "Preference Amount"). The Preference Amount shall be paid to the holders of the Series A Preferred Stock with respect to such liquidation, dissolution, or winding up before any sums shall be paid or any assets distributed to the holders of shares of Common Stock or to the holders of any other stock of the Company ranking junior to the Series A Preferred Stock as to liquidation preferences, but after the payment of liquidation amounts to the holders of any other stock of the Company ranking senior to the Series A Preferred Stock as to liquidation preferences.

**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

**NOTE 13 - CONSOLIDATED NET INCOME**

Consolidated income attributable to shareholders of Kirloskar Americas Corporation is separately presented in the consolidated balance sheet as a component of Kirloskar Americas Corporation's shareholders' equity, which also includes the Company's proportionate share of equity method. Consolidated income attributable to noncontrolling interests is allocated to, and included in, the consolidated balance sheet as part of the line item equity attributable to noncontrolling interests.

The following table summarizes the allocation of total income between the shareholders of Kirloskar Americas and noncontrolling interests:

<b>Fiscal year ended March 31, 2024</b>				
	<u>Kirloskar Americas Corp</u>	<u>Engines LPG LLC dba Wildcat Power Gen (Post Acquisition Date)</u>		<u>Total</u>
	Shareholders of Kirloskar Americas	Shareholders of Kirloskar Americas	Noncontrolling interests	Shareholders of Kirloskar Americas
Consolidated net income	\$ 76,669	(343,226)	(329,766)	(266,557)

**NOTE 14 – EMPLOYEE BENEFIT PLAN**

The Company started a 401(k) plan from January 1, 2023 whereby all employees may contribute up to the maximum amount allowed each year. The employees are fully vested in their contributions when made. The Company matches a 100% contribution of up to 5% of employee's basic monthly wages to all employees. The Company has reported expenses under the plan of \$10,178 and \$2,153 for the fiscal year ended March 31, 2024 and 2023, respectively.

**NOTE 15 – RELATED PARTY TRANSACTIONS**

Following are details of transactions during the fiscal years ended March 31, 2024, and 2023 with related parties:

<b>Name of the Party</b>	<b>Relationship</b>	<b>Type of Transaction</b>	<b>FYE March 31, 2024 Amount (\$)</b>	<b>FYE March 31, 2023 Amount (\$)</b>
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	3,295,818	2,533,832



**KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY**  
**(a Corporation)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024, and 2023**

Kirloskar Oil Engines Limited, India	Parent Company	Marketing revenue	52,560	58,451
Kirloskar Oil Engines Limited, India	Parent Company	Warranty reimbursement	4,008	-
Kirloskar Oil Engines Limited, India	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-
Engineman Consultants LLC	Entity in which directors have a significant controlling interest	Professional fees & travel expenses	1,087	45,453
Kirloskar Proprietary Ltd	Entity in which a director has a significant controlling interest	Professional fees	1,375	1,450

For and on behalf of Kirloskar Americas Corporation

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**Gauri Kirloskar**  
**Director**

**Date: 7th May 2024**

See Independent Accountants' Compilation Report

# **Kirloskar Americas Corporation**

(Formerly known as KOEL Americas Corp.)

## **SUPPLEMENTARY INFORMATION**

### **SCHEDULES I & II**

## **CONSOLIDATED FINANCIALS AS GENERALLY REPORTED IN INDIA**

**For the year ended 31 March, 2024**

**2023-24**

**Kirloskar Americas Corporation**
**Consolidated Balance Sheet as at 31 March 2024**

		In \$	
Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>I. Non-current assets</b>		<b>1,059,343</b>	<b>51,361</b>
(a) Property, plant and equipment	1	194,200	48,211
(b) Goodwill	2	679,899	-
(i) Other financial assets	3	24,990	3,150
(d) Deferred tax assets (net)	4	160,255	-
<b>II. Current assets</b>		<b>4,297,383</b>	<b>2,073,238</b>
(a) Inventories	5	2,824,991	972,958
(b) Financial assets			
(i) Trade receivables	6	965,558	944,623
(ii) Cash and cash equivalents	7	486,278	146,494
(c) Other current assets	8	20,556	9,163
<b>Total Assets</b>		<b>5,356,727</b>	<b>2,124,599</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>(1,145,235)</b>	<b>1,034,919</b>
(a) Equity share capital	9	250,000	250,000
(b) Other equity	10	518,362	784,919
(c) Non-controlling interests	10a	(1,913,597)	-
<b>Liabilities</b>			
<b>I. Non-current liabilities</b>		<b>88,260</b>	
(a) Financial liabilities			
(i) Borrowings	11	88,260	-
<b>II. Current liabilities</b>		<b>6,413,701</b>	<b>1,089,680</b>
(a) Financial liabilities			
(i) Borrowings	12	2,919,042	-
(ii) Trade payables	13		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,283,351	1,039,277
(iii) Other financial liabilities	14	174,035	-
(b) Other current liabilities	15	37,273	37,914
(c) Current tax liabilities (net)	16	-	12,489
<b>Total Equity and Liabilities</b>		<b>5,356,727</b>	<b>2,124,599</b>

Significant accounting policies

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The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of Kirloskar Americas Corporation

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Kirloskar  
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Gauri Kirloskar

Director

Date : 7th May 2024

**Kirloskar Americas Corporation**  
**Consolidated Statement of profit and loss for the Year ended 31 March 2024**

In \$

Particulars	Notes	FY 2023-24	FY 2022-23
<b>Income</b>			
Revenue from operations	17	3,413,753	3,554,510
Other income	18	4,059	16,000
<b>Total Income</b>		<b>3,417,812</b>	<b>3,570,510</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	19	565,726	-
Purchase of traded goods	20	2,399,990	2,752,822
Changes in inventories of traded goods	21	(421,457)	(9,443)
Employee benefits expense	22	662,093	258,935
Finance costs	23	5,345	-
Depreciation and amortisation expense	24	24,465	7,485
Other Expenses	25	868,977	433,210
<b>Total Expenses</b>		<b>4,105,139</b>	<b>3,443,009</b>
<b>Profit before exceptional items and tax</b>		<b>(687,327)</b>	<b>127,501</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(687,327)</b>	<b>127,501</b>
<b>Tax expenses</b>		<b>(160,255)</b>	<b>29,345</b>
Current tax	26	-	29,089
Deferred tax	26	(160,255)	256
<b>Profit for the year</b>		<b>(527,072)</b>	<b>98,156</b>
<b>Other comprehensive income</b>			
A. Items that will be reclassified to profit or loss in subsequent year		-	-
B. Items that will not be reclassified to profit or loss in subsequent year		-	-
<b>Total other comprehensive income for the year, net of tax [A+B]</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(527,072)</b>	<b>98,156</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		(266,557)	98,156
Non-controlling interest		(260,515)	-
		<b>(527,072)</b>	<b>98,156</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		-	-
Non-controlling interest		-	-
		<b>(527,072)</b>	<b>98,156</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(266,557)	-
Non-controlling interest		(260,515)	-
		<b>(527,072)</b>	<b>-</b>
<b>Earnings per equity share [nominal value per share \$ 0.001 each (31 March 2023 \$ 0.001 each)]</b>			
Basic		(5,331)	1,963
Diluted		(5,331)	1,963

As per our report of even date

For and on behalf of Kirloskar Americas Corporation

**Gauri Atul Kirloskar**  
Digitally signed by  
Gauri Atul Kirloskar  
Date: 2024.05.07  
15:00:09 +05'30'

Gauri Kirloskar  
Director  
Date : 7th May 2024

## Statement of Changes in Equity for the year ended 31 March 2024

Equity share capital		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	250,000	250,000
Issue/Reduction, if any during the year	-	-
<b>Balance at the end of the year</b>	<b>250,000</b>	<b>250,000</b>

Other equity		In \$
Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	784,919	686,763
Net profit /(loss) for the year	(266,557)	98,156
<b>Balance at the end of the year</b>	<b>518,362</b>	<b>784,919</b>

As per our report of even date

For and on behalf of Kirloskar Americas Corporation

**Gauri**  
**Atul**  
**Kirloskar**

Digitally signed  
 by Gauri Atul  
 Kirloskar  
 Date: 2024.05.07  
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Gauri Kirloskar  
 Director  
 Date : 7th May 2024

**Kirloskar Americas Corporation**  
**Consolidated Statement of Cash Flow for the year ended 31 March 2024**

In \$

Particulars	FY 2023-24	FY 2022-23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(687,327)	127,501
Adjustments :		
Add:		
Depreciation and amortisation expenses	24,465	7,485
Impairment loss allowance, write off on trade receivable / other receivable (net)	3,433	25,487
Write down / (reversal) in write down of inventories	32,580	4,396
Finance costs	5,345	-
Less:		
Gain on disposal of property, plant and equipment (net)	-	(16,000)
Sundry credit balances written back	4,059	-
Working Capital Adjustments:		
(Increase) / Decrease in Trade Receivables	(19,737)	663,903
(Increase) / Decrease in Inventories	(1,398,448)	(13,839)
(Increase) / Decrease in Financial Asset	(6,000)	-
(Increase) / Decrease in Other Current assets	10,461	9,229
Increase / (Decrease) in Trade Payables	1,112,196	(682,659)
Increase / (Decrease) in Other Financial Liabilities	(79,584)	-
Increase / (Decrease) in Other Liabilities	(103,092)	(569)
<b>Net Cash generated from / (used in) operations</b>	<b>(1,101,648)</b>	<b>124,934</b>
Income taxes paid	(12,489)	(49,563)
<b>NET CASH FLOW GENERATED/(USED IN) FROM OPERATING ACTIVITIES</b>	<b>(1,114,137)</b>	<b>75,371</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (PPE) and intangible assets	(92,579)	(55,204)
Proceeds from sale of PPE & other intangible assets including advances	-	16,000
Investment in Subsidiary	(357,000)	
<b>NET CASH (USED IN ) INVESTING ACTIVITIES</b>	<b>(449,579)</b>	<b>(39,204)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	1,905,883	-
Finance costs	(5,345)	-
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>1,900,537</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>336,822</b>	<b>36,167</b>
Opening Cash and cash equivalents- Kirloskar Americas Corporation	146,494	110,327
Opening Cash and cash equivalents- Engines LPG LLC	2,962	
<b>Closing Cash and Cash equivalents</b>	<b>486,278</b>	<b>146,494</b>

**Notes**

The above cash- flow statement have been prepared under the indirect method as set out in the Indian Accounting Standard Ind AS 7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015. Income Tax paid is treated as arising from operating activities and are not bifurcated between investing and financing activities. All figures in brackets indicate cashflow.

As per our attached report of even date.

For and on behalf of Kirloskar Americas Corporation

**Gauri Atul Kirloskar**  
Digitally signed by  
Gauri Atul Kirloskar  
Date: 2024.05.07  
15:00:28 +05'30'

**Gauri Kirloskar**  
**Director**  
**Date : 7th May 2024**

**Note 1 : Property, plant and equipment**

	In \$						
Particulars	Leasehold Improvements	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computers & Software	Total
<b>Gross Block</b>							
<b>As at 1 April 2022</b>	-	-	<b>162</b>	<b>28,482</b>	<b>3,126</b>	-	<b>31,770</b>
Additions	-	-	-	55,204	-	-	55,204
Deductions	-	-	-	(28,482)	-	-	(28,482)
Exchange difference	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	-	-	<b>162</b>	<b>55,204</b>	<b>3,126</b>	-	<b>58,492</b>
Additions due to acquisition	-	91,081	6,031	117,716	-	7,264	222,092
Additions	19,265	72,260	-	-	-	1,054	92,579
Deductions	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>	<b>19,265</b>	<b>163,341</b>	<b>6,194</b>	<b>172,920</b>	<b>3,126</b>	<b>8,318</b>	<b>373,163</b>
<b>Depreciation and Impairment</b>							
<b>As at 1 April 2022</b>	-	-	<b>103</b>	<b>28,482</b>	<b>2,693</b>	-	<b>31,278</b>
Depreciation for the year	-	-	16	7,361	108	-	7,485
Deductions	-	-	-	(28,482)	-	-	(28,482)
Exchange difference	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	-	-	<b>119</b>	<b>7,361</b>	<b>2,802</b>	-	<b>10,281</b>
Additions due to acquisition	-	61,885	4,762	71,650	-	5,920	<b>144,217</b>
Depreciation for the year	397	5,659	126	17,760	108	415	<b>24,465</b>
Deductions	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>	<b>397</b>	<b>67,544</b>	<b>5,008</b>	<b>96,770</b>	<b>2,910</b>	<b>6,335</b>	<b>178,963</b>
<b>Net Block</b>							
<b>As at 31 March 2023</b>	-	-	<b>43</b>	<b>47,843</b>	<b>325</b>	-	<b>48,211</b>
<b>As at 31 March 2024</b>	<b>18,869</b>	<b>95,797</b>	<b>1,186</b>	<b>76,149</b>	<b>217</b>	<b>1,983</b>	<b>194,200</b>

**Note 2 : Goodwill**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Goodwill	679,899	-
<b>Total</b>	<b>679,899</b>	<b>-</b>

(Refer Note No. 27.4.4 and 27.5.3)



**Note 3 : Other financial assets (Non current)**

	In \$	
Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits (Unsecured, considered good)	24,990	3,150
<b>Total</b>	<b>24,990</b>	<b>3,150</b>

Other Non current financial assets are at amortized cost. (Refer Note No. 27.4.11)

**Note 4 : Deferred tax assets (net)**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets</b>		
Tax loss	160,255	-
<b>Total</b>	<b>160,255</b>	<b>-</b>

Also Refer Note No 27.4.18

**Note 5 : Inventories**

	In \$	
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Raw Materials</b>		
Raw materials and components	753,314	-
Raw materials in transit	614,251	-
Work-in-progress	130,081	-
Finished goods	214,123	-
Traded goods	1,113,223	972,958
<b>Total</b>	<b>2,824,991</b>	<b>972,958</b>

1. Write Down of inventories to net realisable value US\$ 32,580 ( 31 March 2023 : US\$ 4,396) were recognised as an expense during the year and reversal of write down of inventories Nil ( 31 March 2023 : Nil) were recognised as a reduction in expense during the year due to consumption of such inventories .



**Note 6 : Trade receivables**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total Trade Receivables</b>	<b>965,558</b>	<b>944,623</b>
Trade receivables	944,392	919,318
Receivables from related parties	21,166	25,305
<b>Break-up for security details:</b>		
Unsecured, considered good	998,968	970,110
Loss allowance ( for expected credit loss under simplified approach)	(33,409)	(25,487)
<b>Total</b>	<b>965,558</b>	<b>944,623</b>

Trade Receivables are at amortized cost. (Refer Note No. 27.4.11)

Kirloskar Americas Corporation

Notes to the Consolidated Financial Statements

**Note 6 : Trade receivables (Continued)**

For trade receivables outstanding, the ageing schedule is as given below:

In \$

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	602,138	363,421		28,920	-	4,489	998,968
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>							<b>998,968</b>
Less: Loss allowance for expected credit loss							(33,409)
<b>Total Trade Receivables</b>							<b>965,558</b>

\* Disputed Trade Receivables represents legal cases with customers

As at 31 March 2023

In \$

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	716,941	227,682	25,487	-	-	-	970,110
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>							<b>970,110</b>
Less: Loss allowance for expected credit loss							(25,487)
<b>Total Trade Receivables</b>							<b>944,623</b>

\* Disputed Trade Receivables represents legal cases with customers

**Note 7 : Cash and cash equivalents**

	In \$		
Particulars	As at 31 March 2024	As at 31 March 2023	/
<b>Balance with Bank</b>			
Checking account with Banks	486,278	146,494	
<b>Total</b>	<b>486,278</b>	<b>146,494</b>	

**Note 8 : Other current assets**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid Expenses	16,586	4,718
Advance to Employees	3,970	4,445
<b>Total</b>	<b>20,556</b>	<b>9,163</b>



**Note 9 : Equity share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	In \$	No. of shares	In \$
<b>Authorised share capital</b>				
1,000 Equity shares of \$ 0.001 each				
<b>Issued and subscribed share capital</b>				
50 Equity shares of \$ 0.001 each				
<b>Subscribed and fully paid up</b>				
Equity shares of \$ 0.001 each	50	250,000	50	250,000
<b>Total</b>	<b>50</b>	<b>250,000</b>	<b>50</b>	<b>250,000</b>

**Note 10 : Other equity**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Retained Earnings</b>	<b>518,362</b>	<b>784,919</b>
Opening Balance	784,919	686,763
Add : Profit for the year	(266,557)	98,156
Add : Other Comprehensive income	-	-
<b>Total</b>	<b>518,362</b>	<b>784,919</b>

**Note 10a : NCI (Non Controlling Interest)**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non Controlling Interest</b>	<b>(1,913,597)</b>	-
Opening Balance	-	-
Add: Arising due to acquisition	(1,653,082)	-
Add : Profit/(Loss) for the year	(260,515)	-
Add : Other Comprehensive income/(loss)	-	-
<b>Total</b>	<b>(1,913,597)</b>	-

**Kirloskar Americas Corporation**  
Notes to the Consolidated Financial Statements

**Note 11 : Borrowings (Non-current)**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured Loans</b>		
Loan - Others (Vehicle loans)	88,260	-
<b>Total Borrowings</b>	<b>88,260</b>	<b>-</b>

1. Loans are measured at amortised cost. Also refer Note-15 for current maturities of long term borrowings (Refer Note No. 27.4.11).

2. Maturity profile of Term Loans from Banks (Current and Non-current)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than Three Months	7,803	
More Three Months Up to One Year	22,599	
More than One Year Up to Three Years	50,018	
More than Three Years Up to Five Years	38,242	
<b>Total Borrowings</b>	<b>118,662</b>	<b>-</b>

**3. Loan details**

Lender	Maturity date	Interest Rate	Balance
Ford	25-Nov-27	4.99%	43,408
Toyota	28-Dec-24	6.30%	3,417
Wells Fargo	01-May-25	6.64%	5,877
Wells Fargo	01-Mar-29	7.50%	65,960
<b>Total</b>			<b>118,662</b>

**Kirloskar Americas Corporation**  
Notes to the Consolidated Financial Statements

**Note 12 : Borrowings (current)**

	In \$	
	As at 31 March 2024	As at 31 March 2022
<b>Particulars</b>		
<b>Unsecured</b>		
6% Optionally convertible redeemable Non cumulative Preference shares	2,500,000	-
Borrowings from other		
<b>Secured</b>		
<b>From bank &amp; Financial Institutions</b>		
Current Maturities of Non-Current Borrowings	30,402	-
<b>Others</b>		
Borrowings from other	388,640	
<b>Total Borrowings</b>	<b>2,919,042</b>	<b>-</b>

1. Borrowings are measured at amortised cost (Refer Note No. 27.4.11).

2.The Holding Company issued Series A-1 6% Optionally Convertible Redeemable Non-Cumulative Preference Shares (the "Series A-1 Preferred Stock - OCRNPS") at a per share price of US\$ 10 to the Parent Company for a total amount of US\$ 2,500,000 having certain rights and preferences including, but not limited to: a dividend rate of [six percent (6%)] per annum and a term of ten (10) years from the date of issuance, a par value US\$ 10.00, a redemption price US\$10, with a redemption right available anytime upon purchaser request and a conversion ratio of 1:1000 in respect of the Holding Company's common stock (i.e. 1000 shares of common stock, par value of \$ 0.001 each, for every share of Series A-1 Preferred Stock - OCRNPS).

3. Engines LPG LLC dba Wildcat Power Gen, a subsidiary of Kirloskar Americas Corporation entered into various unsecured loan agreements for working capital purposes with the noncontrolling interest partner subordinated to Engines LPG LLC dba Wildcat Power Gen's obligations to other vendors and credits. As of 31st March 2024 the outstanding loan amounted to US\$ 301,003.The advance is due on demand, the principal balance and is classified within current borrowings on the balance sheet. The member agreed to the deferral of any due or past due payments and forego all the interest until March 31, 2025.

4.Engines LPG LLC dba Wildcat Power Gen's also has a short-term debt agreement with ZH Investments. The borrowing is secured substantially by all Engines LPG LLC dba Wildcat Power Gen's assets, due on March 31, 2025, at an 8% interest rate and used for working capital. As of 31st March 2024 the outstanding loan amounted to US\$ 87,638.

**Note 13 : Trade payables**

In \$

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total outstanding</b>		
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	3,283,351	1,039,277
<b>Total</b>	<b>3,283,351</b>	<b>1,039,277</b>

Trade Payables are at amortized cost. (Refer Note No. 27.4.11)

**Note 14 : Other financial liabilities (Current)**

Particulars	As at 31 March 2024	As at 31 Mar 2023
<b>Unsecured</b>		
<b>Other financial liabilities</b>		
Employee benefits payable	138,669	-
Other Payables	35,367	-
<b>Total other financial liabilities</b>	<b>174,035</b>	<b>-</b>

Borrowings are measured at amortised cost.

**Kirloskar Americas Corporation**

Notes to the Consolidated Financial Statements

**Note 14 : Trade payables ( Continued)**

For trade payables outstanding, the ageing schedule is as given below:

As at 31 March 2024

In \$

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro Enterprises and Small Enterprises ("MSME")	-	-	-	-	-	-	-
Others	-	2,875,723	221,392	108,939	33,381	43,917	3,283,351
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,875,723</b>	<b>221,392</b>	<b>108,939</b>	<b>33,381</b>	<b>43,917</b>	<b>3,283,351</b>

\* Disputed dues represents legal cases with vendors

As at 31 March 2023

In \$

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro Enterprises and Small Enterprises ("MSME")	-	-	-	-	-	-	-
Others	-	1,017,813	21,464	-	-	-	1,039,277
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,017,813</b>	<b>21,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,039,277</b>

\* Disputed dues represents legal cases with vendors

**Note 15 : Other Current liabilities**

In \$

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Advance from customers	21,547	13,325
<b>Other payables</b>	<b>15,726</b>	<b>24,589</b>
Statutory dues including 401k plan and tax deducted at source	6,275	5,170
Other Payables	9,450	19,419
<b>Total</b>	<b>37,273</b>	<b>37,914</b>



**Kirloskar Americas Corporation**

Notes to the Consolidated Financial Statements

**Note 16 : Current tax liabilities (net)**

	In \$	
	As at 31 March 2024	As at 31 March 2023
Particulars		
Tax provision (Net of tax paid in advance)	-	12,489
<b>Total</b>	<b>-</b>	<b>12,489</b>

**Note 17 : Revenue from operations**

In \$

Particulars	FY 2023-24	FY 2022-23
Sale of products	3,355,199	3,496,059
Sale of services	58,553	58,451
<b>Total</b>	<b>3,413,753</b>	<b>3,554,510</b>

Also Refer Note No 27.4.12

**Kirloskar Americas Corporation**

## Notes to the Consolidated Financial Statements

**Note 18 : Other Income**

In \$

Particulars	FY 2023-24	FY 2022-23
Gain on disposal of property, plant and equipment	-	16,000
Sundry Balances written back	4,059	-
<b>Total</b>	<b>4,059</b>	<b>16,000</b>

Also Refer Note 27.4.13

**Note 19 : Cost of raw materials consumed**

In \$

Particulars	FY 2023-24	FY 2022-23
Cost of raw materials consumed	565,726	-
<b>Total</b>	<b>565,726</b>	<b>-</b>

**Note 20 : Purchases of traded goods**

In \$

Particulars	FY 2023-24	FY 2022-23
Engines and Gensets	2,399,990	2,752,822
<b>Total</b>	<b>2,399,990</b>	<b>2,752,822</b>

**Note 21 : Changes in inventories of finished goods, work-in-progress and traded goods**

	₹ in Crores	
Particulars	FY 2023-24	FY 2022-23
<b>Opening Inventories</b>	<b>972,958</b>	<b>963,515</b>
Work-in-progress	-	-
Finished goods	-	-
Traded goods	972,958	963,515
<b>Add: Acquisitions through business combinations</b>	<b>63,012</b>	
Work-in-progress	63,012	
<b>Closing Inventories</b>	<b>1,457,427</b>	<b>972,958</b>
Work-in-progress	130,081	-
Finished goods	214,123	-
Traded goods	1,113,223	972,958
<b>(Increase)/decrease in inventories</b>	<b>(421,457)</b>	<b>(9,443)</b>

**Note 22 : Employee benefits expense**

In \$

Particulars		
	FY 2023-24	FY 2022-23
Salaries, wages, bonus, commission, etc.	622,568	232,170
Welfare and training expenses	39,526	26,765
<b>Total</b>	<b>662,093</b>	<b>258,935</b>

**Note 23 : Finance costs**

In \$

Particulars	FY 2023-24	FY 2022-23
Finance costs	5,345	-
<b>Total</b>	<b>5,345</b>	<b>-</b>



**Note 24 : Depreciation and amortisation expense**

In \$

Particulars	FY 2023-24	FY 2022-23
Depreciation on Property, plant and equipment	24,465	7,485
<b>Total</b>	<b>24,465</b>	<b>7,485</b>

**Note 25 : Other expenses**

In \$

Particulars	FY 2023-24	FY 2022-23
<b>Manufacturing expenses</b>	<b>13,279</b>	-
Stores consumed	12,097	-
Job work charges	1,181	-
<b>Selling expenses</b>	<b>217,196</b>	<b>180,311</b>
Commission	17,851	14,708
Freight and forwarding	66,832	76,785
Advertisement and publicity	129,079	66,037
Provision for doubtful debts (Loss allowance for expected credit loss)	3,433	22,781
<b>Administration expenses</b>	<b>638,502</b>	<b>252,899</b>
Rent (Refer Note 28.4.5)	90,509	19,221
Rates and taxes	3,372	267
Insurance	19,055	2,677
Travelling and conveyance	150,348	101,234
Communication expenses	22,191	5,500
Professional charges	291,840	107,110
Office expenses	15,896	4,164
Repairs and maintenance	3,255	9
Warranty Expenses	2,408	8,684
Bank charges	4,782	4,033
Membership & subscription	1,498	-
Postage and courier	1,289	-
Miscellaneous expenses	32,059	-
<b>Total</b>	<b>868,977</b>	<b>433,210</b>

**Note 26 : Tax Expenses**

The major component of tax expenses are :

In \$

Particulars	FY 2023-24	FY 2022-23
<b>Current tax</b>	-	<b>29,089</b>
Current income tax	-	29,089
<b>Deferred tax</b>	<b>(160,255)</b>	<b>256</b>
Relating to reversal or temporary difference	(160,255)	256
<b>Total Tax expenses reported in the Statement of profit and loss</b>	<b>(160,255)</b>	<b>29,345</b>

**Kirloskar Americas Corporation**  
**Note 27 : Notes to the Consolidated Financial Statements**

**1 History and Nature of Business of the Company**

The consolidated financial statements comprise the financial statements of Kirloskar Americas Corporation ('the Holding Company') and its subsidiary (collectively 'the Group'). The Holding Company was incorporated under State of Delaware on 18 March 2015 . The registered office of the Parent company is located at 33300 Egypt Lane, Suite C300, Magnolia, Texas-77354, United States of America. With effect from 23 June 2015, the Parent Company is a wholly owned subsidiary of Kirloskar Oil Engines Limited, India.

KOEL Americas Corp. was renamed as Kirloskar Americas Corporation w.e.f. 21 May 2021.

The Group focuses on the sales of diesel engines, diesel pump sets and generators in North and Latin American regions through a distributor network. The Company's business is affected by general economic fluctuations. The Parent Company has commenced business since June 2015.

On 29th November 2023, the Holding Company has purchased of 51% membership interest in Engines LPG LLC, DBA Wildcat Power Gen, USA ("Engines LPG LLC"), from one of its existing member Yanbas, LLC, in exchange for approximate cash consideration of \$357,000. Consequent to the said acquisition, Engines LPG LLC has become a subsidiary of the Holding Company with effect from 29th November, 2023.

**2 Basis of preparation of consolidated financial statements**

The Group's consolidated financial statements have been prepared in all material aspects in accordance with accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) to the extent applicable. These financials are prepared for the limited purpose of preparation of Holdings company's (Kirloskar Oil Engines Limited) consolidated consolidated financial statements & as required under Regulation 10 (4) of Foreign Exchange Management (Overseas Investment) Regulations, 2022 (No. FEMA 400/2022-RB) and Para 5 of A.P. (DIR Series) Circular No.12 RBI/2022-2023/110 dated August 22, 2022 issued by the Reserve Bank of India in the context of submission of the Annual Performance Report and is not to be used for any other purposes.

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain items of financial instruments which are measured at fair value as per Ind AS.

The consolidated financial statements are prepared in US Dollar which is its functional currency.

The financial statements were approved by the Board of Directors and authorized for issue on 6th May 2024.

Particulars of subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of Company	Country of Incorporation	% of Shareholding of Kirloskar Oil Engines Ltd.	Consolidated As
Engines LPG LLP dba Wildcat Power Gen	United States of America	51%	Subsidiary (w.e.f 29th Nov,2023)

**3 Significant accounting judgements, estimates and assumptions**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 4 Significant Accounting Policies

### 4.1 Current Vs. Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on Current/Non-current classification.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
  - b. Held primarily for the purpose of trading
  - c. Expected to be realised within twelve months after the reporting period, or
  - d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as Non-current.

A liability is current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as Non-current assets and liabilities.

The Company classifies all other liabilities as Non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### 4.2 Property, Plant and Equipment:

Property, Plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

#### Depreciation

Depreciation is charged on the basis of useful life of assets on straight line method which are follows:

Asset Category	Life (in years)
Plant & Equipment other than Pattern Tooling	7
Vehicles	5
Office equipment and furnitures & fixtures	3-10
Computer and Software	5
Leasehold Improvements	15

### 4.3 Intangible assets

Intangible assets with finite useful lives are amortised by using straight line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset maybe impaired.

### 4.4 Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is included in other assets on the balance sheets.

The Parent Company estimates whether goodwill accounted under business combination has suffered any impairment on annual basis. For this purpose, the recoverable amount of the CGU was determined based on value in use calculations which require the use of assumptions. No impairment is recognized as of March 31, 2024.

#### 4.5 Inventory:

The Group holds inventory consisting of diesel engines and generator sets for stock and sale. The Inventory is valued at cost or net realizable value whichever is lower .

#### 4.6 Government Grant

The Group had determined the grant as a grant related to income based on the evaluation of terms and conditions attached to the eligibility of grant and the Company accounts for the grant as income in Statement of profit and loss.

Grants and subsidies from the government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

#### 4.7 Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

#### 4.8 Cash and Cash Equivalent:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

#### 4.9 Cash Flow Statement:

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Group are segregated.

#### 4.10 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 4.11 Financial Assets and Financial Liabilities:

##### (i) Initial Recognition

All financial assets are recognized initially at fair value. However, trade receivable that do not contain a significant financing component are measured at transaction price.

All financial liabilities are recognized initially at fair value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. It is normally the transaction price.

##### (ii) Subsequently measurement

For Purposes of subsequent measurement , financial assets are classified in three categories-

- (a) At amortized cost
- (b) At fair value through other comprehensive income (FVOCI)
- (c) At fair value through profit or loss (FVTPL)

For Purposes of subsequent measurement , financial liabilities are classified in two categories.

- (a) At amortized cost
- (b) At fair value through profit or loss (FVTPL)

(ii) **Derecognition**

A financial assets is derecognized when the contractual rights to the cash flows from the financial asset expire.

OR

The Company has transferred its contractual right to receive cash flows from the asset.

A financial liability (or a part of financial liability) is derecognized from its balance sheet when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

**4.12 Revenue from Contracts with Customers**

The Group recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer's creditworthiness.

There is no financing component in the contract as the credit period does not exceed one year.

**4.13 Other Income**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**4.14 Leases**

Ind AS 116 'Leases' provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgement.

Rental expenses recorded for low value leases for current year is US\$ 90,509 (31 March 2023 : US\$ 19,221)

**4.15 Provisions and Contingencies**

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

There are no contingent liabilities out of transactions for the fiscal year (Previous year: NIL).

There are no capital and other material commitments for the fiscal year (Previous year: NIL).

**4.16 Foreign Exchange Derivatives**

There are no foreign exchange derivatives transactions for the fiscal year (Previous year: NIL).

**4.17 Current income tax**

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

#### 4.18 Deferred Tax

Deferred tax assets arises primarily from the difference between the tax base and the book base of assets and liabilities recognised not currently included as income or deductible for the tax purposes. The deferred tax represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

#### 4.19 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquire and the equity interests issued by the company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of,

- the sum of consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held equity interest in the acquire (if any)
- over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.



## 5 Additional Notes

### 5.1 Transactions and outstanding balances with Related Parties

Name of the party	Relationship	Type of Transaction	2023-24	2022-23
<b>Transactions:</b>				
Kirloskar Oil Engines Limited	Parent Company	Purchase of Goods	3,295,818	2,533,832
Kirloskar Oil Engines Limited	Parent Company	Marketing Revenue	52,560	58,451
Kirloskar Oil Engines Limited	Parent Company	Warranty Reimbursement	4,008	-
Kirloskar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-
Engineman Consultants LLC	Entity in which director is interested	Professional fees and travel expenses	1,087	45,453
Kirloskar Proprietary Ltd	A public company in which director is a director and holds along with his relatives more than 2% of Paid-up share capital	Professional Fees	1,375	1,450
<b>Outstanding Balances :</b>				
Kirloskar Oil Engines Limited	Parent Company	Trade Payable	2,555,951	1,012,065
Kirloskar Oil Engines Limited	Parent Company	Trade Receivable	21,166	25,305
Kirloskar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	-

### 5.2 Employee Benefit Plan

The Company Started a 401 (K) plan from January 1, 2023 whereby all employees may contribute up to the maximum amount allowed each year. The Employees are fully vested in their contributions when made. The Company matches a 100 % contribution of up to 5% of employee's basic monthly wages to all employees. The Company has reported expenses under the plan of \$10,178 (31st March, 2023 : \$2,153).

### 5.3 Goodwill

On November 29, 2023, the Company acquired 51 % of the partnership interest in Engines LPG LLC dba Wildcat Power Gen from Yanbas LLC, a Louisiana limited liability company. Goodwill of \$679,899 arising from the acquisition was subsequently booked. The amount of goodwill recognized in the transaction was the amount of consideration paid that exceeded the net book value of the partnership interest at the date of acquisition:

Particulars	Amount in \$
Purchase Price	357,000
Partnership Interest of Yanbas, LLC (Net book value in Engines at 29 November, 2023)	(322,899)
Goodwill (Net book value at 29 November, 2023)	679,899

The goodwill recognized as part of this acquisition is primarily related to synergistic value created from the opportunity for additional expansion. It also includes certain other intangible assets that do not qualify for separate recognition, such as an assembled workforce.

#### 5.4 Earnings per share (Basic and Diluted)

In \$		
Particulars	2023-24	2022-23
Profit for the year after taxation (Amounts in \$)	(266,557)	98,156
Total number of equity shares at the end of the year (One equity share of face value of \$ 0.001 each fully paid -up)	50	50
Weighted average number of equity shares for the purpose of computing Basic earnings per share and Diluted earnings per share	50	50
<b>Basic earnings per share (in \$)</b>	<b>(5,331)</b>	<b>1,963</b>

Earnings per share are calculated in accordance with Accounting Standard (Ind AS 33) "Earnings Per Share".

For and on behalf of Kirloskar Americas Corporation

**Gauri Atul Kirloskar**  
Digitally signed by  
Gauri Atul Kirloskar  
Date: 2024.05.07  
15:00:41 +05'30'

Gauri Kirloskar  
Director  
Date : 7th May 2024