

KIRLOSKAR AMERICAS CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2025, and 2024

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

TABLE OF CONTENTS

	<u>PAGE</u>
Independent accountants' compilation report	1
Financial statements	
Balance sheet	2
Statement of income/(loss)	3
Statement of retained earnings.....	4
Statement of cash flows	5
Notes to financial statements.....	6

FLOOD, KALLUS, YEN & GUPTA PLLC

CERTIFIED PUBLIC ACCOUNTANTS

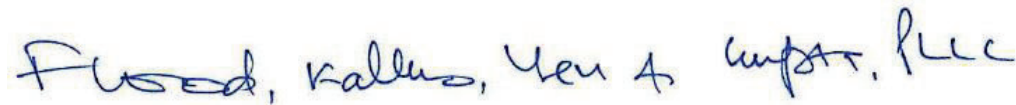
19627 Interstate 45 N • Spring, Texas 77388 • 281-355-9272 • Fax 281-355-1800 • www.fkygcpa.com

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, 2025, and 2024, 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.



Flood, Kallus, Yen & Gupta PLLC
Spring, Texas
April 28, 2025

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
BALANCE SHEET
AS OF MARCH 31, 2025, and 2024

ASSETS		March 31, 2025	March 31, 2024
CURRENT ASSETS			
Cash (Note 2)	\$	440,783	444,520
Accounts receivable (Note 4) (Note 5)		612,528	1,089,341
Less allowance for doubtful accounts (Note 4) (Note 5)		(56,650)	(28,920)
Inventory (Note 4)		978,430	587,821
Interest receivable - Wildcat (Note 6)		330,180	45,289
Employee advance		8,000	3,000
Prepaid inventory (Note 4)		198,341	570,603
Federal tax assets (Note 4)		-	3,109
Receivable - KOEL India		8,947	21,166
Note receivable -Wildcat (Note 6)		4,495,000	1,934,083
Total current assets		<u>7,015,559</u>	<u>4,670,012</u>
NONCURRENT ASSETS			
Vehicles		109,441	55,204
Office furniture		162	162
Office equipment		4,209	3,126
Less accumulated depreciation and amortization		(36,787)	(21,446)
Total fixed assets (Note 4)		<u>77,025</u>	<u>37,046</u>
Investment in Wildcat (Note 7)		357,000	357,000
Operating lease right-of-use assets (Note 8)		5,593	22,219
Security deposits		3,150	3,150
Total noncurrent assets		<u>442,768</u>	<u>419,415</u>
TOTAL ASSETS	\$	<u>7,458,327</u>	<u>5,089,427</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable - trade (Note 10)	\$	952,742	1,478,468
Advances received from customers		1,565	-
Current portion of operating lease liability (Note 8)		5,593	16,626
Federal income tax payable - current (Note 9)		78,903	-
Provision for obsolete inventory		79,101	45,201
Other payables (Note 11)		27,026	19,846
Total current liabilities		<u>1,144,930</u>	<u>1,560,141</u>
NONCURRENT LIABILITIES			
Operating lease liability, net (Note 8)		-	5,593
TOTAL LIABILITIES		<u>1,144,930</u>	<u>1,565,734</u>
STOCKHOLDER'S EQUITY			
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 500,000 shares issued and authorized) (Note 12)		5,000,000	2,500,000
Retained earnings		1,063,397	773,693
Total stockholder's equity		<u>6,313,397</u>	<u>3,523,693</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$	<u>7,458,327</u>	<u>5,089,427</u>

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation
Gauri Atul
Digitally signed by Gauri Atul Kirloskar
Date: 2025.04.30 18:37:45 +05'30'
Kirloskar
Gauri Kirloskar
Director
Date: 30th April 2025

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
STATEMENT OF INCOME/(LOSS)
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

	March 31, 2025	March 31, 2024
SALES REVENUE	\$ 3,541,390	3,001,657
COST OF GOODS SOLD	<u>2,522,608</u>	<u>2,259,725</u>
GROSS PROFIT	<u>1,018,782</u>	<u>741,932</u>
MARKETING REVENUE (Note 14)	28,104	52,560
GROSS PROFIT FROM OPERATIONS	<u>1,046,886</u>	<u>794,492</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising & sales promotions (Note 4)	31,102	45,725
Agency commissions	-	17,851
Provision for doubtful debts	27,730	3,433
Bank charges	15,638	4,576
Communication expense	3,959	4,971
Depreciation and amortization	15,341	11,165
Employee welfare expense	35,723	2,828
Employee benefit expense (Note 13)	17,822	10,178
Insurance expense	5,228	4,605
Logistics expense	83,100	64,386
Lease expense (Note 8)	16,890	19,532
Meals	7,889	11,275
Office expense	1,390	1,480
Professional fees	100,734	281,653
Repairs and maintenance	2,023	314
Reimbursement expense	-	(4,059)
Salary	391,817	222,450
Taxes	31,145	20,653
Travel expense	154,871	130,002
Utilities	1,183	1,083
Warranty expense	16,476	15
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>960,061</u>	<u>854,116</u>
INCOME FROM OPERATIONS	<u>86,825</u>	<u>(59,624)</u>
OTHER INCOME/(EXPENSES)		
Interest income (Note 6)	284,891	45,289
TOTAL OTHER INCOME/(EXPENSES)	<u>284,891</u>	<u>45,289</u>
NET INCOME BEFORE PROVISION FOR INCOME TAXES	<u>371,716</u>	<u>(14,335)</u>
Federal income tax - current (Note 9)	82,012	-
Federal income tax - deferred (Note 9)	-	(3,109)
TOTAL PROVISION FOR INCOME TAXES	<u>82,012</u>	<u>(3,109)</u>
NET INCOME	<u>\$ 289,704</u>	<u>(11,226)</u>

See Accompanying Notes and Independent Accountants' Compilation Report

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

	March 31, 2025	March 31, 2024
BEGINNING BALANCE - APRIL 1	\$ 773,693	784,919
CURRENT YEAR DIVIDENDS	-	-
NET INCOME/(LOSS) FOR THE YEAR	289,704	(11,226)
ENDING BALANCE - MARCH 31	\$ <u>1,063,397</u>	<u>773,693</u>

For and on behalf of Kirloskar Americas Corporation

Gauri Atul Kirloskar
Digitally signed by
Gauri Atul Kirloskar
Date: 2025.04.30
18:38:15 +05'30'

Gauri Kirloskar
Director
Date: 30th April 2025

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

	March 31, 2025	March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ 289,704	(11,226)
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	15,341	11,165
(Increase) decrease in:		
Accounts receivable	476,813	(157,861)
Interest receivable	(284,891)	(45,289)
Other receivables	12,219	4,139
Prepaid expenses	-	9,163
Inventory	(390,609)	53,920
Employee advance	(5,000)	(3,000)
Prepaid inventory	372,262	(226,765)
Federal tax asset	3,109	(3,109)
Increase (decrease) in:		
Accounts payable	(525,726)	439,192
Other payables	7,180	(4,743)
Advances received from customers	1,565	-
Allowance for doubtful accounts	27,730	3,433
Federal income tax payable	78,903	(12,489)
Provision for obsolete inventory	33,900	32,579
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>112,500</u>	<u>89,109</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(55,320)	-
Issuance of notes to Wildcat	(2,560,917)	(1,934,083)
Investment in Wildcat	-	(357,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,616,237)</u>	<u>(2,291,083)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of convertible preferred stock	2,500,000	2,500,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>2,500,000</u>	<u>2,500,000</u>
NET INCREASE/(DECREASE) IN CASH	(3,737)	298,026
CASH BEGINNING OF YEAR	444,520	146,494
CASH END OF YEAR	<u>\$ 440,783</u>	<u>444,520</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Federal income tax paid	\$ -	-

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation
Gauri Atul
Digitally signed by Gauri Atul Kirloskar
Date: 2025.04.30 18:38:26
+05'30'
Kirloskar
Gauri Kirloskar
Director
Date: 30th April 2025

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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, 2025, the Company had a checking account valued at \$440,783, of which \$190,783 is in excess of the FDIC insured balance. On March 31, 2024, the Company had a checking account valued at \$444,520. 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 April 21, 2025, 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, 2025, and 2024

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, 2025 and 2024, were \$31,102 and \$45,725, 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, 2025, and 2024

- 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, 2025 or 2024. 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, 2025, and 2024

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 \$56,650 and \$28,920 as of March 31, 2025 and 2024, respectively.

As of March 31, 2025, the Company's aging of accounts receivable is as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Current	\$ 289,622	\$ 653,333
1-30 days past due	96,325	52,567
31-60 days past due	14,432	243,924
61-90 days past due	51,342	90,638
Greater than 90 days past due	<u>160,807</u>	<u>48,878</u>
Total	<u>\$ 612,528</u>	<u>\$ 1,089,341</u>

NOTE 6 – NOTE RECEIVABLE

As of March 31, 2025, 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, 2025, was \$284,891.

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, 2025, the investment balance was \$357,000.

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

NOTE 8 – LEASES

The Company had a building lease in Texas as of March 31, 2025. The Texas lease expires on July 31, 2025. The management has not signed a renewal of the lease as they are exploring for a bigger building space.

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, 2025</u>	<u>March 31, 2024</u>
Operating lease cost	\$ 12,127	\$ 11,454
Variable lease cost	4,763	8,078
Total lease cost	<u>\$ 16,890</u>	<u>\$ 19,532</u>

Amounts reported in the consolidated balance sheets as of March 31, 2025, are as follows:

Operating lease ROU assets	\$ 5,593
Operating lease liabilities, current portion	\$ 5,593
Operating lease liabilities, non-current	<u>0</u>
Total operating lease liabilities	<u>\$ 5,593</u>

At March 31, 2025 the Company did not have any operating leases that had not yet commenced.

Maturities of operating lease liabilities as of March 31, 2025, were as follows:

	<u>Lease Payments</u>
Apr 1, 2025 – July 31, 2025	<u>5,751</u>
Total undiscounted lease payments	5,751
Less imputed interest	<u>(158)</u>
Present value of lease liabilities	<u>\$ 5,593</u>

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

NOTE 9 – INCOME TAXES

Income tax expense consists of the following:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Current tax expense	\$ 82,012	\$ 0
Current tax accrued	0	0
Deferred tax expense	0	(3,109)
Income tax penalties	0	0
Income tax expense	<u>\$ 82,012</u>	<u>\$ (3,109)</u>

NOTE 10 – ACCOUNTS PAYABLES

As of March 31, 2025, the Company's aging of accounts payable is as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Current	\$ 411,482	\$ 1,384,504
1-30 days past due	150,671	0
31-60 days past due	293,484	0
61-90 days past due	0	0
Greater than 90 days past due	<u>97,105</u>	<u>93,963</u>
Total	<u>\$ 952,742</u>	<u>\$ 1,478,468</u>

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

NOTE 11 – OTHER PAYABLES

Other payables consisted of the following:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Accrued liabilities	\$ 5,450	\$ 8,477
Credit cards payables	5,972	4,120
Accrued payroll and related expenses	15,604	7,249
Total	<u>\$ 27,026</u>	<u>\$ 19,846</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.

On May 7, 2024, the Company issued additional 250,000 non-assessable series A-1 optionally convertible redeemable non-cumulative preference shares to Kirloskar Oil Engines, Limited with the same terms as mentioned above.

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 \$17,822 and \$10,177 for the fiscal year ended March 31, 2025 and 2024, respectively.

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

NOTE 14 – RELATED PARTY TRANSACTIONS

Following are details of transactions during the fiscal years ended March 31, 2025, and 2024 with related parties:

Name of the Party	Relationship	Type of Transaction	FYE March 31, 2025 Amount (\$)	FYE March 31, 2024 Amount (\$)
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	3,357,183	2,218,335
Kirloskar Oil Engines Limited, India	Parent Company	Marketing revenue	28,104	52,560
Kirloskar Oil Engines Limited, India	Parent Company	Warranty reimbursement	23,382	4,008
Kirloskar Oil Engines Limited, India	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	2,500,000
Engineman Consultants LLC	Entity in which directors have a significant controlling interest	Professional fees & travel expenses	0	1,087
Kirloskar Proprietary Ltd	Entity in which a director has a significant controlling interest	Professional fees (Royalty)	1,385	1,375
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loan	2,560,917	1,934,083
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Interest on loan	284,891	45,289
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Sales revenue	86,095	134,533

See Independent Accountants' Compilation Report
- 13 -

For and on behalf of Kirloskar Americas Corporation
Gauri Atul Kirloskar
Digitally signed by
Gauri Atul Kirloskar
Date: 2025.04.30
18:38:42 +05'30'
Kirloskar
Gauri Kirloskar
Director
Date: 30th April 2025

Kirloskar Americas Corporation

SUPPLEMENTARY INFORMATION

SCHEDULES I & II

STANDALONE FINANCIALS AS GENERALLY REPORTED IN INDIA

For the year ended 31 March 2025

2024-25

Kirloskar Americas Corporation
Balance Sheet as at 31 March 2025

		In \$	
Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
I. Non-current assets		437,174	400,304
(a) Property, plant and equipment	1	77,024	37,045
(b) Financial assets			
(i) Investments	2	357,000	357,000
(ii) Other financial assets	3	3,150	3,150
(c) Deferred tax assets (net)	4	-	3,109
II. Current assets		6,937,564	4,622,806
(a) Inventories	5	1,097,670	1,113,223
(b) Financial assets			
(i) Trade receivables	6	565,930	1,082,691
(ii) Cash and cash equivalents	7	440,784	444,520
(iii) Loans	8	4,825,180	1,979,372
(c) Other current assets	9	8,000	3,000
Total Assets		7,374,738	5,023,111
EQUITY AND LIABILITIES			
Equity		1,313,397	1,023,693
(a) Equity share capital	10	250,000	250,000
(b) Other equity		1,063,397	773,693
Liabilities			
I. Current liabilities		6,061,341	3,999,417
(a) Financial liabilities			
(i) Borrowings	12	5,000,000	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	952,742	1,478,467
(ii) Other financial liabilities	14	5,973	-
(b) Other current liabilities	15	23,723	20,950
(c) Current tax liabilities (net)	16	78,903	-
Total Equity and Liabilities		7,374,738	5,023,111
Significant accounting policies	24		
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
 Digitally signed
 by Gauri Atul
 Kirloskar
 Date: 2025.04.30
 18:20:30 +05'30'

Gauri Kirloskar
 Director
 Date : 30 April, 2025

Kirloskar Americas Corporation
Statement of profit and loss for the year ended 31 March 2025

In \$

Particulars	Notes	2024-25	2023-24
Income			
Revenue from operations	17	3,569,494	3,054,217
Other income	18	284,891	49,348
Total Income		3,854,385	3,103,566
Expenses			
Purchase of traded goods	19	2,507,055	2,399,990
Changes in inventories of traded goods		15,553	(140,265)
Employee benefits expense	20	483,412	264,013
Finance costs		-	-
Depreciation and amortisation expense	21	15,341	11,165
Other Expenses	22	461,308	582,997
Total Expenses		3,482,669	3,117,900
Profit before exceptional items and tax		371,716	(14,335)
Exceptional items		-	-
Profit before tax		371,716	(14,335)
Tax expenses			
Current tax	23	82,012	(3,109)
Deferred tax	23	78,903	-
		3,109	(3,109)
Profit for the year		289,704	(11,226)
Other comprehensive income			
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		-	-
Total other comprehensive income for the year, net of tax [A+B]		-	-
Total comprehensive income for the year, net of tax		289,704	-11,226

Earnings per equity share [nominal value per share \$ 0.001 each (31 March 2023 \$ 0.001 each)]

Basic	23.5.4	5,794	(225)
Diluted	23.5.4	5,794	(225)

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:
2025.04.30
18:20:40 +05'30'
Gauri Kirloskar
Director
Date : 30 April, 2025

Statement of Changes in Equity for the year ended 31 March 2025

Equity share capital		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	250,000	250,000
Issue/Reduction, if any during the year	-	-
Balance at the end of the year	250,000	250,000

Other equity		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	773,693	784,919
Net profit /(loss) for the year	289,704	-11,226
Balance at the end of the year	1,063,397	773,693

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:
 2025.04.30
 18:20:52 +05'30'

Gauri Kirloskar
Director
Date : 30 April, 2025

Kirloskar Americas Corporation
Statement of Cash Flow for the year ended 31 March 2025

	In \$	
Particulars	2024-25	2023-24
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	371,716	(14,335)
Adjustments :		
Add:		
Depreciation and amortisation expenses	15,341	11,165
Impairment loss allowance, write off on trade receivables / other receivables (net)	27,730	3,433
Write down / (reversal) in write down of inventories	35,846	32,580
Less:		
Sundry credit balances written back	-	4,059
Working Capital Adjustments:		
(Increase) / Decrease in Trade Receivables	489,031	(141,501)
(Increase) / Decrease in Inventories	(20,293)	(172,844)
(Increase) / Decrease in Other Current assets	(5,000)	6,163
Increase / (Decrease) in Trade Payables	(519,752)	435,130
Increase / (Decrease) in Other Liabilities	2,773	(16,964)
Net Cash generated from / (used in) operations	397,392	146,886
Income taxes paid	-	(12,489)
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES	397,392	134,397
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Subsidiary	-	(357,000)
Purchase of property, plant and equipment (PPE)	(55,319)	-
Loans granted to Subsidiary	(2,845,809)	(1,979,372)
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(2,901,128)	(2,336,372)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	2,500,000	2,500,000
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	2,500,000	2,500,000
Net increase / (decrease) in Cash and Cash equivalents	(3,736)	298,026
Opening Cash and Cash equivalents	444,520	146,494
Closing Cash and Cash equivalents	440,784	444,520

As per our attached report of even date.

For and on behalf of Kirloskar Americas Corporation

Gauri Atul Digitally signed by
Kirloskar Gauri Atul Kirloskar
Date: 2025.04.30
18:21:04 +05'30'
Gauri Kirloskar
Director
Date : 30 April, 2025

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 1 : Property, plant and equipment

	In \$			
Particulars	Furniture & Fixture	Vehicles	Office Equipment	Total
Gross Block				
As at 1 April 2023	162	55,204	3,126	58,493
Additions	-	-	-	-
Deductions	-	-	-	-
As at 31 March 2024	162	55,204	3,126	58,493
Additions	-	54,237	1,082	55,319
Deductions	-	-	-	-
As at 31 March 2025	162	109,441	4,209	113,812
Depreciation and Impairment				
As at 1 April 2023	119	7,361	2,802	10,281
Depreciation for the year	16	11,041	108	11,165
Deductions	-	-	-	-
As at 31 March 2024	135	18,402	2,910	21,447
Depreciation for the year	16	15,109	216	15,341
Deductions	-	-	-	-
As at 31 March 2025	151	33,511	3,126	36,788
Net Block				
As at 31 March 2024	27	36,802	217	37,045
As at 31 March 2025	11	75,930	1,083	77,024

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 2 : Investments (Non-current)

In \$		
Particulars	As at 31 March 2025	As at 31 March 2024
At cost		
Investments in Subsidiaries	357,000	357,000
Total	357,000	357,000

During the previous year, on 29th November 2023, the company invested in Engines LPG LLC, dba Wildcat Power Gen, USA ("Engines LPG LLC"), by purchasing 51% membership interest through a Securities Purchase Agreement including Ancillary 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.

Note 3 : Other financial assets (Non current)

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Security deposits (Unsecured, considered good)	3,150	3,150
Total	3,150	3,150

Other Non current financial assets are at amortized cost. (Refer Note No. 24.4.9)

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 4 : Deferred tax assets (net)

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Deferred tax assets		
Tax loss	-	3,109
Total	-	3,109

Also Refer Note No 24.4.16

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 5 : Inventories

	In \$	
Particulars	As at 31 March 2025	As at 31 March 2024
Traded goods	1,097,670	1,113,223
Total	1,097,670	1,113,223

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 6 : Trade receivables

	In \$	
Particulars	As at 31 March 2025	As at 31 March 2024
Total Trade Receivables	565,930	1,082,691
Trade receivables	470,888	926,992
Receivables from related parties	95,042	155,699
Break-up for security details:		
Unsecured, considered good	622,580	1,111,611
Loss allowance (for expected credit loss under simplified approach)	(56,650)	(28,920)
Total	565,930	1,082,691

1. Trade Receivables are measured at amortized cost. Also Refer Note No. 24.4.9

2. For related party disclosures, refer Note 24.5.1

3. Movement of Loss allowance (for expected credit loss under simplified approach) :

Particulars	In \$
As at 1 April 2023	25,487
Allowance made/(reversed) during the year	3,433
Less : Written off	-
As at 31 March 2024	28,920
Allowance made/(reversed) during the year	27,730
Less : Written off	
As at 31 March 2025	56,650

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 6 : Trade receivables (Continued)

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

In \$

As at 31 March 2025

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	298,570	267,360	40,178	-	16,472	-	622,580
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables	-	-	-	-	-	-	-
Total Trade Receivables							622,580
Less: Loss allowance for expected credit loss							(56,650)
Total Trade Receivables							565,930

* Disputed Trade Receivables represents legal cases with customers

As at 31 March 2024

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	674,499	408,192		28,920	-	-	1,111,611
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables	-	-	-	-	-	-	-
Total Trade Receivables							1,111,611
Less: Loss allowance for expected credit loss							(28,920)
Total Trade Receivables							1,082,691

* Disputed Trade Receivables represents legal cases with customers

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 7 : Cash and cash equivalents

In \$		
Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Bank		
Current Accounts	440,784	444,520
Total	440,784	444,520

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 8 : Loans (Current)

		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Loans to subsidiaries (unsecured, considered good)	4,825,180	1,979,372
Total	4,825,180	1,979,372

Loans are measured at amortised cost. Refer Note 24.5.1 for related party disclosures.

The Subsidiary company has executed a subordination agreement with the bank and the Company, wherein the principal repayment of the loan granted by the company to the subsidiary company would be be subordinated to the repayment of the loans borrowed by the subsidiary company from banks.

Note 9 : Other current assets

		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Advance to Employees	8,000	3,000
Total	8,000	3,000

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 10 : Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	In \$	No. of shares	In \$
Authorised share capital				
1,000 Equity shares of \$ 0.001 each				
Issued and subscribed share capital				
50 Equity shares of \$ 0.001 each				
Subscribed and fully paid up				
Equity shares of \$ 0.001 each	50	250,000	50	250,000
Total	50	250,000	50	250,000

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

Name of the Shareholder	As at 31 March 2025		As at 31 March 2024	
	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 2025

Note 11 : Other equity

		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Retained Earnings		
Opening Balance	773,693	784,919
Add : Profit/(Loss) for the year	289,704	(11,226)
Add : Other Comprehensive income	-	-
Closing Balance	1,063,397	773,693
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	1,063,397	773,693

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 12 : Borrowings (current)

	In \$	
Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
6% Optionally convertible redeemable non cumulative Preference shares ("OCRNPS")	5,000,000	2,500,000
Total Borrowings	5,000,000	2,500,000

1. Borrowings are measured at amortised cost.

2. Pursuant to the unanimous written consent dated 14th September, 2023 of the Board of Directors, the Company had offered the Parent Company to purchase in tranches and from time to time stocks upto 500,000 of the Company's newly-created Series A-1 6% Optionally Convertible Redeemable Non-Cumulative Preference Shares (the "Series A-1 Preferred Stock - OCRNPS") at a purchase price of US\$ 10 per share for a total amount of up to US\$ 5,000,000 having certain rights and preferences including, but not limited to: a dividend rate of [six percent (6%)] per annum and a term of ten years from the date of issuance, a par value US\$ 10, 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). During the year, the Parent Company has further invested US\$ 2,500,000 in 2nd tranche of Series A-1 Preferred Stock – OCRNPS, as per payment terms covered in the Letter of Offer issued to the Parent Company. The total amount invested by the Parent Company in OCRNPS as at 31st March 2025 is \$5,000,000.

3. Refer Note 24.5.1 for related party disclosures.

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 13 : Trade payables

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Total outstanding		
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	952,742	1,478,467
Total	952,742	1,478,467

1.Trade Payables are at amortized cost. (Refer Note No. 24.4.9)

2. For related party disclosures, refer note no. 24.5.1

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 13 : Trade payables (Continued)

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

As at 31 March 2025**In \$**

Particulars	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	952,743	-	-	-	-	952,743
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	952,743	-	-	-	-	952,743

* Disputed dues represents legal cases with vendors

As at 31 March 2024**In \$**

Particulars	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	1,478,467	-	-	-	-	1,478,467
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	1,478,467	-	-	-	-	1,478,467

* Disputed dues represents legal cases with vendors

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 14 : Other financial liabilities (Current)

Particulars	As at 31 March 2025	As at 31 Mar 2021
Unsecured		
Other financial liabilities		
Other Payables	5,973	-
Total other financial liabilities	5,973	-

Other financial liabilities are measured at amortised cost.

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 15 : Other Current liabilities

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Advance from customers	2,670	1,104
Other payables	21,054	19,845
Statutory dues including 401k plan and tax deducted at source	15,604	6,275
Other Payables	5,450	13,570
Total	23,723	20,950

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 16 : Current tax liabilities (net)

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Tax provision (net of tax paid in advance)	78,903	-
Total	78,903	-

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 17 : Revenue from operations

	In \$	
Particulars	2024-25	2023-24
Sale of products	3,541,390	3,001,658
Sale of services	28,104	52,560
Total	3,569,494	3,054,217

Also Refer Note No 24.4.10 for accounting policy.

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 18 : Other Income

In \$		
Particulars	2024-25	2023-24
Sundry Balances written back	-	4,059
Interest Income	284,891	45,289
Total	284,891	49,348

Also Refer Note 24.4.11 for accounting policy and Note 24.5.1 for related party disclosures.

Note 19 : Purchases of traded goods

In \$		
Particulars	2024-25	2023-24
Engines and Gensets	2,507,055	2,399,990
Total	2,507,055	2,399,990

Note 20 : Employee benefits expense

		In \$
Particulars	2024-25	2023-24
Salaries, wages, bonus, etc.	475,523	249,910
Welfare and training expenses	7,889	14,103
Total	483,412	264,013

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 21 : Depreciation and amortisation expense

In \$

Particulars	2024-25	2023-24
Depreciation on Property, plant and equipment	15,341	11,165
Total	15,341	11,165

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 22 : Other expenses

In \$

Particulars	2024-25	2023-24
Selling expenses	141,932	131,395
Commission	-	17,851
Freight and forwarding	83,100	64,386
Advertisement and publicity	31,102	45,725
Provision for doubtful debts and advances (net)	27,730	3,433
Administration expenses	319,376	451,602
Rent	16,890	19,532
Rates and taxes	984	3,372
Insurance	5,228	4,605
Travelling and conveyance	154,871	130,002
Communication expenses	3,959	4,971
Professional charges	100,734	281,653
Office expenses	2,573	2,562
Repairs and maintenance	2,023	314
Warranty Expenses	16,476	15
Bank charges	15,638	4,575
Total	461,308	582,997

Kirloskar Americas Corporation

Notes to the Financial Statements for the year ended 31 March 2025

Note 23 : Tax Expenses

The major component of tax expenses are :

In \$

Particulars	2024-25	2023-24
Current tax	78,903	-
Current income tax	78,903	-
Deferred tax	3,109	(3,109)
Relating to reversal or temporary difference	3,109	(3,109)
Total Tax expenses reported in the Statement of profit and loss	82,012	(3,109)

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 28th April 2025.

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:

Asset Category	Life (in years)
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\$ 16,890 (31 March 2024 : US\$ 19,532)

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	2024-25	2023-24
Transactions:				
Kirlsokar Oil Engines Limited	Parent Company	Purchase of Goods	2,363,293	2,218,335
Kirlsokar Oil Engines Limited	Parent Company	Marketing Revenue	28,104	52,560
Kirlsokar Oil Engines Limited	Parent Company	Warranty Reimbursement	23,382	4,008
Kirlsokar Oil Engines Limited	Parent Company	Borrowing obtained through optionally convertible redeemable non cumulative preference shares ("OCRNPS")	2,500,000	2,500,000
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loans granted	2,560,917	1,934,083
Engineman Consultants LLC	Entity in which director is interested	Professional fees and travel expenses	-	1,087
Kirloskar Proprietary Limited	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	1,385	1,375
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Sale of Goods	86,095	134,533
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Interest income on Loan	284,891	45,289
Outstanding Balances :				
Kirlsokar Oil Engines Limited	Parent Company	Trade Payable	945,633	1,478,468
Kirlsokar Oil Engines Limited	Parent Company	Trade Receivable	95,042	155,699
Kirlsokar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	5,000,000	2,500,000
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Trade Receivable	86,095	134,533
Engines LPG LLP dba Wildcat Power Gen	Subsidiary	Loan Receivable (Including accrued interest)	4,825,180	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
Parent Company:			
Kirloskar Oil Engines Limited	7-May-24	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
Company:	Subsidiary Company:			
Kirloskar Americas Corporation	Engines LPG, LLC dba Wildcat	On various dates	Loan	USD 2.56 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 Corporation	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 \$17,822 (31st March, 2024 : \$10,178).

5.4 Earnings per share (Basic and Diluted)

Particulars	In \$	
	2024-25	2023-24
Profit for the year after taxation (Amounts in \$)	289,704	-11,226
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
Basic earnings per share (in \$)	5,794	(225)

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:
2025.04.30
18:21:27 +05'30'

Gauri Kirloskar

Director

Date : 30 April, 2025

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025, and 2024

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

TABLE OF CONTENTS

	<u>PAGE</u>
Independent accountants' compilation report	1
Financial statements	
Consolidated balance sheet	2
Consolidated statement of income/(loss)	3
Consolidated statement of retained earnings	4
Consolidated statement of cash flows	5
Notes to consolidated financial statements	6

FLOOD, KALLUS, YEN & GUPTA PLLC

CERTIFIED PUBLIC ACCOUNTANTS

19627 Interstate 45 N • Spring, Texas 77388 • 281-355-9272 • Fax 281-355-1800 • www.fkygcpa.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, 2025, and 2024, 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.

Flood, Kallus, Yen & Gupta, PLLC

Flood, Kallus, Yen & Gupta PLLC

Spring, Texas

April 28, 2025

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2025, and 2024

ASSETS		
	March 31, 2025	March 31, 2024
CURRENT ASSETS		
Cash (Note 4)	\$ 469,813	486,278
Accounts receivable (Note 2) (Note 6)	604,232	976,697
Less allowance for doubtful accounts (Note 2)	(61,331)	(33,409)
Inventory (Note 2)	6,093,025	2,299,589
Prepaid expenses	32,102	3,970
Prepaid inventory (Note 2)	198,341	570,603
Employee advance	8,951	16,586
Federal tax assets (Note 8)	376,916	91,004
Receivable - KOEL India	8,947	21,166
Total current assets	7,730,996	4,432,484
NONCURRENT ASSETS (Note 4)		
Leasehold improvements	108,992	19,265
Office furniture	15,167	6,193
Office equipment	23,467	11,444
Shop equipment	262,707	163,341
Vehicles	302,651	172,920
Less accumulated depreciation and amortization	(262,869)	(178,962)
Total fixed assets (Note 2)	450,115	194,201
Goodwill (Note 2) (Note 3)	679,899	679,899
Operating lease right-of-use assets (Note 7)	589,097	811,358
Security deposits	24,150	24,990
Total noncurrent assets	1,743,261	1,710,448
TOTAL ASSETS	\$ 9,474,257	6,142,932
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 3,689,701	3,283,351
Advances received from customers	87,377	20,443
Current portion of vehicles loans (Note 11)	47,655	30,402
Current portion of operating lease liability (Note 7)	226,930	222,261
Notes payable (Note 10)	3,280,002	388,641
Interest payable	25,787	-
Provision for obsolete inventory	79,101	45,201
Other payables (Note 9)	191,459	189,762
Total current liabilities	7,628,012	4,180,061
NONCURRENT LIABILITIES		
Vehicle leases, non-current (Note 11)	127,520	88,260
Operating lease liability, non-current (Note 7)	362,167	589,097
Total noncurrent liabilities	489,687	677,357
TOTAL LIABILITIES	8,117,699	4,857,418
STOCKHOLDER'S EQUITY		
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 500,000 shares issued and authorized) (Note 12)	5,000,000	2,500,000
Retained earnings	(404,728)	518,362
Equity attributable to shareholders of Kirlorskar Americas Corp	4,845,272	3,268,362
Equity attributable to noncontrolling interests	(3,488,714)	(1,982,848)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 9,474,257	6,142,932

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, 2025, and 2024

	March 31, 2025	March 31, 2024
SALES REVENUE	\$ 6,067,852	3,226,659
COST OF GOODS SOLD	<u>5,012,219</u>	<u>2,495,845</u>
GROSS PROFIT	<u>1,055,633</u>	<u>730,814</u>
MARKETING REVENUE (Note 9)	<u>28,104</u>	<u>52,560</u>
GROSS PROFIT FROM OPERATIONS	<u>1,083,737</u>	<u>783,374</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising & sales promotions	132,318	65,002
Agency commissions	2,890	17,851
Bank charges	26,598	4,785
Communication expense	48,294	22,191
Contract labor	4,554	1,181
Depreciation and amortization	83,907	24,464
Dues and subscriptions	3,193	1,498
Employee expense	69,248	3,312
Employee benefit expense (Note 14)	17,822	10,178
Insurance expense	148,328	38,145
Logistics expense	83,100	64,386
Lease expense (Note 7)	262,924	90,509
Meals	33,999	17,328
Office expense	32,652	6,195
Postage & delivery	15,421	4,028
Processing fees	5,689	-
Professional fees	145,679	293,340
Provision for doubtful debts	27,922	3,433
Recuiting & Hiring	56,775	23,297
Repairs and maintenance	8,588	3,255
Research & development	15,866	4,179
Reimbursement expense	-	(4,059)
Salary	1,830,878	483,023
Shop expense	40,138	11,311
Taxes	155,505	46,618
Telephone expense	13,512	2,415
Trade show expense	149,225	64,077
Travel expense	263,830	150,348
Utilities	32,439	10,658
Warranty expense	31,873	2,408
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>3,743,167</u>	<u>1,465,356</u>
INCOME FROM OPERATIONS	<u>(2,659,430)</u>	<u>(681,982)</u>
OTHER INCOME/(EXPENSES)		
Interest expense	(85,325)	(5,345)
Other income	29,887	-
TOTAL OTHER INCOME/(EXPENSES)	<u>(55,438)</u>	<u>(5,345)</u>
NET INCOME BEFORE PROVISION FOR INCOME TAXES	<u>(2,714,868)</u>	<u>(687,327)</u>
Federal income tax - deferred (Note 8)	(285,912)	(91,004)
TOTAL PROVISION FOR INCOME TAXES	<u>(285,912)</u>	<u>(91,004)</u>
CONSOLIDATED NET INCOME (LOSS) (Note 2) (Note 13)	<u>(2,428,956)</u>	<u>(596,323)</u>
LESS: NET INCOME - NONCONTROLLING INTERESTS (Note 13)	<u>1,505,866</u>	<u>329,766</u>
NET INCOME - ATTIBUTABLE TO KIRLOSKAR AMERICAS CORP (Note 13)	<u>\$ (923,090)</u>	<u>(266,557)</u>

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation
Gauri Atul Kirloskar
Digitally signed by
Gauri Atul Kirloskar
Date: 2025.04.30
18:30:59 +05'30'
Gauri Kirloskar
Director
Date: 30th April 2025

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

	March 31, 2025	March 31, 2024
BEGINNING BALANCE - APRIL 1	\$ 518,362	784,919
CURRENT YEAR DIVIDENDS	-	-
CONSOLIDATED NET INCOME/(LOSS)	(923,090)	(266,557)
ENDING BALANCE - MARCH 31	\$ <u>(404,728)</u>	<u>518,362</u>

For and on behalf of Kirloskar Americas Corporation

Gauri Atul Kirloskar
Digitally signed by
Gauri Atul Kirloskar
Date: 2025.04.30
18:31:17 +05'30'

Gauri Kirloskar
Director
Date: 30th April 2025

See Accompanying Notes and Independent Accountants' Compilation Report

KIRLOSKAR AMERICAS CORPORATION
(a Corporation)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025, and 2024

	March 31, 2025	March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income/(loss)	\$ (2,428,956)	(596,323)
Adjustment to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	83,907	24,464
(Increase) decrease in:		
Accounts receivable	372,465	(36,096)
Other receivables	12,219	4,139
Prepaid expenses	(28,132)	5,268
Employee advance	7,635	5,193
Inventory	(3,793,436)	(1,171,682)
Federal tax asset	(285,912)	(91,004)
Prepaid inventory	372,262	(226,765)
Security deposits	840	(6,000)
Increase (decrease) in:		
Accounts payable	406,350	1,116,255
Advances received from customer	66,934	30,402
Allowance for doubtful accounts	27,922	3,433
Other payables	1,697	(111,954)
Interest payable	25,787	-
Provision for obsolete inventory	33,900	32,579
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,124,518)</u>	<u>(1,018,091)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(339,821)	(92,579)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(339,821)</u>	<u>(92,579)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisitions of businesses (Note 3)	-	(357,000)
Issuance of convertible preferred stock	2,500,000	2,500,000
Payments of vehicles loan	56,513	27,803
Payments of notes payable	2,891,361	(723,311)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>5,447,874</u>	<u>1,447,492</u>
NET INCREASE/(DECREASE) IN CASH	(16,465)	336,822
CASH BEGINNING OF YEAR - KIRLOSKAR	444,520	146,494
CASH BEGINNING OF YEAR - ENGINES LPG	41,758	2,962
CASH END OF YEAR	<u>\$ 469,813</u>	<u>486,278</u>

**SUPPLEMENTAL DISCLOSURE OF CASH
FLOW INFORMATION:**

Federal income tax paid	\$	-	-
-------------------------	----	---	---

See Accompanying Notes and Independent Accountants' Compilation Report

For and on behalf of Kirloskar Americas Corporation

Gauri Atul
Kirloskar
Digitally signed by
Gauri Atul Kirloskar
Date: 2025.04.30
18:31:29 +05'30'

Gauri Kirloskar

Director

Date: 30th April 2025

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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, 2025, and 2024

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, 2025.

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.

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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 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

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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 assets 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, 2025 or 2024. 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.

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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.

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, 2025.

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>

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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.

NOTE 4 – CASH BALANCES

The Company considers all cash deposits at financial institutions to be cash equivalents. On March 31, 2025, the Company had checking accounts valued at \$469,813 of which \$190,783 is in excess of the FDIC insured balance. On March 31, 2024, the Company had a checking account valued at \$486,278. 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 April 21, 2025, 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.

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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:

	March 31, 2025	March 31, 2024
Operating lease cost	\$ 246,177	\$ 82,431
Variable lease cost	16,747	8,078
 Total lease cost	 \$ 262,924	 \$ 90,509

Amounts reported in the consolidated balance sheets as of March 31, 2025, are as follows:

Operating lease ROU assets	\$ 589,097
 Operating lease liabilities, current portion	 226,930
Operating lease liabilities, non-current	362,167
Total operating lease liabilities	<u>\$ 589,097</u>

At March 31, 2025, the Company did not have any operating leases that had not yet commenced.

Maturities of operating lease liabilities as of March 31, 2025, were as follows:

	<u>Lease Payments</u>
Apr 1, 2025 – March 31, 2026	\$ 246,823
Apr 1, 2026 – March 31, 2027	248,184
Apr 1, 2027 – October 30, 2027	<u>125,866</u>
Total undiscounted lease payments	620,873
Less imputed interest	<u>(31,776)</u>
Present value of lease liabilities	<u>\$ 589,097</u>

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

NOTE 8 – INCOME TAXES

Income tax expense consists of the following:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Current tax expense	\$ 0	\$ 0
Current tax accrued	0	0
Deferred tax expense	(285,912)	(91,004)
Income tax penalties	0	0
Income tax expense	<u>\$ (285,912)</u>	<u>\$ (91,004)</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, 2025</u>	<u>March 31, 2024</u>
Accrued liabilities	\$ 29,170	\$ 8,655
Credit cards payables	33,213	35,189
Accrued payroll and related expenses	129,076	145,918
Total	<u>\$ 191,459</u>	<u>\$ 189,762</u>

NOTE 10 – NOTES PAYABLE

As of March 31, 2025, Engines LPG LLC dba Wildcat Power Gen, a subsidiary of Kirloskar Americas Corporation entered into various subordinated loan agreements with ICICI Bank UK PLC and 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, 2025</u>
ICICI Bank UK PLC	10/3/2025	6%	\$ 3,000,000
Roeser Sales Partners, LLC	On demand	N/A	280,002
Total			<u>\$ 3,280,002</u>

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

Engines LPG LLC dba Wildcat Power Gen's has a short-term debt agreement with ICICI Bank UK PLC. The note is due on October 3, 2025 with an annual 6% 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%	\$ 32,339
Ford	2024 Escape	November 6, 2028	0.900%	\$ 33,266
Ford	2024 Escape	December 26, 2029	7.590%	\$ 30,888
Wells Fargo	Forklift cap lease	May 1, 2025	6.637%	\$ 869
Wells Fargo	Forklift cap lease	March 1, 2029	7.500%	\$ 54,664
Wells Fargo	Racking cap lease	September 1, 2027	7.202%	\$ 23,149
Total				<u>\$ 175,175</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.

On May 7, 2024, the Company issued additional 250,000 non-assessable series A-1 optionally convertible redeemable non-cumulative preference shares to Kirloskar Oil Engines, Limited with the same terms as mentioned above.

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

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 non-controlling interests:

Fiscal year ended March 31, 2025				
	<u>Kirloskar Americas Corp</u>	<u>Engines LPG LLC dba Wildcat Power Gen</u>		<u>Total</u>
	Shareholders of Kirloskar Americas	Shareholders of Kirloskar Americas	Noncontrolling interests	Shareholders of Kirloskar Americas
Consolidated net income	\$ 657,628	(1,567,329)	(1,505,866)	(923,090)

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 \$46,706 and \$10,178 for the fiscal year ended March 31, 2025 and 2024, respectively.

NOTE 15 – RELATED PARTY TRANSACTIONS

Following are details of transactions during the fiscal years ended March 31, 2025, and 2024 with related parties:

Name of the Party	Relationship	Type of Transaction	FYE March 31, 2025 Amount (\$)	FYE March 31, 2024 Amount (\$)
Kirloskar Oil Engines Limited, India	Parent Company	Purchase of goods	5,403,903	3,295,818

KIRLOSKAR AMERICAS CORPORATION & SUBSIDIARY
(a Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025, and 2024

Kirloskar Oil Engines Limited, India	Parent Company	Marketing revenue	28,104	52,560
Kirloskar Oil Engines Limited, India	Parent Company	Warranty reimbursement	23,382	4,008
Kirloskar Oil Engines Limited, India	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	2,500,000
Engineman Consultants LLC	Entity in which directors have a significant controlling interest	Professional fees & travel expenses	0	1,087
Kirloskar Proprietary Ltd	Entity in which a director has a significant controlling interest	Professional fees	1,385	1,375

For and on behalf of Kirloskar Americas Corporation
Gauri Atul Kirloskar
Digitally signed by Gauri Atul Kirloskar
Date: 2025.04.30 18:31:49 +05'30'
Kirloskar
Gauri Kirloskar
Director
Date: 30th April 2025

Kirloskar Americas Corporation

SUPPLEMENTARY INFORMATION SCHEDULES I & II CONSOLIDATED FINANCIALS AS GENERALLY REPORTED IN INDIA

**For the year ended 31 March 2025
2024-25**

Kirloskar Americas Corporation
Consolidated Balance Sheet as at 31 March 2025

In \$

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
I. Non-current assets		1,531,079	1,059,343
(a) Property, plant and equipment	1	450,114	194,200
(b) Goodwill	2	679,899	679,899
(c) Financial assets			
(i) Other financial assets	3	24,150	24,990
(d) Deferred tax assets (net)	4	376,916	160,255
II. Current assets		7,276,084	4,297,383
(a) Inventories	5	6,212,264	2,824,991
(b) Financial assets			
(i) Trade receivables	6	552,953	965,558
(ii) Cash and cash equivalents	7	469,814	486,278
(c) Other current assets	8	41,053	20,556
Total Assets		8,807,163	5,356,727
EQUITY AND LIABILITIES			
Equity		(3,643,442)	(1,145,235)
(a) Equity share capital	9	250,000	250,000
(b) Other equity	10	(404,728)	518,362
(c) Non-controlling interests	10a	(3,488,714)	(1,913,597)
Liabilities			
I. Non-current liabilities		127,520	88,260
(a) Financial liabilities			
(i) Borrowings	11	127,520	88,260
II. Current liabilities		12,323,085	6,413,701
(a) Financial liabilities			
(i) Borrowings	12	8,327,657	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		3,689,701	3,283,351
(iii) Other financial liabilities	14	170,405	174,035
(b) Other current liabilities	15	135,322	37,273
(c) Current tax liabilities (net)	16	-	-
Total Equity and Liabilities		8,807,163	5,356,727

Significant accounting policies

27

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

 Digitally signed
by Gauri Atul
Kirloskar
Date: 2025.04.30
18:09:41 +05'30'

 Gauri Kirloskar
Director
Date : 30 April, 2025

Kirloskar Americas Corporation
Consolidated Statement of profit and loss for the year ended 31 March 2025

In \$

Particulars	Notes	FY 2024-25	FY 2023-24
Income			
Revenue from operations	17	6,095,956	3,413,753
Other income	18	29,887	4,059
Total Income		6,125,843	3,417,812
Expenses			
Cost of raw materials and components consumed	19	4,000,581	565,726
Purchase of traded goods	20	2,520,444	2,399,990
Changes in inventories of finished goods, work-in-progress and traded goods	21	(1,876,612)	(421,457)
Employee benefits expense	22	2,558,995	662,093
Finance costs	23	85,324	5,345
Depreciation and amortisation expense	24	83,907	24,465
Other Expenses	25	1,468,073	868,977
Total Expenses		8,840,712	4,105,139
Profit/(Loss) before exceptional items and tax		(2,714,869)	(687,327)
Exceptional items		-	-
Profit/(Loss) before tax		(2,714,869)	(687,327)
Tax expenses		(216,662)	(160,255)
Current tax	26	-	-
Deferred tax	26	(216,662)	(160,255)
Profit/(Loss) for the year		(2,498,207)	(527,072)
Other comprehensive income			
A. Items that will be reclassified to profit or loss in subsequent periods		-	-
B. Items that will not be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income for the year, net of tax [A+B]		-	-
Total comprehensive income for the year, net of tax		(2,498,207)	(527,072)
Profit for the year attributable to:			
Owners of the Company		(923,090)	(266,557)
Non-controlling interest		(1,575,116)	(260,515)
		(2,498,207)	(527,072)
Other comprehensive income attributable to:			
Owners of the Company		-	-
Non-controlling interest		-	-
		(2,498,207)	(527,072)
Total comprehensive income attributable to:			
Owners of the Company		(923,090)	(266,557)
Non-controlling interest		(1,575,116)	(260,515)
		(2,498,207)	(527,072)
Earnings per equity share [nominal value per share \$ 0.001 each (31 March 2023 \$ 0.001 each)]			
Basic	27	(18,462)	(5,331)
Diluted	27	(18,462)	(5,331)

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: 2025.04.30
18:10:04 +05'30'

Gauri Kirloskar
Director
Date : 30 April 2025

Statement of Changes in Equity for the year ended 31 March 2025

Equity share capital		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	250,000	250,000
Issue/Reduction, if any during the year	-	-
Balance at the end of the year	250,000	250,000

Other equity		In \$
Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	518,362	784,919
Current year distributions		
Net profit /(loss) for the year	(923,090)	(266,557)
Balance at the end of the year	(404,728)	518,362

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:
2025.04.30
18:10:19 +05'30'

Gauri Kirloskar
Director
Date : 30 April, 2025

Kirloskar Americas Corporation
Consolidated Statement of Cash Flow for the year ended 31 March 2025

In \$

Particulars	FY 2024-25	FY 2023-24
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(2,714,869)	(687,327)
Adjustments :		
Add:		
Depreciation and amortisation expenses	83,907	24,465
Impairment loss allowance, write off on trade receivable / other receivable (net)	27,921	3,433
Write down / (reversal) in write down of inventories	35,846	32,580
Finance costs	85,324	5,345
Less:		
Sundry credit balances written back	29,887	4,059
Working Capital Adjustments:		
(Increase) / Decrease in Trade Receivables	384,683	(19,737)
(Increase) / Decrease in Inventories	(3,423,119)	(1,398,448)
(Increase) / Decrease in Financial Asset	840	(6,000)
(Increase) / Decrease in Other Current assets	(20,497)	10,461
Increase / (Decrease) in Trade Payables	376,463	1,112,196
Increase / (Decrease) in Other Financial Liabilities	98,049	(79,584)
Increase / (Decrease) in Other Liabilities	(3,630)	(103,092)
Net Cash generated from / (used in) operations	(5,039,194)	(1,101,648)
Income taxes paid	-	(12,489)
NET CASH FLOW GENERATED/(USED IN) FROM OPERATING ACTIVITIES	(5,039,194)	(1,114,137)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (PPE) and intangible assets	(339,820)	(92,579)
Investment in Subsidiary	-	(357,000)
NET CASH (USED IN) INVESTING ACTIVITIES	(339,820)	(449,579)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	5,447,875	1,905,883
Finance costs	(85,324)	(5,345)
Proceeds from changes in membership interest	-	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	5,362,550	1,900,537
Net increase / (decrease) in Cash and Cash equivalents	(16,464)	336,822
Opening Cash and cash equivalents- Kirloskar Americas Corporation	486,278	146,494
Opening Cash and cash equivalents- Engines LPG LLC	-	2,962
Effect of foreign exchange on Cash and Cash equivalents		
Closing Cash and Cash equivalents	469,814	486,278

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: 2025.04.30
18:10:30 +05'30'

Gauri Kirloskar
Director

Date : 30 April, 2025

Note 1 : Property, plant and equipment

	In \$						
Particulars	Leasehold Improvements	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computers & Software	Total
Gross Block							
As at 1 April 2023	-	-	162	55,204	3,126	-	58,492
Additions due to acquisition	-	91,081	6,031	117,716	-	7,264	222,092
Additions	19,265	72,260	-	-	-	1,054	92,579
Deductions	-	-	-	-	-	-	-
As at 31 March 2024	19,265	163,341	6,194	172,920	3,126	8,318	373,163
Additions due to acquisition	-	-	-	-	-	-	-
Additions	89,727	99,366	8,973	129,730	1,082	10,941	339,820
Deductions	-	-	-	-	-	-	-
As at 31 March 2025	108,992	262,707	15,167	302,650	4,209	19,258	712,984
Depreciation and Impairment							
As at 1 April 2023	-	-	119	7,361	2,802	-	10,281
Additions due to acquisition	-	61,885	4,762	71,650	-	5,920	144,217
Depreciation for the year	397	5,659	126	17,760	108	415	24,465
Deductions	-	-	-	-	-	-	-
As at 31 March 2024	397	67,544	5,008	96,770	2,910	6,335	178,963
Depreciation for the year	5,113	37,204	1,301	37,481	216	2,592	83,907
Deductions	-	-	-	-	-	-	-
As at 31 March 2025	5,510	104,748	6,309	134,251	3,126	8,927	262,870
Net Block							
As at 31 March 2024	18,868	95,797	1,186	76,149	217	1,983	194,200
As at 31 March 2025	103,482	157,959	8,858	168,399	1,083	10,331	450,114

Note 2 : Goodwill

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Goodwill	679,899	679,899
Total	679,899	679,899

(Refer Note No. 27.4.4 and 27.5.3)

Note 3 : Other financial assets (Non current)

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Security deposits (Unsecured, considered good)	24,150	24,990
Total	24,150	24,990

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 2025	As at 31 March 2024
Deferred tax assets		
Tax loss	376,916	160,255
Total	376,916	160,255

Also Refer Note No 27.4.18

Note 5 : Inventories

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Raw Materials		
Raw materials and components	2,555,219	753,314
Raw materials in transit	323,006	614,251
Work-in-progress	208,236	130,081
Finished goods	2,028,133	214,123
Traded goods	1,097,670	1,113,223
Total	6,212,264	2,824,991

1. Write Down of inventories to net realisable value US\$ 90,049 (31 March 2024 : US\$ 32,580) were recognised as an expense during the year and reversal of write down of inventories Nil (31 March 2024 : Nil) were recognised as a reduction in expense during the year due to consumption of such inventories.

2. Refer Note 5 for information on inventory hypothecation with bankers for the purpose of Working capital facilities.

Note 6 : Trade receivables

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Total Trade Receivables	552,953	965,558
Trade receivables	544,006	944,392
Receivables from related parties	8,947	21,166
Break-up for security details:		
Unsecured, considered good	614,284	998,968
Loss allowance (for expected credit loss under simplified approach)	(61,331)	(33,409)
Total	552,953	965,558

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

2. Movement of Loss allowance (for expected credit loss under simplified approach) :

Particulars	In \$
As at 1 April 2023	25,487
Allowance made/(reversed) during the year	7,922
Less : Written off	-
As at 31 March 2024	33,409
Allowance made/(reversed) during the year	27,921
Less : Written off	
As at 31 March 2025	61,331

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 2025

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	299,829	253,124	40,178	23	16,641	4,489	614,284
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables	-	-	-	-	-	-	-
Total Trade Receivables							614,284
Less: Loss allowance for expected credit loss							(61,331)
Total Trade Receivables							552,953

* Disputed Trade Receivables represents legal cases with customers

As at 31 March 2024

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	618,044	347,515		28,920	-	4,489	998,968
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables	-	-	-	-	-	-	-
Total Trade Receivables							998,968
Less: Loss allowance for expected credit loss							(33,409)
Total Trade Receivables							965,558

* Disputed Trade Receivables represents legal cases with customers

Note 7 : Cash and cash equivalents

	In \$	
Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Bank		
Current Accounts	469,814	486,278
Total	469,814	486,278

Note 8 : Other current assets

	In \$	
Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid Expenses	32,101	16,586
Advance to Employees	8,952	3,970
Total	41,053	20,556

Note 9 : Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	In \$	No. of shares	In \$
Authorised share capital				
1,000 Equity shares of \$ 0.001 each				
Issued and subscribed share capital				
50 Equity shares of \$ 0.001 each				
Subscribed and fully paid up				
Equity shares of \$ 0.001 each	50	250,000	50	250,000
Total	50	250,000	50	250,000

Note 10 : Other equity

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Retained Earnings	(404,728)	518,362
Opening Balance	518,362	784,919
Add : Profit for the year	(923,090)	(266,557)
Add : Other Comprehensive income	-	-
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	(404,728)	518,362

Note 10a : NCI (Non Controlling Interest)

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Non Controlling Interest	(3,488,714)	(1,913,597)
Opening Balance	(1,913,597)	-
Add: Arising due to acquisition	-	(1,653,082)
Add : Profit/(Loss) for the year	(1,575,117)	(260,515)
Add : Other Comprehensive income/(loss)	-	-
Reserves representing unrealised gains/ losses	-	-
Opening Balance	-	-
Add/(Less) : Foreign currency translation reserve	-	-
Total	(3,488,714)	(1,913,597)

Note 11 : Borrowings (Non-current)

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Secured loans from NBFC/ Financial Institution		
Vehicle / Capital lease loans	127,520	88,260
Total Borrowings	127,520	88,260

1. Loans are measured at amortised cost. Also refer Note-12 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 2025	As at 31 March 2024
Less than Three Months	11,889	7,803
More Three Months Up to One Year	35,766	22,599
More than One Year Up to Three Years	94,685	50,018
More than Three Years Up to Five Years	32,835	38,242
Total Borrowings	175,175	118,662

3. Loan details

Lender	Loan type	Maturity date	Interest Rate	Balance
Ford	2019 Expedition-Vehicle	25-Nov-27	4.99%	32,339
Ford	2024 Escape-Vehicle	06-Nov-28	0.90%	33,266
Ford	2024 Escape-Vehicle	26-Dec-29	7.59%	30,888
Wells Fargo	Forklift Cap Lease	01-May-25	6.64%	869
Wells Fargo	Forklift Cap Lease	01-Mar-29	7.50%	54,664
Wells Fargo	Racking Cap Lease	01-Sep-27	7.20%	23,149
Total				175,175

The company has availed the vehicle loan amounting to \$ 67,056.09 from a financial institution to be repaid in 72 monthly installments of \$ 1,081.87 each starting from November 2021 at a rate of interest 4.99% p.a. The outstanding amounts to USD 32,339 as at 31 March 2025.

The company has availed the vehicle loan amounting to \$ 36,238.03 from a financial institution to be repaid in 48 monthly installments of \$ 768.92 each starting from November 2024 at a rate of interest 0.90% p.a. The outstanding amounts to USD 33,266 as at 31 March 2025.

The company has availed the vehicle loan amounting to \$ 31,685.90 from a financial institution to be repaid in 60 monthly installments of \$ 638.16 each starting from December 2024 at a rate of interest 7.59% p.a. The outstanding amounts to USD 30,888 as at 31 March 2025.

The company has availed the capital lease loan amounting to \$ 25,918 from a financial institution to be repaid in 72 monthly installments of \$ 437.36 each starting from July 2019 at a rate of interest 6.64% p.a. The outstanding amounts to USD 869 as at 31 March 2025.

The company has availed the capital lease loan amounting to \$ 65,960 from a financial institution to be repaid in 60 monthly installments of \$ 1,321.71 each starting from April 2024 at a rate of interest 7.50% p.a. The outstanding amounts to USD 54,664 as at 31 March 2025.

The company has availed the capital lease loan amounting to \$ 27,300 from a financial institution to be repaid in 36 monthly installments of \$ 845.44 each starting from April 2024 at a rate of interest 7.20% p.a. The outstanding amounts to USD 23,149 as at 31 March 2025.

Kirloskar Americas Corporation

Notes to the Consolidated Financial Statements

Note 12 : Borrowings (current)

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
6% Optionally convertible redeemable Non cumulative Preference shares	5,000,000	2,500,000
Borrowings from other	280,002	301,002
Secured		
From bank & Financial Institutions		
Working capital draw loan	3,000,000	-
Borrowings from others	-	87,639
Current Maturities of Non-Current Borrowings	47,655	30,402
Total Borrowings	8,327,657	2,919,042

1. Borrowings are measured at amortised cost (Refer Note No. 27.4.11). For related party disclosures, refer note no. 27.5.1

2. Pursuant to the unanimous written consent dated 14th September, 2023 of the Board of Directors, the Company had offered the Parent Company to purchase in tranches and from time to time stocks upto 500,000 of the Company's newly-created Series A-1 6% Optionally Convertible Redeemable Non-Cumulative Preference Shares (the "Series A-1 Preferred Stock - OCRNPS") at a purchase price of US\$ 10 per share for a total amount of up to US\$ 5,000,000 having certain rights and preferences including, but not limited to: a dividend rate of [six percent (6%)] per annum and a term of ten years from the date of issuance, a par value US\$ 10, 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). During the year, the Parent Company has further invested US\$ 2,500,000 in 2nd tranche of Series A-1 Preferred Stock – OCRNPS, as per payment terms covered in the Letter of Offer issued to the Parent Company. The total amount invested by the Parent Company in OCRNPS as at 31st March 2025 is \$5,000,000.

3. The Company has obtained from the bank working capital drawn loan amounting to US\$ 3,000,000 (during the year ended 31st March, 2024 : Nil) in tranches for a for a term of minimum 7 days and maximum 180 days from drawdown date at rate of interest equal to a floating 90 days SOFR plus 1.35%, secured by the current asset of the company. The total loan outstanding as at 31st March, 2025 is US\$ 3,000,000.

4. 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 2025 the outstanding loan amounted to US\$ 280,002. 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 or any further date as may be agreed.

Note 13 : Trade payables

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding		
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	3,689,701	3,283,351
Total	3,689,701	3,283,351

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

2. For related party disclosures, refer note no. 27.5.1

Note 14 : Other financial liabilities (Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Other financial liabilities		
Employee benefits payable	113,472	138,669
Other Payables	56,933	35,367
Total other financial liabilities	170,405	174,035

Other financial liabilities 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 2025****In \$**

Particulars	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	2,122,055	1,491,514	12,994	20,785	42,353	3,689,701
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,122,055	1,491,514	12,994	20,785	42,353	3,689,701

* Disputed dues represents legal cases with vendors

As at 31 March 2024**In \$**

Particulars	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	-	-	-	-	-	-
Total	2,875,723	221,392	108,939	33,381	43,917	3,283,351

* Disputed dues represents legal cases with vendors

Note 15 : Other Current liabilities

In \$

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from customers	88,481	21,547
Other payables	46,841	15,726
Statutory dues including 401k plan and tax deducted at source	15,604	6,275
Other Payables	31,237	9,450
Total	135,322	37,273

Kirloskar Americas Corporation

Notes to the Consolidated Financial Statements

Note 16 : Current tax liabilities (net)

	In \$	
	As at 31 March 2025	As at 31 March 2024
Particulars		
Tax provision (Net of tax paid in advance)	-	-
Total	-	-

Note 17 : Revenue from operations

In \$

Particulars	FY 2024-25	FY 2023-24
Sale of products	6,063,431	3,355,199
Sale of services	32,525	58,553
Total	6,095,956	3,413,753

Also Refer Note No 27.4.12

Kirloskar Americas Corporation

Notes to the Consolidated Financial Statements

Note 18 : Other Income

In \$

Particulars	FY 2024-25	FY 2023-24
Gain on disposal of property, plant and equipment	-	-
Sundry Balances written back	29,887	4,059
Total	29,887	4,059

Also Refer Note 27.4.13

Note 19 : Cost of raw materials consumed

In \$

Particulars	FY 2024-25	FY 2023-24
Cost of raw materials consumed	4,000,581	565,726
Total	4,000,581	565,726

Note 20 : Purchases of traded goods

In \$

Particulars	FY 2024-25	FY 2023-24
Engines and Gensets	2,520,444	2,399,990
Total	2,520,444	2,399,990

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

	₹ in Crores	
Particulars	FY 2024-25	FY 2023-24
Opening Inventories	1,457,427	972,958
Work-in-progress	130,081	-
Finished goods	214,123	-
Traded goods	1,113,223	972,958
Add: Acquisitions through business combinations		63,012
Work-in-progress		63,012
Closing Inventories	3,334,039	1,457,427
Work-in-progress	208,236	130,081
Finished goods	2,028,133	214,123
Traded goods	1,097,670	1,113,223
(Increase)/decrease in inventories	(1,876,612)	(421,457)

Note 22 : Employee benefits expense

In \$

Particulars		
	FY 2024-25	FY 2023-24
Salaries, wages, bonus, commission, etc.	2,399,912	622,568
Welfare and training expenses	159,083	39,526
Total	2,558,995	662,093

Note 23 : Finance costs

In \$

Particulars	FY 2024-25	FY 2023-24
Finance costs	85,324	5,345
Total	85,324	5,345

Note 24 : Depreciation and amortisation expense

In \$

Particulars	FY 2024-25	FY 2023-24
Depreciation on Property, plant and equipment	83,907	24,465
Total	83,907	24,465

Note 25 : Other expenses

In \$

Particulars	FY 2024-25	FY 2023-24
Manufacturing expenses	47,372	13,279
Stores consumed	42,818	12,097
Job work charges	4,554	1,181
Selling expenses	406,784	217,196
Commission	2,890	17,851
Freight and forwarding	94,429	66,832
Advertisement and publicity	281,543	129,079
Provision for doubtful debts (Loss allowance for expected credit loss)	27,921	3,433
Administration expenses	1,013,917	638,502
Rent (Refer Note 27.4.14)	262,925	90,509
Rates and taxes	984	3,372
Insurance	60,394	19,055
Travelling and conveyance	263,830	150,348
Communication expenses	48,293	22,191
Professional charges	145,678	291,840
Office expenses	58,411	15,896
Repairs and maintenance	8,588	3,255
Warranty Expenses	31,873	2,408
Bank charges	26,598	4,782
Membership & subscription	3,193	1,498
Postage and courier	4,092	1,289
Miscellaneous expenses	99,056	32,059
Total	1,468,073	868,977

Note 26 : Tax Expenses

The major component of tax expenses are :

In \$

Particulars	FY 2024-25	FY 2023-24
Current tax	-	-
Current income tax	-	-
Deferred tax	(216,662)	(160,255)
Relating to reversal or temporary difference	(216,662)	(160,255)
Total Tax expenses reported in the Statement of profit and loss	(216,662)	(160,255)

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 28th April 2025.

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\$ 262,725 (31 March 2024 : US\$ 90,509)

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	2024-25	2023-24
Transactions:				
Kirloskar Oil Engines Limited	Parent Company	Purchase of Goods	5,403,903	3,295,818
Kirloskar Oil Engines Limited	Parent Company	Marketing Revenue	28,104	52,560
Kirloskar Oil Engines Limited	Parent Company	Warranty Reimbursement	23,382	4,008
Kirloskar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	2,500,000	2,500,000
Engineman Consultants LLC	Entity in which director is interested	Professional fees and travel expenses	-	1,087
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	1,385	1,375
Outstanding Balances :				
Kirloskar Oil Engines Limited	Parent Company	Trade Payable	3,223,044	2,555,951
Kirloskar Oil Engines Limited	Parent Company	Trade Receivable	8,947	21,166
Kirloskar Oil Engines Limited	Parent Company	Optionally convertible redeemable Non cumulative Preference shares ("OCRNPS")	5,000,000	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 \$47,706 (31st March, 2024 : \$10,178).

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	2024-25	2023-24
Profit for the year after taxation (Amounts in \$)	(923,090)	(266,557)
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
Basic earnings per share (in \$)	(18,462)	(5,331)

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: 2025.04.30
18:11:01 +05'30'

Gauri Kirloskar

Director

Date : 30 April, 2025