Kirloskar Brothers International B. V.

Consolidated Financial Statements
Year ended 31 March 2024

P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT-9949

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Report in connection with agreed-upon procedures on assignment related to Consolidation of Financial Results (in specified format) of Subsidiary Companies of Kirloskar Brothers International B V, Netherlands (KBIBV)

To
The Board of Directors
Kirloskar Brothers International B V

We have performed the procedures agreed with you and enumerated below with respect to the Consolidation of Ind AS Financial Results (in specified format) of Subsidiary Companies of KBIBV for period (April 1, 2023 to March 31, 2024) ended March 31, 2024. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist you in ensuring that consolidation procedures as enumerated by Ind AS 110 "Consolidated Financial Statements" for consolidating accounts of KBIBV are fair and are summarized as follows:

1. We obtained Audited financial results/information of the subsidiary companies stated below and checked that the management has correctly compiled such financial results in the software it uses for the preparation of consolidated financial results of KBIBV.

S.N.	Names of subsidiary, associate and joint venture companies:	Relationship	Audit Status
1	SPP Pumps Limited	Subsidiary	Limited Reviewed
2	Kirloskar Brothers (Thailand) Limited	Subsidiary	Management Drawn
3	SPP Pumps (MENA) L.L.C.	Subsidiary	Management Drawn
4	Kirloskar Pompen B.V.	Subsidiary	Management Drawn
5	Micawber 784 Proprietary Limited	Subsidiary	Management Drawn
6	SPP Pumps International Proprietary Limited (Erstwhile Kirloskar Brothers International PTY Limited)	Subsidiary	Management Drawn
7	Rodelta Pumps International BV	Subsidiary	Management Drawn
8	SPP France SAS	Subsidiary of SPP Pumps Limited	Management Drawn
9	SPP Pumps Inc	Subsidiary of SPP Pumps Limited	Management Drawn

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10	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited	Management Drawn
11	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited	Management Drawn
12	Rotaserve B.V.	Subsidiary of Kirloskar Pompen B.V.	Management Drawn
13	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc	Management Drawn
14	Syncroflo Inc.	Subsidiary of SPP Pumps Inc	Management Drawn
15	SPP Pumps (Asia) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Limited	Management Drawn
16	SPP Pumps (Singapore) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Limited	Management Drawn
17	Kirloskar Brothers International BV	Parent/Holding Company	Management Drawn

2. We have ensured that the profit/loss as stated in the Audited financial results are reflected in the software used by the management to prepare the consolidated financial accounts of KBIBV.

3. We have ensured that the grouping of all the items of financial results is per the parent company's policy.

4. We have ensured that the management has eliminated all the intercompany transactions between the companies identified by them.

5. We have ensured that the format of the consolidated financial results of KBI BV are as per the Listing Obligation & Disclosure Requirements.

We report that based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of consolidated unaudited financial results is not prepared in accordance with specified consolidation procedures as per Ind AS 110 "Consolidated Financial Statements".

For P G BHAGWAT LLP
Chartered Accountants
Firm's Reg. No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 24136835BKBGVC6415

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

Pune
May 7, 2024

Kirloskar Brothers International B.V.
Consolidated Balance Sheet as at 31 March 2024
(Amounts in Euro)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,08,49,749	1,09,25,915
Capital work-in-progress	4	8,73,442	1,58,684
Goodwill	3	2,38,491	2,36,852
Other Intangible assets	3	34,750	1,23,492
Right to use asset	5	27,69,327	23,96,103
Financial Assets			
Others	7	1,42,955	1,53,217
Deferred tax assets (net)	18	7,13,966	14,18,147
Total non-current assets		1,56,22,680	1,54,12,410
Current assets			
Inventories	9	3,52,83,807	2,58,02,954
Financial Assets			
Trade receivables	6	1,87,21,242	2,15,79,985
Cash and cash equivalents	10	1,17,18,090	52,07,422
Others	7	11,20,631	17,03,142
Other current assets	8	73,76,542	76,49,309
Total current assets		7,42,20,312	6,19,42,812
TOTAL ASSETS		8,98,42,992	7,73,55,222
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,36,85,100	2,36,85,100
Other equity	12	1,00,16,083	12,44,432
Total equity		3,37,01,183	2,49,29,532
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	62,50,761	61,14,534
Other financial liabilities	15	2,43,729	3,00,620
Lease liabilities		7,80,552	10,53,001
Deferred tax liabilities (net)	18	95,443	97,935
Provisions	16	3,14,685	2,80,806
Total non-current liabilities		76,85,170	78,46,896
Current liabilities			
Financial liabilities			
Borrowings	13	50,76,363	75,82,529
Trade payables	14	2,57,72,847	2,41,05,245
Other financial liabilities	15	79,13,461	56,26,921
Lease liabilities		22,00,458	15,73,915
Current tax liabilities (Net)	18	5,52,541	6,80,918
Other current liabilities	17	57,45,280	38,86,475
Provisions	16	11,95,689	11,22,791
Total current liabilities		4,84,56,639	4,45,78,794
Total liabilities		5,61,41,809	5,24,25,690
TOTAL EQUITY AND LIABILITIES		8,98,42,992	7,73,55,222

Corporate information	1
Summary of Material accounting policies	2
See accompanying notes to financial statements	3-36

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
Firm's registration no. 101118W/W100682

Abhijeet Bhagwat
Partner
Membership no. 136835
7 May 2024

P G BHAGWAT LLP PUNE CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Kirloskar
Director

Alok Kirloskar
Director

Amit Naniwadekar
Group CFO

KIRLOSKAR BROTHERS INTERNATIONAL BV Enriching Lives 34281727

Kirloskar Brothers International B.V.
Consolidated statement of profit and loss for the year ended 31 March 2024
(Amounts in Euro)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers	19	13,95,07,345	13,34,63,605
Other Income	20	22,67,238	4,48,990
Total Income		14,17,74,583	13,39,12,595
Expenses			
Cost of materials consumed	21	7,63,46,760	7,03,90,001
Purchases of Stock-in-Trade		36,64,019	39,47,633
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	21	(64,48,469)	(14,89,140)
Employee benefits expense	22	3,22,11,272	2,74,02,612
Finance costs	23	17,79,278	23,94,809
Depreciation and amortization expense	24	22,56,014	20,94,180
Other expenses	25	2,04,30,802	2,16,05,329
Total expenses		13,02,39,676	12,63,45,424
Profit/(loss)before exceptional items and tax		1,15,34,907	75,67,171
Exceptional items		-	-
Profit / (loss) before tax		1,15,34,907	75,67,171
Tax expenses	18		
(1) Current tax		37,54,302	15,14,860
(2) Deferred tax		54,501	4,69,908
(3) Short provision of earlier years		-	-
Total Tax expenses		38,08,803	19,84,768
Profit after tax but before share in profit of joint venture company for the year		77,26,104	55,82,403
Share in profit of joint venture company		-	-
Profit for the year		77,26,104	55,82,403
Other Comprehensive Income	26		
Items that will not be reclassified to profit or loss			
Remeasurements gains and losses on post employments benefits		-	-
Items that will be reclassified to profit or loss			
Cash flow hedge		17,873	4,86,463
Foreign currency translation reserve		10,27,674	3,64,009
Other comprehensive income		10,45,547	8,50,472
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		87,71,651	64,32,875
Earnings per equity share	30		
(1) Basic		32.62	23.57
(2) Diluted		32.62	23.57

Corporate information	1
Summary of material accounting policies	2
See accompanying notes to financial statements	3-36

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For P G BHAGWAT LLP
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Abhijeet Bhagwat
Partner
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7 May 2024

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Group CFO

KIRLOSKAR BROTHERS INTERNATIONAL BV Kirloskar Enriching Lives 34281727

Kirloskar Brothers International B.V.
Consolidated Statement of Cash Flow for the year ended 31 March 2024
(Amounts in Euro)

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A	**Cashflows from Operating Activities**		
	Net Profit before taxation and extraordinary items	1,15,34,907	75,67,171
	Adjustments for :-		
1	Depreciation / Amortization	22,56,014	20,94,180
2	Loss on sale of Fixed Assets	-	8,060
3	Provision for doubtful debts, advances and claims and bad debts	42,058	(87,717)
4	Interest Income	(1,46,214)	(1,75,781)
5	Interest Expenses	17,79,278	23,94,809
6	Unrealised exchange (gain)/ Loss - Others	16,52,241	3,77,370
	Operating Profit Before Working capital changes	1,71,18,284	1,21,78,092
	Adjustments for :-		
1	(Increase)/ decrease in inventories	(94,80,853)	(55,38,258)
2	(Increase)/ decrease in trade receivables, other financial assets, other bank balances and other assets	36,82,225	(47,58,385)
3	Increase/ (decrease) in trade payable	16,67,602	49,16,232
4	Increase/ (decrease) in financial and non-financial liabilities	44,42,548	(23,98,855)
5	Increase/ (decrease) in provisions	1,06,777	(2,77,917)
	Cash Generated from Operations	1,75,36,583	41,20,909
6	Income Tax (Paid) / Refunded	(38,82,679)	(4,48,803)
	Net Cash from Operating Activities	1,36,53,904	36,72,106
B	**Cashflows from Investing Activities**		
1	Purchase of Property, plant and equipment and investment property	(31,40,209)	(14,86,370)
2	Sale of Property, plant and equipment and investment property	(24)	11,53,086
3	Interest Received	1,46,214	1,75,781
	Net Cash from Investment Activities	(29,94,019)	(1,57,503)
C	**Cash Flows from Financing Activities**		
1	Proceeds/(Repayment) of borrowings	1,36,227	3,39,041
2	Repayment of/ proceeds from short term borrowings	(25,06,166)	(13,02,829)
3	Interest Paid	(17,79,278)	(23,94,809)
	Net Cash used in Financing Activities	(41,49,217)	(33,58,597)
	Net Increase in Cash and Cash Equivalents	65,10,668	1,56,006
1	Cash & Cash Equivalents at begining of period	52,07,422	50,51,416
2	Cash & Cash Equivalents at end of period (refer note 10)	1,17,18,090	52,07,422

Note 1. Previous year's figures are regrouped wherever necessary to make them comparable with the Current year.
2. Cash flow is prepared using indirect method.

As per our report of even date attached

For P G BHAGWAT LLP
Chartered Accountants
Firm's registration no. 101118W/W100682

Abhijeet Bhagwat
Partner
Membership no. 136835
7 May 2024

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For and on behalf of the Board of Directors

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Group CFO

KIRLOSKAR BROTHERS INTERNATIONAL BV
Kirloskar
Enriching Lives
34281727

Kirloskar Brothers International B.V.
Consolidated statement of Changes in Equity for the period ended 31 March 2024
(Amounts in Euro)
A. Equity Share Capital

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
2,36,85,100	-	2,36,85,100

Balance as at 31 March 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
2,36,85,100	-	**2,36,85,100**

B. Other Equity

	Foreign currency translation reserve	Cash flow hedge	Reserves and Surplus			Total
			Capital redemption reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 1 April 2022	5,69,531		59,859	1,22,547	(59,40,380)	(51,88,443)
Additional shares issued during the year				-		-
Profit for the year					55,82,403	55,82,403
Other comprehensive income	3,64,009	4,86,463			-	8,50,472
Balance as at 31 March 2023	9,33,540	4,86,463	59,859	1,22,547	(3,57,977)	12,44,432
Additional shares issued during the year				-		-
Profit for the year					77,26,104	77,26,104
Other comprehensive income	10,27,674	17,873				10,45,547
Balance as at 31 March 2024	**19,61,214**	**5,04,336**	**59,859**	**1,22,547**	**73,68,127**	**1,00,16,083**

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
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Abhijeet Bhagwat
Partner
Membership no. 136835
7 May 2024

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Group CFO

KIRLOSKAR BROTHERS INTERNATIONAL BV Kirloskar Enriching Lives 34281727

Notes to the consolidated financial statements for the year ended 31 March 2024 (All amounts are in Euros, unless otherwise stated)

1. Corporate information

Kirloskar Brothers International B.V. (KBIBV) is company formed in Netherlands and owned by Kirloskar Brothers Limited, India (KBL). KBIBV owns 100% share of all foreign subsidiary component of KBL group which are engaged in providing global fluid management solutions. The core products of the group are engineered pumps, firefighting pumps, Industrial pumps, agriculture and domestic pump, valves and hydro turbines.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, other relevant provisions of the Act and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financial statements were authorized for issue by the Board of Directors on May 7, 2024.

2.2 Basis of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements relate to Kirloskar Brothers International B.V. and its majority owned subsidiary companies, consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and the unrealised profit /losses on intra-group transactions, and are presented to the extent possible, in the manner as the Company's independent financial statements.

The names of the subsidiary and joint venture companies, country of incorporation, proportion of ownership interest and reporting dates considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest of KBIBV	Reporting Date (*)
SPP Pumps Limited	United Kingdom	100%	31 March 2024
Kirloskar Brothers(Thailand) Limited	Thailand	100%	31 March 2024
SPP Pumps (MENA) L.L.C.	Egypt	100%	31 March 2024
Kirloskar Pompen B.V	The Netherlands	100%	31 March 2024
Micawber 784 Proprietary Limited	South Africa	100%	31 March 2024
SPP Pumps International Proprietary Limited (Erstwhile Kirloskar Brothers International PTY Limited)	South Africa	100%	31 March 2024
SPP France S A S	France	100%	31 March 2024
SPP Pumps Inc.	USA	100%	31 March 2024
SPP Pumps South Africa Proprietary Limited	South Africa	100%	31 March 2024
Braybar Pumps Limited	South Africa	100%	31 March 2024
Rodelta Pumps International BV	The Netherlands	100%	31 March 2024
Rotaserve Overhaul B.V.	The Netherlands	100%	31 March 2024
SPP Pumps Real Estate LLC	U S A	100%	31 March 2024

SyncroFlo Inc.	U S A	100%	31 March 2024
SPP Pumps (Asia) Ltd	Thailand	100%	31 March 2024
SPP Pumps (Singapore) Ltd	Singapore	100%	31 March 2024

Statutory reporting date for all companies above is 31 December 2023, however in order to have uniform reporting date for the purpose of consolidation with that of holding company, Kirloskar Brothers Limited, 12 months financials for foreign subsidiaries for period April 2023 – March 2024 are prepared using their audited financials for year ended December 2023 and management drawn financials for 3 months ended March 2024

The excess of cost to the company of its investment in the subsidiary company over the parents' portion of equity is recognised in the consolidated financial statements as goodwill. The excess of company's share of equity of the subsidiary company over the cost of acquisition is treated as capital reserve.

ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss on control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv) Equity accounted investees

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture has been accounted under the equity method as per Ind AS 28 'Investments in Associates and Joint Ventures', whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Joint Venture.

The excess of cost to the Company of its investment in the Joint Venture entity is set off against the adjusted carrying amount of the investment. Distributions received from the Joint Venture reduce the carrying amount of the investment.

The consolidated statement of profit and loss reflects the Company's share of the results of the operations of the Joint Venture Company.

Unrealised profits and losses resulting from transactions between the Joint Venture and the Company are eliminated to the extent of Company's interest in the joint venture.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS. on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Non-derivative financial instruments at fair value through profit or loss	Fair value
Defined benefit plan – plan assets	Fair value

2.4 Functional and presentation currency

These financial statements are presented in Euro which is the Group's functional currency. All financial information is presented in euro, except share and per share data, unless otherwise stated.

2.5 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from the estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation – The cost of the defined benefit pension plan, and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates.
2. Impairment of goodwill – The group estimates the value in use of a cash generating unit (CGU) based on the future cash flows after considering the current economic conditions and trends, estimated future operating results and growth rate. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on historical market returns of comparable companies.
3. Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected loss rates.
4. Estimation of provision for warranty claims – key assumptions about likelihood and magnitude of an outflow of resources.

2.6 Inventories

- Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method.

  Costs incurred in bringing each product to its present location and conditions are accounted for as follows:
- Raw materials: cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. . However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- Finished goods and work in progress: cost includes cost of direct materials, labor and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into finished goods based on the normal operating capacity.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net-realizable value is made at regular intervals and at change of events.

2.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

While other bank balances include, margin money, deposits, earmarked balances with bank, and other bank balances with bank which have restrictions on repatriation.

2.8 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(1) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
(2) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
(3) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

2.9 Property, plant and equipment

Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and in some cases based on the technical evaluation made by the management.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

2.10 Goodwill and intangible assets

Recognition and measurement

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less impairment losses. Goodwill is allocated to the CGUs for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which goodwill arose.

Other intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Research and development costs –

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

2.11 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.12 Revenue recognition

Group recognises revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

Revenue is measured at transaction price i.e. Consideration to which an Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

Sale of goods
Revenue from the sale of goods is recognized when the control of the goods have passed to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Rendering of services
Revenue is recognized over time as the services are provided. The stage of completion for determining the amount of revenue to recognize is assessed based on surveys of work performed.
If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

Construction Contracts
Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC). The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (25% of Project Cost) where the outcome of the contract cannot be ascertained reliably, the Group recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the Group is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.
For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as the amount due to customers.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the amount due from customers.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

2.13 Other income

Interest is recognized on a time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate (EIR) method. Dividend income and export benefits in the form of Duty Draw Back claims are recognised in the statement of profit and loss on the date that the Group's right to receive payment is established

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

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.

2.14 Foreign currencies transactions

i) Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the statement of profit and loss of the period.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

ii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.15 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

The Group has no further payment obligations once the contributions have been paid to various social security plans. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

The pension scheme for Kirloskar Brothers (Thailand) Limited are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

2.16 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax assets and liabilities 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 at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

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

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.17 Provisions

A Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Warranty provisions

Provisions for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Contingent liability

Contingent liability is disclosed when Group has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.18 Leases

Group has adopted Ind AS 116 'Leases' from 1 April 2019. On transition, Group has recognized right-to-use asset equal to lease liability which is the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application i.e. 1 April 2019.

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

- **Group as a Lessee**

A lessee is required to recognised assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequent measurement

Right to use assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

Group as a Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.19 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.21 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.

Financial assets

Initial recognition and measurement

All financial assets are initially measured at fair value excepting for trade receivables not containing a significant financing component are initially measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income (FVTOCI)
3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset
Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables
d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
e. Loan commitments which are not measured as at FVTPL
f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

a. Trade receivables or contract revenue receivables; and
b. All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities

Initial recognition and measurement
The Group initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortization.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss

2.22 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares (if any).

2.23 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the group assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

Group operates in single reporting segment of 'Fluid Machinery and Systems'

2.24 Recent accounting pronouncement

MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024

Kirloskar Brothers International B.V.
Consolidated notes to accounts
Note 3 : Property, Plant and Equipment , Goodwill and Other Intangible assets
(Amounts in Euro)

	Tangible Assets						Intangible Assets			Goodwill
	Land Free hold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Total	Computer software	Trade marks, Patents, Intelletual property rights	Total	
Gross Block										
As at 1 April 2022	20,29,189	1,01,91,426	1,41,70,187	68,57,108	2,80,649	3,35,28,559	2,00,025	17,12,187	19,12,212	1,99,766
Additions	-	3,22,911	8,96,889	2,78,114	4,337	15,02,251	-	-	-	-
Disposals/ imapairment	(4,23,326)	-	(7,96,734)	(1,04,250)	(17,639)	(13,41,949)	-	-	-	-
Exchange difference	51,495	(3,74,352)	(5,30,581)	(1,51,155)	(21,691)	(10,26,284)	(1,078)	17,747	16,669	37,086
As at 31 March 2023	16,57,358	1,01,39,985	1,37,39,761	68,79,817	2,45,656	3,26,62,577	1,98,947	17,29,934	19,28,881	2,36,852
Additions	-	16,462	6,40,581	5,72,537	-	12,29,580	-	-	-	-
Disposals / impairment	-	(2,055)	(65,826)	(14,226)	(2,835)	(84,942)	-	-	-	-
Exchange difference	9,811	62,831	1,67,347	1,18,075	(7,078)	3,50,986	(11,615)	5,161	(6,454)	1,639
As at 31 March 2024	16,67,169	1,02,17,223	1,44,81,863	75,56,203	2,35,743	3,41,58,201	1,87,332	17,35,095	19,22,427	2,38,491
Depreciation/ Amortisation										
As at 1 April 2022	-	36,94,718	1,13,70,988	59,56,180	1,98,322	2,12,20,208	1,80,062	15,65,379	17,45,441	-
Charge for the year	-	3,07,232	7,77,352	2,58,252	19,203	13,62,039	18,839	77,212	96,051	-
Depreciation on disposal	-	-	(1,03,000)	(19,837)	(17,639)	(1,40,476)	(40,327)	-	(40,327)	-
Exchange difference	-	(26,306)	(7,97,993)	1,24,486	(5,296)	(7,05,109)	(8,929)	13,153	4,224	-
As at 31 March 2023	-	39,75,644	1,12,47,347	63,19,081	1,94,590	2,17,36,662	1,49,645	16,55,744	18,05,389	-
Charge for the year	-	3,40,739	7,11,092	2,77,219	17,653	13,46,703	16,911	69,753	86,664	
Depreciation on disposal	-	(2,055)	(64,940)	(15,136)	(2,835)	(84,966)	-		-	
Exchange difference	-	61,523	1,44,129	1,09,930	(5,529)	3,10,053	(9,034)	4,658	(4,376)	-
As at 31 March 2024	-	43,75,851	1,20,37,628	66,91,094	2,03,879	2,33,08,452	1,57,522	17,30,155	18,87,677	-
Net block										
As at 31 March 2023	16,57,358	61,64,341	24,92,414	5,60,736	51,066	1,09,25,915	49,302	74,190	1,23,492	2,36,852
As at 31 March 2024	16,67,169	58,41,372	24,44,235	8,65,109	31,864	1,08,49,749	29,810	4,940	34,750	2,38,491

Notes:

1) Plants and machines acquired out of proceeds of term loan, are pledged as security against the loan.
2) During the year no provision envisaged for impairment loss .
3) Refer note no 28 for estimated amount of contract remaining to be executed on capital account.
4) Company has not revalued any property, plant and equipment during the FY 2023-24 and FY 2022-23
5) All title deeds of immovable properties are held in the name of company

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Note 4 : Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Capital work-in-progress	8,73,442	1,58,684
	8,73,442	1,58,684

Note 5 : Right to use asset

Particulars	Amount
Opeing balance as at 1 April 2022	25,63,337
Additions / (Disposals) including forex difference	4,68,856
Depreciation	(6,36,090)
Balance as at 31 March 2023	**23,96,103**
Additions / (Disposals) including forex difference	11,95,871
Depreciation	(8,22,647)
Balance as at 31 March 2024	**27,69,327**

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Note 6 : Financial Assets: Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(a) **Trade receivable**		
Unsecured, considered good	-	-
Doubtful	5,990	5,990
	5,990	5,990
Less: Provision for significant increase in credit risk and credit impaired receivables	5,990	5,990
	-	-
Current		
Unsecured, considered good	1,87,21,242	2,15,79,985
Doubtful	7,17,709	6,16,990
	1,94,38,951	2,21,96,975
Less: Provision for significant increase in credit risk and credit impaired receivables	7,17,709	6,16,990
	1,87,21,242	2,15,79,985
Total trade receivable	1,87,21,242	2,15,79,985

Note 7 : Financial Assets: Others

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(a) **Security deposits**		
Unsecured, considered good	1,42,955	1,53,217
Doubtful	-	-
	1,42,955	1,53,217
Less: Provision for significant increase in credit risk and credit impaired deposits	-	-
	1,42,955	1,53,217
Current		
(a) **Miscellaneous claims**	1,400	65,954
(b) **Security deposits**		
Unsecured, considered good	24,026	24,651
Doubtful	-	-
	24,026	24,651
Less: Provision for significant increase in credit risk and credit impaired deposits	-	-
	24,026	24,651
(c) **Forward contract asset**	10,95,205	16,12,537
	11,20,631	17,03,142
Total other financial assets	12,63,586	18,56,359

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Note 8 : Other non-financial assets

	Particulars	As at 31 March 2024	As at 31 March 2023
	Current		
(a)	**Advances to supplier and others**		
	Unsecured, considered good	12,10,175	14,47,886
(b)	**Prepaid expenses**	26,83,486	16,59,234
(c)	**Retentions**	18,86,998	26,56,990
(d)	**Statutory claims receivable**	15,95,883	18,85,199
		73,76,542	76,49,309
	Total other assets	73,76,542	76,49,309

Note 9 : Inventories

	Particulars	As at 31 March 2024	As at 31 March 2023
(a)	Raw Materials *	1,84,62,960	1,54,30,576
(b)	Work-in-progress	97,65,761	57,90,963
(c)	Finished goods	25,61,562	23,81,986
(d)	Stock-in-trade	44,93,524	21,99,429
	(Mode of valuation refer note 2.5)		
		3,52,83,807	2,58,02,954

* Includes goods in transit of Euro 11,27,535 (PY - Euro 14,34,396)

Note 10 : Cash and cash equivalents

	Particulars	As at 31 March 2024	As at 31 March 2023
(a)	**Balances with bank**	1,17,00,778	51,91,571
(b)	**Cash on hand**	17,312	15,851
		1,17,18,090	52,07,422

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Note 11: Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Issued & subscribed		
Issued Share Capital 236,851 (198,076) equity shares of EUR 100 each (EUR 100 each)*	**2,36,85,100**	2,36,85,100
Fully Paid up Share Capital 236,851 (198,076) equity shares of EUR 100 each (EUR 100 each)*	**2,36,85,100**	2,36,85,100
	2,36,85,100	2,36,85,100

a) Terms/rights attached to equity shares
The company has only one class of equity shares, having par value of EUR 100 per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,36,851	2,36,85,100	2,36,851	2,36,85,100
Shares Issued during the year	-	-	-	-
Shares Issued during the year for share premium	-	-	-	-
Shares outstanding at the end of the year	2,36,851	2,36,85,100	2,36,851	2,36,85,100

c) Details of shareholder holding more than 5% shares

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Limited	2,36,851	100	2,36,851	100

* During the preceding five years no shares were bought back or allocated as fully paid up pursuant to contract without payment being received in cash or as bonus shares.

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Note 12: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
(a) **Capital redemption reserve**	59,859	59,859
(b) **Securities premium reserve**		
Opening balance	1,22,547	1,22,547
Add: Securities premium credited on shares issue		
Less: Utilised for issue of shares during the year	-	-
	1,22,547	1,22,547
(c) **Foreign currency translation reserve (FCTR)**		
Opening balance	9,33,540	5,69,531
Add: Current year transfer	10,27,674	3,64,009
	19,61,214	9,33,540
(d) **Retained Earnings**		
Opening balance	(3,57,977)	(59,40,380)
Add: Total comprehensive income for the year (Excluding FCTR)	77,26,104	55,82,403
Closing balance	73,68,127	(3,57,977)
(e) **Effective portion of cash flow hedges**		
Opening balance	4,86,463	-
Other comprehensive income for the year	17,873	4,86,463
Closing balance	5,04,336	4,86,463
	1,00,16,083	12,44,432

Note 13 : Financial Liabilities: Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured		
(a) Term loan from ABSA bank (Terms of loan : Loan is issued against security of building and guarantees issued by other SA entities @ PLR and is repayable over 10 years)	7,83,718	2,33,860
(b) Term loan from other banks (ICICI Bank, regions banks etc.) (Terms of loan : Loan is issued against security of Land, building, equipments and other fixed assets and corporate guarantee of ultimate holding company and carries interest 3.85% - 8.25% The loan is repayable in equated installments till March 2030)	56,98,277	61,01,761
	64,81,995	63,35,621
Less- Current maturities of non current borrowings	2,31,234	2,21,087
Total non-current borrowings	62,50,761	61,14,534
Current		
Secured		
1) **Loans repayable on demand from bank**		
(i) Cash / export credit facilities and working capital demand loans from various banks (Terms of loans: Loan carries interest @ 2% to 10.5% per annum and secured against the inventory, receivables and mortgage of plant & machinery in some cases and corporate guarantee of ultimate holding company)	48,45,129	73,61,442
Total secured loan - Current	48,45,129	73,61,442
(b) **Current maturities of long term loan**	2,31,234	2,21,087
Total current borrowings	50,76,363	75,82,529
Total borrowings	1,13,27,124	1,36,97,063

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Note 14 : Financial Liabilities: Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Total outstanding dues of creditors other than micro enterprises & small enterprises	2,57,72,847	2,41,05,245
Total trade payable	2,57,72,847	2,41,05,245

Terms and conditions of the above financial liabilities:

1) Trade payables are non-interest bearing and are normally settled on 60 to 90 days terms

Note 15: Other financial liabilities

	Particulars	As at 31 March 2024	As at 31 March 2023
	Non-current		
(a)	**Financial guarantee contracts and other liabilities**	2,43,729	3,00,620
		2,43,729	3,00,620
	Current		
(a)	Others		
	Salary & Reimbursements	25,46,556	12,17,099
	Provision for expenses	41,38,346	32,82,852
	Financial guarantee contracts	12,28,559	11,26,970
	Forward contract liabilities	-	-
		79,13,461	56,26,921
		79,13,461	56,26,921
	Total other financial liabilities	81,57,190	59,27,541

Terms and conditions of the above financial liabilities:

1) Other payables are non-interest bearing and have an average term of six months.
2) For explanations on the Group's credit risk management processes, (refer note 34)

Note 16: Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Pension scheme (refer note 32)	2,74,685	2,40,806
Provision for product warranty	40,000	40,000
	3,14,685	2,80,806
Current		
Other provision (refer note 31)		
Provision for product warranty	10,01,937	10,13,920
Provision for loss on long term contracts	1,93,752	1,08,871
	11,95,689	11,22,791
Total provisions	15,10,374	14,03,597

Note 17: Other current liabilities

	Particulars	As at 31 March 2024	As at 31 March 2023
	Current		
(a)	Advance from customer	50,34,379	30,77,055
(b)	Contribution towards social security plans	7,00,975	7,94,567
(c)	Statutory dues	9,926	14,853
		57,45,280	38,86,475
	Total other non-financial liabilities	57,45,280	38,86,475

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Note 18 : Income tax

(1) The major components of income tax expense for the period ended 31 March 2024 and 31 March 2023 are:

(a) Profit or loss

Particulars	As at 31 March 2024	As at 31 March 2023
Current income tax:		
Current income tax charge	37,54,302	15,14,860
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	54,501	4,69,908
Income tax expense reported in the statement of profit or loss	38,08,803	19,84,768

(b) Balance sheet

Deferred tax

Reflected in balance sheet as	As at 31 March 2024	As at 31 March 2023
Deferred tax asset	7,13,966	14,18,147
Deferred tax liability	95,443	97,935
Net Deferred tax asset	6,18,523	13,20,212

(c) Current tax

Reflected in balance sheet as	As at 31 March 2024	As at 31 March 2023
Current tax Asset/(liability)	(5,52,541)	(6,80,918)
	(5,52,541)	(6,80,918)

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Note 19: Revenue from contracts with customers

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Sale of products	13,89,36,978	13,28,48,129
(b) Sale of services	2,28,695	3,53,850
	13,91,65,673	13,32,01,979
(c) Other operating revenues	3,41,672	2,61,626
	13,95,07,345	13,34,63,605

Note 20: Other Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest Income on financial assets at amortised cost From customers and others (at effective rate of interest)	1,46,214	1,75,781
(b) Other non-operating income	15,27,050	2,73,209
(c) Foreign exchange gain	5,93,974	-
	22,67,238	4,48,990

Note 21: Cost of materials consumed , Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Raw materials including packaging materials consumed	7,63,46,760	7,03,90,001
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock		
Finished goods	23,81,986	15,64,366
Work-in- progress	57,90,963	48,97,569
Stock in trade	21,99,429	24,21,303
	1,03,72,378	88,83,238
Closing Stock		
Finished goods	25,61,562	23,81,986
Work-in- progress	97,65,761	57,90,963
Stock in trade	44,93,524	21,99,429
	1,68,20,847	1,03,72,378
	(64,48,469)	(14,89,140)

Note 22: Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Salaries, wages and bonus	2,93,55,436	2,48,68,202
(b) Defined contribution plans/ social security expenses	21,70,777	20,58,845
(c) Defined benefit plans (Refer note 32)	48,575	28,419
(d) Welfare expenses	6,36,484	4,47,146
	3,22,11,272	2,74,02,612

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Note 23: Finance costs

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	**Interest expense**	9,47,299	14,89,369
(c)	**Other borrowing costs** (includes bank guarantee commission, LC charges, loan processing charges)	8,31,979	9,05,440
		17,79,278	23,94,809

Note 24: Depreciation and amortization expense

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	Depreciation on property, plant and equipment	13,46,703	13,62,039
(b)	Amortization of intangible assets	86,664	96,051
(c)	Depreciation on right to use	8,22,647	6,36,090
		22,56,014	20,94,180

Note 25: Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	16,71,798	16,63,933
Processing charges	10,35,651	7,32,721
Power & fuel	10,80,661	9,64,320
Repairs and maintenance		
Plant and machinery	2,99,699	3,88,819
Buildings	4,63,361	2,79,097
Other	3,24,628	2,27,760
Rent expenses for short term or low value leases	5,232	1,11,964
Rates and taxes	6,11,656	4,32,713
Travel and conveyance	19,16,704	12,79,694
Communication expenses	2,74,435	2,64,734
Insurance	18,56,561	15,74,797
Royalties and fees	69,471	99,642
Freight and forwarding charges	26,46,290	25,49,306
Brokerage and commission	13,05,135	14,85,167
Advertisements and publicity	5,31,292	5,07,146
Provision for product warranty	53,101	2,15,449
Loss on sale/disposal of fixed assets	-	8,060
Provision for doubtful debts and bad debts	42,058	(87,717)
Auditor's remuneration (refer note 29)	3,63,884	3,86,275
Professional, consultancy and legal expenses	13,74,301	19,18,558
Security services	39,029	37,937
Computer services	9,76,691	9,83,894
Stationery & Printing	3,07,613	3,18,067
Training course expenses	2,22,998	2,24,664
Outside labour charges	6,12,476	8,41,147
Foreign exchange loss (net)	-	27,61,896
Other miscellaneous expenses	23,46,077	14,35,286
	2,04,30,802	2,16,05,329

Note 26: Other Comprehensive Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Items that will not be reclassified to profit or loss		
Remeasurement gains and losses	-	-
Items that will be reclassified to profit or loss		
Cash flow hedge	17,873	4,86,463
Foreign currency translation reserve	10,27,674	3,64,009
	10,45,547	8,50,472

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Note 27: Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Other money for which the company is contingently liable for		
Value Added Tax / Sales Tax / Withholding tax / Salary tax/ labour matters (Matter Subjudice)	2,885	6,401
	2,885	6,401

Note 28: Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,89,233	-
Letter of credit outstandings	7,28,922	3,28,246
	9,18,155	3,28,246

Note 29: Remuneration to auditors

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Audit Fees	2,90,816	2,63,301
b) Tax Audit Fees	47,907	54,141
c) VAT audit fees	-	1,827
d) Limited review	12,256	11,211
d) Other services	7,489	-
e) Expenses reimbursed	5,416	55,795
Total audit fees	3,63,884	3,86,275

Note 30: Earnings per share (Basic and diluted)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Profit for the year before tax	1,15,34,907	75,67,171
Less : Attributable Tax thereto	38,08,803	19,84,768
Add- Share in profit/(loss) of joint venture	-	-
Profit after Tax	77,26,104	55,82,403
b) Weighted average number of equity shares used as denominator	2,36,851	2,36,851
c) Basic and diluted earning per share of nominal value of Euro 100- each	32.62	23.57

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Note 31: Movement in provision

Particulars	Provision for product warranty	Provision for long term contracts	Total
Carrying amount as at 1 April 2022	9,26,620	5,81,004	15,07,624
Provision (net of reversal) during the year 2021-22	2,15,449	(4,72,133)	(2,56,684)
Amount utilized during the year 2021-22	(88,149)	-	(88,149)
Carrying amount as at 31 March 2023	10,53,920	1,08,871	11,62,791
Provision (net of reversal) during the year 2022-23	53,101	84,881	1,37,982
Amount utilized during the year 2023-24	(65,084)	-	(65,084)
Carrying amount as at 31 March 2024	10,41,937	1,93,752	12,35,689

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Note 32: Employee benefits

i. Defined Contribution Plans:

Amount of Euro **21,70,777** & (Euro 20,58,845) is recognised as an expense and included in Employees benefits expense (Note-22 in the Profit and Loss Statement.)

ii. Defined Benefit Plans:

Subsidiary company, Kirloskar Brothers (Thailand) Limited operates Legal Severance Pay Plan as provided in accordance with the Labor Protection Act in Thailand. Details of the plan are as-

The scheme is applicable to all employees immediately upon hire. Company has obligations to pay the legal severrance pay towards its employees when they reach a retirement age. It is determined based on the employee's age, length of employment services and salary increase rate, among etc as -

Years of service	Amount of LSP
≥ 120 days but <1 year	30 days of plan wages
1 year to <3 years	90 days of plan wages
3 years to <6 years	180 days of plan wages
6 years to <10 years	240 days of plan wages
10 years to <20 years	300 days of plan wages
20 years or more	400 days of plan wages

a) The amounts recognised in Balance Sheet are as follows:

Particulars	Unfunded pension plan 31 March 2024	Unfunded pension plan 31 March 2023
Present Value of Defined Benefit Obligation	**2,74,685**	2,40,806
	2,74,685	2,40,806

b) The amounts recognised in the statement of profit and Loss are as follows:

Particulars	Unfunded pension plan 31 March 2024	Unfunded pension plan 31 March 2023
Current Service Cost	**42,601**	25,840
Past service cost	-	-
Net Interest (income)/expenses	**5,974**	2,579
	48,575	28,419

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows

Particulars	Unfunded pension plan 31 March 2024	Unfunded pension plan 31 March 2023
Balance of the present value of Defined benefit Obligation at the beginning period	**2,40,806**	1,73,889
Interest expenses	**5,974**	2,579
Current Service Cost	**42,601**	25,840
Acquisition adjustment	-	(196)
Present value of obligation as at the end of the period		
Benefits paid	-	(2,685)
Remeasurement gains and losses recognised in OCI	-	-
Forex difference	**(14,696)**	41,379
	2,74,685	2,40,806

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d) **Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)**

Discount rate as at 31 March 2024 : 1.80% to 4.96% (PY: 1.8%)
Salary growth rate : 4.0% (PY - 4%)
Attrition rate: 15%-30% (PY:15%-30%)

e) **Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligaion(PVO). Sensitivity analysis is done by varying (increasing/ decresing) one parameter at a time and studying its impact

Change in assumption	As at 31 March 2024	As at 31 March 2023
Discount rate		
Increase by 1% to	(17,248)	(17,025)
Decrease by 1% to	19,127	18,988
Salary increase rate		
Increase by 1% to	21,458	18,608
Decrease by 1% to	(19,605)	(17,016)
Withdrawal rate		
Increase by 20% of base assumption	(12,226)	(10,633)
Decrease by 20% of base assumption	16,023	13,917

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Note 33: Fair Value Measurements

As per assessments made by the management fair values of all financial instruments carried at amortised costs are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

Sr.No	Particulars	Carrying value	
		As at 31 March 2024	As at 31 March 2023
	Financial asset		
	Levelled at Level 2		
a)	**Carried at fair value through other comprehensive income (FVTOCI)**		
	Forward contract asset	**10,95,205**	16,12,537
b)	**Carried at amortised cost**		
	Trade receivable	**1,87,21,242**	2,15,79,985
	Security deposits	**1,66,981**	1,77,868
	Other financial assets	**1,400**	65,954
	Cash and cash equivalent	**1,17,18,090**	52,07,422
		3,17,02,918	2,86,43,766
	Financial Liabilities		
b)	**Carried at amortised cost**		
	Borrowings	**1,13,27,124**	1,36,97,063
	Trade payable	**2,57,72,847**	2,41,05,245
	Other current financial liabilities	**66,84,902**	44,99,951
	Lease liability	**29,81,010**	26,26,916
c)	**Carried at of the amount of loss allowance determined and the amount recognised less cumulative amortisation**		
	Financial guarantee contracts	**14,72,288**	14,27,590
		4,82,38,171	4,63,56,765

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Note 34: Financial risk management policy and objectives

Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance group's operations. Group's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the group, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities and guarantees given by ultimate holding company,' Kirloskar Brothers Limited, India'
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in fuctional currency of respective subsidiary	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the group's policy.
Market risk- Interest rate risk	Long-term borrowings at variable rates	Sensitivity Analysis	Balanced loan portfolio of fixed and variable rate of interest loan

The group's risk management is carried out by management, under policies approved by the board of directors. Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit Risk

Credit risk in case of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The group provides for expected credit loss in case of trade receivables and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the group. The group categorises a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments on case to case basis. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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Provision for expected credit loss

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)

Exposure to Risk	As at 31 March 2024	As at 31 March 2023
Security Deposits	1,66,981	1,77,868
Less : Expected Loss	-	-
	1,66,981	1,77,868
Other financial asset	1,400	65,954
Less : Expected Loss	-	-
	1,400	65,954

Trade receivables

	As at 31 March 2024	As at 31 March 2023
Trade Receivables		
Neither past due nor impaired	80,80,655	1,38,02,696
Past due but not impaired		
Less than 180 days	78,11,307	58,38,613
181 - 365 days	23,37,076	1,30,800
More than 365 days	4,92,204	18,07,876
Total	1,87,21,242	2,15,79,985

Reconciliation of loss provision

Trade receivables	Amounts
Loss allowance as at 1 April 2022	6,46,959
Changes in loss allowance	(29,969)
Loss allowance as at 31 March 2023	6,16,990
Changes in loss allowance	1,00,719
Loss allowance as at 31 March 2024	7,17,709

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to Risk	As at 31 March 2024	As at 31 March 2023
Interest bearing borrowings		
On demand	48,45,129	73,61,442
Less than 365 days	2,31,234	2,21,087
More than 365 days	62,50,761	61,14,534
Total	1,13,27,124	1,36,97,063
Other financial liabilities		
On demand		
Less than 365 days	79,13,461	56,26,921
More than 365 days	2,43,729	3,00,620
Total	81,57,190	59,27,541
Lease liabilities		
On demand		
Less than 365 days	22,00,458	15,73,915
More than 365 days	7,80,552	10,53,001
Total	29,81,010	26,26,916
Trade payables		
On demand		
Less than 365 days	2,39,08,092	2,25,12,522
More than 365 days	18,64,755	15,92,723
Total	2,57,72,847	2,41,05,245

The Group has access to following undrawn facilities at the end of the reporting year (Interest rates 3.1% - 7.9%)

	31 March 2024
Expiring within one year	1,30,55,566
Expiring beyond one year	-

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Note 34: Financial risk management policy and objectives *(continued)*

(C) Foreign Currency Risk
The group is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial Assets	Currency	Amount in Foreign Currency		Amount in Euro	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade Receivables	GBP	-	2,75,840	-	3,13,740
	USD	88,60,951	79,21,953	81,96,236	72,84,554
	AED	20,30,404	1,45,363	5,11,865	36,323
Bank Accounts	GBP	13,863	51,754	16,212	58,865
	USD	10,60,249	11,56,185	9,80,713	10,63,159
	AED	1,10,646	82,701	27,894	20,665

Financial Liabilities	Currency	Amount in Foreign Currency		Amount in Euro	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade Payables	GBP	1,05,466	70,43,741	1,23,338	80,11,534
	USD	29,35,917	9,48,391	27,15,676	8,72,084
	AED	1,71,107	90,82,538	43,136	22,69,545

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency		Amount in Euro	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
GBP	(91,603)	(67,16,147)	(1,07,125)	(76,38,930)
USD	69,85,283	81,29,747	64,61,274	74,75,629
AED	19,69,943	(88,54,474)	4,96,623	(22,12,556)

Sensitivity Analysis

Currency	Amount in Euro		Sensitivity %	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
GBP	(1,07,125)	(76,38,930)	3.09%	2.08%
USD	64,61,274	74,75,629	3.91%	4.89%
AED	4,96,623	(22,12,556)	3.50%	2.25%
Total	68,50,772	(23,75,857)		

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
GBP	3,310	1,58,890	(3,310)	(1,58,890)
USD	(2,52,636)	(3,65,558)	2,52,636	3,65,558
AED	(17,382)	49,783	17,382	(49,783)

(EGP- Egyptian Pound, GBP - Great Britain Pound, EUR- Euro, SEK- Swedish Krona, USD - US Dollar, VND- Vietnamese Dong, SGD- Singapore Dollar, JPY - Japanese Yen, OMR - Omani Rial, AED-Arab emirates Dirham)

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Note 35 : Capital management

a) Risk Management

The group's objectives when managing capital are to
'-safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
'-Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
In case of financial difficulties, the ultimate holding company, provides financial support through infusion of additional equity and issuing corporate guarantees to banks for facilitating additional borrowing facilities.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).
Group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	31 March 2024	31 March 2023
Loans and borrowings	1,13,27,124	1,36,97,063
Less: Cash and cash equivalents and other bank balances	1,17,18,090	52,07,422
Net debt	(3,90,966)	84,89,641
Equity	3,37,01,183	2,49,29,532
Capital and net debt	3,33,10,216	3,34,19,173
Gearing ratio	NA *	25%

* Gearing ratio is not applicable as net debt of company is negative.

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Note 36a : Trade receivable ageing

Trade receivables as at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	80,80,655	78,11,307	23,37,076	3,11,281	37,714	1,43,209	1,87,21,242
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	7,17,709	7,17,709
Total undisputed trade receivables (a)	80,80,655	78,11,307	23,37,076	3,11,281	37,714	8,60,918	1,94,38,951
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	-	-	-	-	-	-	-
Total trade receivables (a+b)							1,94,38,951
Provision for increase in significnat risk and credit impaired							7,17,709
Net trade receivables							1,87,21,242

Trade receivables as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	1,38,02,696	58,38,613	1,30,800	5,46,986	98,354	11,62,536	2,15,79,985
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	6,16,990	6,16,990
Total undisputed trade receivables (a)	1,38,02,696	58,38,613	1,30,800	5,46,986	98,354	17,79,526	2,21,96,975
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	-	-	-	-	-	-	-
Total trade receivables (a+b)							2,21,96,975
Provision for increase in significnat risk and credit impaired							6,16,990
Net trade receivables							2,15,79,985

Note 36b : Trade payable ageing

Particular	Year	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
1 . Others - Non disputed	2024	1,82,56,200	54,49,362	2,02,530	1,50,303	11,052	17,03,400	2,57,72,847
	2023	1,37,52,899	69,88,856	17,70,767	2,25,296	9,971	13,57,456	2,41,05,245
2 . Others - disputed	2024	-					-	-
	2023	-					-	-

Note 36c : Capital work- in- progress

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2024	7,37,113	1,36,363			8,73,476
	2023	1,58,684	-	-		1,58,684

There are no projects on hold / temporarily suspended and all projects in CWIP as at 31 March 24 are expected to be completed in Span less than 1 year.

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