

GIANLUIGI BERRUTI MANZONE

DOTTORE COMMERCIALISTA
REVISORE LEGALE
20122 MILANO – VIALE BIANCA MARIA 25

To the attention of Sole Shareholder
BALKRISHNA INDUSTRIES LIMITED
B-66, Waluj MIDC, Waluj Industrial Area,
Aurangabad 431 136, Maharashtra (India)

Milan, 21 April 2023

AUDITOR'S REPORT

I, the undersigned Gianluigi Berruti Manzone, chartered accountant (Dottore Commercialista), enrolled in the Registry of Italian Certified Public Accountants (Revisori Legali dei Conti) under the number 130275, with reference to the fiscal year closed as of March 31st, 2023, of the company BKT EUROPE SRL, with registered office in Viale Bianca Maria 25, 20123 Milano, VAT and Business Registry no. 05404270968, Economic and Administrative Index no. 1819352, hereby certify that:

1. the financial statements give a true and fair view of the financial position and of the results of operations of the company;
2. the accounts correctly reflect the values and the description of the documents and the company records held by the company.

Gianluigi Berruti Manzone


BKT EUROPE S.R.L.

Head office, address MILANO - VIALE BIANCA MARIA , 25

Capital Stock paid Euro 100.000,00

Registered to the Chamber of Commerce of MILANO

The identification N. - N. of enterprises registry 05404270968

Value-added tax identification number: 05404270968 - No. Of the economic
administrative registry (Rea): 1819352

Financial Statements at 31/03/2023

Balance sheet (mandatory scheme)

Assets	31/03/2023	31/03/2022
A) RECEIVABLES DUE FROM SHAREHOLDERS		
Total receivables due from shareholders (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
3) Industrial patents and intellectual property rights	130.668	80.095
7) Other	1.867.462	2.132.831
Total intangible fixed assets	1.998.130	2.212.926
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	538.746	661.517
3) Industrial and commercial equipment	86.435	113.730
4) Other assets	644.312	810.752
Total tangible fixed assets	1.269.493	1.585.999
<i>III) Financial fixed assets</i>		
Total financial fixed assets (III)	0	0
Total fixed assets (B)	3.267.623	3.798.925
C) CURRENT ASSETS		
<i>I - Inventories</i>		
4) Finished products and goods for resale	5.331.946	3.117.131
Total inventories	5.331.946	3.117.131

II Receivables

1) Trade accounts

Due within the following year	7.466.214	5.123.445
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Total trade accounts	7.466.214	5.123.445
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5-b) Tax receivables

Due within the following year	6.060.501	3.382.202
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Total receivables due from tax authorities	6.060.501	3.382.202
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5-c) Prepaid tax	418	418
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5-d) Other receivables

Due within the following year	465.902	489.171
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Due beyond the following year	5.480	5.480
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Total receivables due from third parties	471.382	494.651
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Total receivables	13.998.515	9.000.716
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III - Current financial assets

Total financial current assets	0	0
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IV - Liquid funds

1) Bank and post office deposits	2.672.843	913.312
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3) Cash and equivalents on hand	814	1.151
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Total liquid funds	2.673.657	914.463
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Total current assets (C)	22.004.118	13.032.310
D) ACCRUED INCOME AND PREPAYMENTS	671.030	1.034.455
TOTAL ASSETS	25.942.771	17.865.690

Balance sheet (mandatory scheme)

Liabilities and shareholders' equity	31/03/2023	31/03/2022
A) SHAREHOLDERS' EQUITY		
I - Share capital	100.000	100.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	20.000	20.000

V - Statutory reserves	0	0
<i>VI - Other reserves, indicated separately</i>		
Miscellaneous other reserves	2	-3
Total other reserves	2	-3
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	974.887	441.165
IX - Net profit (loss) for the year	964.477	533.723
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	2.059.366	1.094.885
B) RESERVES FOR CONTINGENCIES AND OTHER CHARGES		
4) Other	9.975	0
Total reserves for contingencies and other charges (B)	9.975	0
C) TOTAL RESERVE FOR SEVERANCE INDEMNITIES (TFR)		
	455.822	374.839
D) PAYABLES		
4) Due to banks		
Due within the following year	5.277.566	6.628.157
Total payables due to banks (4)	5.277.566	6.628.157
7) Trade accounts		
Due within the following year	16.896.370	8.631.549
Total trade accounts (7)	16.896.370	8.631.549
12) Due to tax authorities		
Due within the following year	328.995	280.030
Total payables due to tax authorities (12)	328.995	280.030
13) Due to social security and welfare institutions		
Due within the following year	213.267	168.602
Total payables due to social security and welfare institutions (13)	213.267	168.602
14) Other payables		
Due within the following year	430.167	385.117

Total other payables (14)	430.167	385.117
Total payables (D)	23.146.365	16.093.455
E) ACCRUED LIABILITIES AND DEFERRED INCOME	271.243	302.511
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25.942.771	17.865.690

Income statement (value and cost of production)

	31/03/2023	31/03/2022
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	47.826.097	29.959.851
2) Change in work in progress, semi-finished and finished products	2.214.814	896.843
5) Other income and revenues		
Operating grants	47.787	0
Other	669.111	475.191
Total other income and revenues	716.898	475.191
Total value of production	50.757.809	31.331.885
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods for resale	16.967.037	9.363.530
7) Services	27.684.515	17.196.068
8) Use of third party assets	246.893	224.450
9) Personnel		
a) Wages and salaries	1.752.199	1.535.486
b) Related salaries	521.955	457.913
c) Severance	123.829	102.944
Total payroll and related costs	2.397.983	2.096.343
10) Depreciation, amortisation and writedowns		
a) Amortisation of intangible fixed assets	1.314.056	1.066.163
b) Depreciation of tangible fixed assets	369.177	351.500
Total Amortisation, depreciation and write-downs	1.683.233	1.417.663
12) Provisions for contingencies and other charges	9.975	0
14) Other operating expenses	229.825	135.808
Total cost of production	49.219.461	30.433.862
Difference between value and cost of production (A - B)	1.538.348	898.023
C) FINANCIAL INCOME AND CHARGES		

16) Other financial income		
d) Income other than the above		
Other	370	115
Total income other than the above	370	115
Total other financial income	370	115
17) Interest and other financial expense		
Other	130.269	121.309
Total interest and other financial expense	130.269	121.309
17-bis) Currency gains and losses	-9.869	-6.514
Total financial income and expense (15 + 16 - 17 + - 17-bis)	-139.768	-127.708
D) VALUE ADJUSTEMENTS TO FINANCIAL ASSETS AND LIABILITIES		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
PRE-TAX RESULT(A - B + - C + - D)	1.398.580	770.315
20) Income tax for the year, current, deferred and prepaid		
Current taxes	434.103	236.592
Total taxes on the income for the year	434.103	236.592
21) PROFIT (LOSS) FOR THE YEAR	964.477	533.723

THE ADMINISTRATIVE BODY: