

Date: 8th May 2024

BSE Scrip Code: **533293**

To
Corporate Relationship Department
BSE Limited
1st Floor, Rotunda Building,
Dalal Street, Fort,
Mumbai – 400 001

NSE Scrip Code: **KIRLOSENG**

To
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Dear Sir / Madam,

Subject: Disclosure of Related Party Transactions pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half-year ended 31st March 2024

Pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including amendments thereunder, read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2021, please find enclosed disclosure of related party transactions for the half year ended 31st March 2024.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited

Smita Raichurkar
Company Secretary and Head Legal

Encl.: As above.

- 3) Cost associated with Employee Stock Option Plan (ESOP) has been recorded in financials as per the relevant Ind AS, however the perquisite value for ESOP which have not yet been vested and exercised are not included in the remuneration reported above as the same will be included at the time of exercise of options.
- 4) **Terms and conditions of transactions with related parties** : Transactions entered into with related party are made in ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and interest free and settlement occurs in cash and cash equivalents. There have been no guarantees provided or received for any related party receivables or payables. For the half year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023 : Rs.Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- 5) Other Commitment - The Ultimate Holding Company has given letter of comfort/undertaking to one of the subsidiary's bankers for credit facilities availed by that subsidiary. As per the terms of letter of comfort/undertaking, the Ultimate Holding Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary beyond specified percentage.
- 6) No specific financial indebtedness is incurred to make or give investments.
- 7) Closing Balance in "Investment in equity shares" represents the carrying value of investment as at 31 March 2024 which is excluding the share of profit from the joint venture.
- 8) Transactions between members of the Group (between Kirtoskar Oil Engines Limited and its subsidiaries or between subsidiaries) are reported once and excluding GST, wherever applicable.
- 9) * As per the clarificatory FAQs issued by BSE Limited and NSE Limited dated 25th April 2022, the PAN numbers are not mentioned.
- 10) Negative Amounts in the opening balance and closing balance columns represent credit balances.
- 11) Amounts reported are inclusive of GST wherever applicable
- 12) 0.00/-0.00 denotes amounts less than Rs.50,000 in absolute terms.
- 13) Audit Committee is not applicable. The transactions are on arm's length basis accordingly, the board of directors had noted the same'. For La-Gajjar Machineries Pvt. Ltd. Akash Shah Chief Financial Officer Date - 06/05/2024
- 14) During FY 2023-24, La-Gajjar Machineries Private Limited (LGM/Transferee Company) and Optiqua Pipes and Electricals Private Limited (OPEPL/Transferor Company) have approved the draft scheme of arrangement in their respective meetings of Board, Shareholders and Creditors. This scheme has been further approved by the Regional Director, Ahmedabad (North Western Region) on 22nd March 2024. OPEPL and LGM has filed the order copy issued by Regional Director, Ahmedabad (North Western Region) with Ministry of Corporate Affairs / Registrar of Companies, Ahmedabad, Gujarat on 26th March 2024 which is the effective date of said Scheme. Pursuant to the approval of Scheme of Amalgamation, OPEPL amalgamated with LGM and accordingly, OPEPL ceased to be the wholly owned subsidiary of LGM. Appointed date for the same is 01 April 2023 in accordance with approved Scheme. Accordingly, the transactions of LGM with Optiqua are shown for disclosure purpose only and the same have been eliminated from Table 1 of this annexure. Further Transaction of Optiqua are regrouped as if the same transactions have taken place with LGM
- 15) The issue of equity shares on rights basis was approved by the Board of Directors in compliance with the provisions of the Companies Act, 2013
- 16) The subscription by Mr. Vimal Bhandari was approved by Audit Committee. The interest payment and the redemption of NCDs was done as per the Offer Document
- 17) As approved by the Nomination & remuneration Committee/Board of Directors
- 18) The remuneration is paid by Arka Fincap Limited as its employees and it has been considered based on Form 16 (as per The Income Tax Act, 1961)
- 19) Board of Directors approved the payment of commission not exceeding 1% of the net profits of the Company, subject to the approval of the shareholders of the Company, authorising NRC to approve the commission amount for each of the Director.
- 20) There are no transactions related to loan, inter corporate deposits and advances and hence additional disclosures related to same are not applicable
- 21) The investment in the Arka Credit Fund I towards sponsor contribution for amount upto Rs. 5 Cr. was approved by the Board of Directors at their meeting held on 2nd Nov 2022.
- 22) Distribution income and recovery of operating expenses are as per private placement memorandum issued by Arka Credit I
- 23) Sitting fees paid to directors for attending the meeting of board and committee as approved by Board of Directors.
- 24) The Company is not required to constitute the Audit Committee. The Board of Directors approved the transaction at their meeting held on May 3, 2023.
- 25) The Company is not required to constitute the Audit Committee. The Management fee income and the recovery of operating expenses is as per the approved Private Placement Memorandum
- 26) There are no transactions related to loans, inter-corporate deposits and advances and hence additional disclosures related to same are not applicable.