

Date: 19th May 2023

BSE Scrip Code: **533293**

NSE Scrip Code: **KIRLOSENG**

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

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,

This is to inform you that:

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 including amendments thereunder, please find enclosed herewith:

1. The Standalone Audited Financial Results of the Company for the quarter and year ended 31st March 2023 and the Consolidated Audited Financial Results of the Company for the quarter and year ended 31st March 2023, which were approved by the Board of Directors in its meeting held on 19th May 2023;
2. Auditors Report received from G. D. Apte & Co., Chartered Accountants, Pune, (Firm Registration No. 100515W), Statutory Auditors of the Company on aforesaid Audited Financial Results - Standalone and Consolidated;
3. A declaration in respect of Audit Report with unmodified opinion;
4. The Board of Directors in its meeting held on 19th May 2023, has recommended the final dividend of Rs. 2.50/- (125%) per equity share of Rs. 2/- each for the financial year 2022-23, subject to the approval of the members at the ensuing Annual General Meeting and shall be paid through National Electronic Clearing System (NECS) or any other electronic mode or by dividend warrants or demand drafts, as the case may be.

Kirloskar Oil Engines Limited
A Kirloskar Group Company

Regd. Office: Laxmanrao Kirloskar Road,
Khadki, Pune, Maharashtra - 411 003 India.

Tel: +91 (20) 25810341, 66084000

Fax: +91 (20) 25813208, 25810209

Email: info@kirloskar.com | Website: www.kirloskaroilengines.com

CIN: L29100PN2009PLC133351

The dividend if approved by the Members shall be paid on or before 9th September 2023.

The meeting of the Board of Directors of the Company commenced at 9.00 am, which was adjourned at 9.10 am, resumed at 11.30 am and concluded at 1.45 pm.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited

S. A. Raichurkar

Smita Raichurkar
Company Secretary and Head Legal



Encl.: As above.

KIRLOSKAR OIL ENGINES LIMITED

CIN : L29100PN2009PLC133351

Registered office : Laxmanrao Kirloskar Road, Khadki, Pune - 411003

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2023

(₹ in Crores)

Particulars	Quarter ended			Year ended	
	31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
a) Revenue from operations	1,152.59	1,000.13	990.03	4,116.13	3,299.66
b) Other income	11.38	6.01	7.55	27.32	24.76
Total income (a+b)	1,163.97	1,006.14	997.58	4,143.45	3,324.42
2 Expenses					
a) Cost of raw materials and components consumed	569.81	493.38	444.29	2,038.90	1,560.50
b) Purchase of traded goods	231.44	186.74	219.75	812.80	737.10
c) Changes in inventories of finished goods, work-in-progress and traded goods	(23.78)	(3.05)	15.59	(62.01)	(6.41)
d) Employee benefits expense	63.08	61.22	48.93	236.48	206.99
e) Finance costs	1.33	1.90	1.50	5.36	6.24
f) Depreciation and amortisation expense	21.68	21.23	19.14	84.76	77.23
g) Other expenses	216.48	155.63	162.93	674.29	546.63
h) Expenses capitalised	(3.60)	(2.65)	(4.07)	(11.27)	(13.91)
Total expenses (a to h)	1,076.44	914.40	908.06	3,779.31	3,114.37
3 Profit before exceptional items and tax (1 - 2)	87.53	91.74	89.52	364.14	210.05
4 Exceptional items - (expense) / income	-	-	52.65	-	52.65
5 Profit before tax (3 + 4)	87.53	91.74	142.17	364.14	262.70
6 Tax expense :					
Current tax	25.88	24.21	20.13	99.45	53.52
Deferred tax	(3.24)	(0.66)	2.48	(5.56)	1.17
Total tax expense (6)	22.64	23.55	22.61	93.89	54.69
7 Net profit / (loss) for the period (5 - 6)	64.89	68.19	119.56	270.25	208.01
8 Other Comprehensive Income / (Loss)					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement gain / (loss) on defined benefit plans	(10.69)	0.30	(0.67)	(8.57)	0.23
Income tax (expense)/income on above	2.69	(0.07)	0.17	2.16	(0.06)
Subtotal (a)	(8.00)	0.23	(0.50)	(6.41)	0.17
Net gain / (loss) on equity instruments measured at fair value through other comprehensive income	(3.27)	-	3.75	(3.27)	3.75
Income tax (expense)/income on above	0.75	-	(0.86)	0.75	(0.86)
Subtotal (b)	(2.52)	-	2.89	(2.52)	2.89
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods [(a) + (b)]	(10.52)	0.23	2.39	(8.93)	3.06
Total other comprehensive income/(loss) for the year, net of tax (8)	(10.52)	0.23	2.39	(8.93)	3.06
9 Total comprehensive income/(loss) for the year, net of tax (7 + 8)	54.37	68.42	121.95	261.32	211.07
10 Paid-up equity share capital (Face value of ₹ 2 each)	28.95	28.93	28.92	28.95	28.92
11 Other equity				2,302.89	2,110.54
12 Basic Earnings Per Share (EPS) (₹) (Face value of ₹ 2 each) [not annualized]	4.48	4.71	8.27	18.68	14.38
13 Diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	4.47	4.70	8.26	18.64	14.36

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Notes :

1 Statement of assets and liabilities (Balance Sheet)

Particulars	(₹ in Crores)	
	Standalone	
	As at	As at
	31-03-2023	31-03-2022
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	362.36	367.78
(b) Capital work-in-progress	15.82	20.56
(c) Right-of-use assets	15.89	11.65
(d) Other intangible assets	46.85	70.80
(e) Intangible assets under development	50.61	18.77
(f) Financial assets		
(i) Investments	1,430.87	1,105.17
(ii) Loans	8.04	0.06
(iii) Other financial assets	15.00	15.24
(g) Income tax assets (net)	33.92	37.39
(h) Other non-current assets	44.11	3.06
Sub-total - Non-current assets	2,023.47	1,650.48
II. Current assets		
(a) Inventories	468.45	303.08
(b) Financial assets		
(i) Investments	261.65	567.04
(ii) Trade receivables	467.21	394.54
(iii) Cash and cash equivalents	23.91	20.36
(iv) Bank balances other than (iii) above	9.92	11.08
(v) Loans	21.88	0.04
(vi) Other financial assets	34.26	37.29
(c) Assets held for sale	-	-
(d) Other current assets	29.02	28.31
Sub-total - Current assets	1,316.30	1,361.74
TOTAL - ASSETS	3,339.77	3,012.22
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	28.95	28.92
(b) Other equity	2,302.89	2,110.54
Sub-total - Equity	2,331.84	2,139.46
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	34.17
(ii) Lease liabilities	2.51	-
(iii) Other financial liabilities	18.20	16.64
(b) Provisions	33.22	35.47
(c) Deferred tax liabilities (net)	6.12	14.59
(d) Other non-current liabilities	22.62	20.80
Sub-total - Non-current liabilities	82.67	121.67
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	75.14	62.60
(ii) Lease liabilities	2.89	0.84
(iii) Trade and other payables		
a) total outstanding dues of micro enterprises and small enterprises	97.59	98.48
b) total outstanding dues of creditors other than micro enterprises and small enterprises	535.02	411.36
(iv) Other financial liabilities	63.66	56.64
(b) Other current liabilities	60.08	51.01
(c) Provisions	90.88	70.16
Sub-total - Current liabilities	925.26	751.09
TOTAL - EQUITY AND LIABILITIES	3,339.77	3,012.22

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2 Statement of Cash Flow

Particulars	Year ended	
	31-03-2023	31-03-2022
	Audited	Audited
(₹ in Crores)		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	364.14	262.70
Adjustments:		
Add:		
Depreciation and amortisation expense	84.76	77.23
Finance costs	5.36	6.24
Share based compensation of employees	1.85	2.96
Impairment loss allowance, write off on trade receivables / other receivables (net)	26.17	(2.15)
Bad debts and irrecoverable balances written off	1.07	1.57
Write down / (reversal) in write down of inventories	2.68	(2.51)
(Profit)/Loss on reinstatement on receivables/payables	0.84	(0.61)
Unwinding of security deposit and subsidy receivable under Package Scheme of Incentives (PSI),2001	1.05	(0.92)
	123.78	81.81
Less :		
Gain on sale of investments in a subsidiary	-	52.65
Gain/(Loss) on sale of investments in mutual funds measured at fair value through profit and loss ("FVTPL") (net)	13.94	9.89
Gain/ (Loss) on fair valuation of investments in Mutual Funds measured at FVTPL (net)	4.18	6.89
Provisions no longer required written back	5.48	5.50
Interest income	1.89	1.21
Gain/ (Loss) on disposal of property, plant and equipment (net)	0.39	0.81
Sundry credit balances written back	1.31	0.35
Gain/ (Loss) on fair valuation of derivative instruments	2.07	0.30
Revenue from deferred Export Promotion Capital Goods (EPCG) Scheme	0.15	0.14
Dividend income	0.00	0.00
	29.41	77.74
Operating profit before working capital changes	458.51	266.77
<i>Working Capital Adjustments</i>		
(Increase)/Decrease in government grant receivables	2.50	24.99
(Increase)/Decrease in trade and other receivables	(85.68)	(22.76)
(Increase)/Decrease in inventories	(168.05)	(35.38)
Increase/(Decrease) in trade and other payables	138.49	1.25
Increase/(Decrease) in provisions	10.29	16.19
	(102.45)	(15.71)
Net cash generated from operations	356.06	251.06
Income tax paid (net of refunds)	(95.98)	(56.65)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	260.08	194.41
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiaries	(328.96)	(887.00)
Purchase of property, plant and equipment (PPE) and intangible assets	(121.31)	(81.23)
(Purchase)/ Proceeds from sale of mutual funds (net)	323.52	67.97
Proceeds from sale of PPE & other intangible assets including advances	0.67	0.82
Fixed deposits placed	(0.29)	-
Loans granted to subsidiaries	(29.85)	-
Dividend received	0.00	0.00
Interest received	0.60	-
NET CASH (USED IN) INVESTING ACTIVITIES	(155.62)	(899.44)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from sale of investment in a subsidiary	-	753.96
Proceeds from bill discounting & borrowings	74.99	121.92
(Repayment) of bill discounting & borrowings	(96.77)	(103.56)
Final and interim dividend paid	(72.34)	(57.84)
Finance costs	(5.00)	(5.25)
Payment for lease liabilities	(3.22)	(1.14)
Proceeds from issuance of share capital including securities premium	1.36	-
Receipt of share application money pending allotment of shares	0.07	0.02
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(100.91)	708.11
Net increase/(decrease) in Cash and cash equivalents	3.55	3.08
Opening Cash and cash equivalents	20.36	17.28
Closing cash and cash equivalents	23.91	20.36

i. The above Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) 7, 'Statement of Cash Flows' as specified in the Companies (Indian Accounting Standards) Rules, 2015

ii. Income Tax paid is treated as arising from operating activities and are not bifurcated between investing and financing activities.

iii. All figures in bracket indicate cash outflow.

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Notes :

- 3 The Company primarily operates in the business of manufacturing of Engines wherein from the quarter ended 31st December 2022, two customer based reportable segments have been identified namely - Business to Business ("B2B") and Business to Customer ("B2C"). However, as per para 4 of Ind AS 108 "Operating Segments", the Company is required to disclose segment information only in the Consolidated Financial Results. Accordingly, disclosure of this information has been included under Consolidated Financial Results for the quarter and year ended 31st March 2023. The corresponding information for earlier periods is also restated as per para 29 of Ind AS 108.
- 4 The above statement has been prepared in accordance with The Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of The Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 5 The Board of Directors in its meeting held on 12th November 2022, had given its consent to invest Rs. 40 crores in Rights Issue of 4,00,00,000 8.25% Cumulative Redeemable Preference Shares (Non-Convertible) having face value of Rs. 10/- each of La-Gajjar Machineries Private Limited ("LGM"), a wholly owned subsidiary of the Company, for a term of 7 years. During the quarter ended 31st December 2022, the Company had invested Rs.10 crores at Rs 2.5/- per share towards application money and during the quarter ended 31st March 2023, the Company has further invested remaining Rs.30 crores towards first call money of Rs.2.5/- per share, second call money of Rs.2.5/- per share and third and final call money of 2.5/- per share as per the payment terms covered in the Letter of Offer issued by LGM to the Company.
- 6 During the quarter ended 31st March 2023, the Company has allotted 77,941 fully paid-up equity shares of Rs. 2/- each to the option grantees upon exercise of Employee Stock Options pursuant to 'Kirkoskar Oil Engines Limited – Employee Stock Option Plan 2019' ('KOEL ESOP 2019'). Consequent to aforesaid allotment, the paid-up equity share capital of the Company has increased from 14,46,65,696 fully paid-up equity shares of Rs. 2/- each to 14,47,43,637 fully paid-up equity shares of Rs. 2/- each.
- 7 The Company consistently recognizes provision for any significantly delayed receivables, for accounting of expected credit losses. Provision for doubtful debts and advances for the period includes a provision of Rs. 28.09 Crores in respect of receivables against sales of Gensets to a customer made during the FY 2021-22. While the company is in active discussions with the customer for the payment, the aforesaid provision has been recognised as per the consistent policy of the company for accounting of expected credit losses.
- 8 Exceptional item as disclosed in the column "Quarter ended 31st March 2022" and "Year ended 31st March 2022" comprises of net profit arising on the sale of investment in Arka Fincap Limited ("AFL") [a subsidiary company of AFHPL and step down subsidiary of the Company].
- 9 The figures for the quarter ended 31st March 2023 are balancing figures between audited figures in respect of full financial year ended 31st March 2023 and the published year to date figures upto the third quarter ended 31st December 2022 which were subjected to "Limited Review" by the Statutory Auditors of the Company.
- 10 The figures for the previous quarters/year have been regrouped wherever required to make them comparable with those of the current quarter/year.
- 11 The above results for the quarter and year ended 31st March 2023 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 19th May 2023 and are audited by the Statutory Auditors of the Company.
- 12 The Board of Directors in its meeting held on 19th May 2023 has recommended a final dividend of Rs. 2.50/- (125%) per fully paid up equity share of Rs. 2 each for the year ended 31st March 2023.

Registered Office:
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

For Kirloskar Oil Engines Limited

Place : Pune
Date : 19th May 2023



Gauri Kirloskar
Managing Director
DIN: 03366274



Independent Auditor's Report on the Quarterly and Annual Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**The Board of Directors of
Kirloskar Oil Engines Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of Kirloskar Oil Engines Limited (the "Company") for the quarter and year ended March 31, 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These quarterly and annual financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter:

The quarterly standalone financial results for the quarter ended March 31, 2023 are the derived figures between the audited figures for the year ended March 31, 2023 and the published year-to-date figures up to December 31, 2022 being the date of the end of the third quarter of the current financial year which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our opinion is not modified in respect of this matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 23113053BGWTAK2572

Umesh S. Abhyankar
Partner

Membership Number: 113053
Pune, May 19, 2023



KIRLOSKAR OIL ENGINES LIMITED

CIN : L29100PN2009PLC133351

Registered office : Laxmanrao Kirloskar Road, Khadki, Pune - 411003

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2023

(₹ in Crores)

Particulars	Consolidated				
	Quarter ended		Year ended		
	31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
a) Revenue from operations	1,383.83	1,220.44	1,181.95	5,023.80	4,021.98
b) Other income	10.46	6.79	7.80	28.19	26.73
Total income (a+b)	1,394.29	1,227.23	1,189.75	5,051.99	4,048.71
2 Expenses					
a) Cost of raw materials and components consumed	622.81	561.82	530.25	2,346.23	1,885.15
b) Purchase of traded goods	236.30	180.07	214.17	826.40	744.90
c) Changes in inventories of finished goods, work-in-progress and traded goods	(17.91)	8.49	20.70	(54.88)	7.59
d) Employee benefits expense	96.58	86.71	75.71	339.72	285.57
e) Finance costs ^{^^}	63.97	57.20	35.27	209.89	106.03
f) Depreciation and amortisation expense	26.12	25.63	25.34	104.66	101.29
g) Other expenses	261.62	193.82	201.75	843.58	700.53
h) Expenses capitalised	(3.60)	(2.65)	(4.07)	(11.27)	(13.91)
Total expenses (a to h)	1,285.89	1,111.09	1,099.12	4,604.33	3,817.15
3 Profit before share of profit/(loss) of joint venture, exceptional items and tax (1-2)	108.40	116.14	90.63	447.66	231.56
4 Share of net profit/(loss) of joint venture accounted for using the equity method	0.41	0.40	0.32	1.27	0.32
5 Profit before exceptional items and tax (3+4)	108.81	116.54	90.95	448.93	231.88
6 Exceptional items - income / (expense)	-	-	-	-	-
7 Profit before tax (5 + 6)	108.81	116.54	90.95	448.93	231.88
8 Tax expense :					
Current tax	26.85	34.58	23.70	127.22	69.26
(Excess)/short provision relating to previous years	3.22	-	-	3.22	-
Deferred tax	(0.17)	(6.19)	(0.58)	(13.16)	(8.25)
Total tax expense (8)	29.90	28.39	23.12	117.28	61.01
9 Net profit/ (loss) for the period (7 - 8)	78.91	88.15	67.83	331.65	170.87
10 Other Comprehensive Income / (Loss)					
Items that will be reclassified to profit or loss in subsequent periods (A) :					
Exchange differences in translating the financial statements of a foreign operation	-	0.04	0.01	0.03	0.01
Income tax (expense)/income on above	-	-	-	-	-
Total (A)	-	0.04	0.01	0.03	0.01
Items that will not be reclassified to profit or loss in subsequent periods (B):					
Re-measurement gain / (loss) on defined benefit plans	(11.71)	0.36	(0.59)	(9.40)	0.36
Income tax (expense)/income on above	2.95	(0.09)	0.15	2.37	(0.09)
Subtotal (a)	(8.76)	0.27	(0.44)	(7.03)	0.27
Net gain / (loss) on equity instruments measured at fair value through other comprehensive income	(3.27)	-	3.76	(3.27)	3.75
Income tax (expense)/income on above	0.75	-	(0.86)	0.75	(0.86)
Subtotal (b)	(2.52)	-	2.90	(2.52)	2.89
Share of other comprehensive income of joint venture accounted for using the equity method (net of tax) (c)	0.01	(0.00)	-	-	0.00
Total (B)= (a)+(b)+(c)	(11.27)	0.27	2.46	(9.55)	3.16
Total other comprehensive income/(loss) for the year, net of tax (A) + (B) = (10)	(11.27)	0.31	2.47	(9.52)	3.17
11 Total comprehensive income/ (loss) for the year, net of tax (9 + 10)	67.64	88.46	70.30	322.13	174.04
12 Profit for the period attributable to:					
a) Owners of the Company	78.91	88.15	69.33	332.40	174.52
b) Non-controlling interest	-	-	(1.50)	(0.75)	(3.65)
13 Other comprehensive income for the period attributable to:					
a) Owners of the Company	(11.27)	0.31	2.46	(9.54)	3.15
b) Non-controlling interest	-	-	0.01	0.02	0.02
14 Total comprehensive income for the period attributable to:					
a) Owners of the Company	67.64	88.46	71.79	322.86	177.67
b) Non-controlling interest	-	-	(1.49)	(0.73)	(3.63)
15 Paid-up equity share capital (Face value of ₹ 2 each)	28.95	28.93	28.92	28.95	28.92
16 Other Equity				2,274.64	2,052.75
17 Basic EPS (₹) (Face value of ₹ 2 each) [not annualized]	5.45	6.09	4.79	22.98	12.07
18 Diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	5.42	6.06	4.79	22.88	12.03

Notes:

- 1 The Parent Company primarily operates in the business of manufacturing of Engines wherein from the quarter ended 31st December 2022, two customer based reportable segments have been identified namely - Business to Business ("B2B") and Business to Customer ("B2C"). However, as per para 4 of Ind AS 108 "Operating Segments", the Parent Company is required to disclose segment information only in the Consolidated Financial Results. At consolidated level, the Group has identified three operating reportable segments namely B2B, B2C and Financial Services. The identification of operating segments is consistent with performance assessment and resource allocation by the management. The Consolidated Statement of Segment wise Revenue, Results, Assets and Liabilities are as under :

(₹ in Crores)

Particulars	Consolidated				
	Quarter ended		Year ended		
	31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
	Audited	Unaudited	Audited	Audited	Audited
SEGMENT REVENUE					
B2B	1,000.06	872.84	858.97	3,582.14	2,818.01
B2C	270.89	250.68	258.73	1,070.87	1,002.49
Financial Services	112.88	96.92	64.25	370.79	201.48
Unallocated	-	-	-	-	-
REVENUE FROM OPERATIONS	1,383.83	1,220.44	1,181.95	5,023.80	4,021.98
SEGMENT RESULTS *					
B2B	75.43	92.22	89.90	336.49	203.89
B2C	11.56	3.59	(5.95)	29.09	(7.68)
Financial Services#	16.64	22.75	8.22	82.27	40.82
Unallocated	7.41	2.29	2.91	14.81	9.14
Total	111.04	120.85	95.08	462.66	246.17
Less:					
(i) Finance costs**	2.23	4.31	4.13	13.73	14.29
(ii) Exceptional items	-	-	-	-	-
PROFIT BEFORE TAX	108.81	116.54	90.95	448.93	231.88
SEGMENT ASSETS					
B2B	1,384.51	1,286.28	1,124.25	1,384.51	1,124.25
B2C	628.43	617.31	627.75	628.43	627.75
Financial Services	4,368.83	3,644.53	2,627.03	4,368.83	2,627.03
Unallocated assets	343.05	359.64	651.38	343.05	651.38
TOTAL ASSETS	6,724.82	5,907.76	5,030.41	6,724.82	5,030.41
SEGMENT LIABILITIES					
B2B	777.81	655.20	610.55	777.81	610.55
B2C	247.71	271.77	332.79	247.71	332.79
Financial Services	3,289.68	2,578.09	1,789.78	3,289.68	1,789.78
Unallocated liabilities	106.01	132.10	215.60	106.01	215.60
TOTAL LIABILITIES	4,421.21	3,637.16	2,948.72	4,421.21	2,948.72

*Profit/ (Loss) before tax and interest from each segment

Profit/(Loss) before tax and after interest

^^ Breakup of finance costs are as below -

Particulars	Quarter ended		Year ended		
	31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
Finance costs relating to financial services business	61.74	52.89	31.14	196.16	91.74
Finance costs relating to Other than financial services business	2.23	4.31	4.13	13.73	14.29
Total	63.97	57.20	35.27	209.89	106.03

The corresponding information for earlier periods is also restated as per para 29 of Ind AS 108.

Continued to Page no. 3...

2. Statement of assets and liabilities (Balance Sheet)

₹ in Crores

Particulars	Consolidated	
	As at	As at
	31-03-2023	31-03-2022
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	384.75	422.33
(b) Capital work-in-progress	17.90	23.95
(c) Right-of-use assets	57.18	20.13
(d) Goodwill	185.76	185.76
(e) Other Intangible assets	60.87	93.22
(f) Intangible assets under development	50.61	18.84
(g) Financial assets		
(i) Investments	97.26	82.98
(ii) Loans and Receivables of Financial Services Business	2,317.57	1,342.03
(iii) Loans	0.05	0.17
(iv) Other financial assets	31.58	31.96
(h) Deferred tax assets (net)	15.23	9.24
(i) Income tax assets (net)	33.92	42.96
(j) Other non-current assets	44.66	3.25
Sub-total - Non-current assets	3,297.34	2,276.82
II. Current assets		
(a) Inventories	544.98	388.05
(b) Financial assets		
(i) Investments	560.92	654.93
(ii) Trade receivables	527.73	468.77
(iii) Cash and cash equivalents	270.30	152.95
(iv) Bank balance other than (iii) above	20.17	21.09
(v) Loans and Receivables of Financial Services Business	1,368.08	956.64
(vi) Loans	0.13	0.16
(vii) Other financial assets	46.53	42.84
(c) Assets held for sale	35.92	-
(d) Current tax assets (net)	4.91	3.90
(e) Other current assets	47.81	64.26
Sub-total - Current assets	3,427.48	2,753.59
TOTAL - ASSETS	6,724.82	5,030.41
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	28.95	28.92
(b) Other equity	2,274.64	2,052.75
(c) Non-controlling interests	0.02	0.02
Sub-total - Equity	2,303.61	2,081.69
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,801.90	1,065.83
(ii) Lease Liabilities	5.50	3.35
(iii) Other financial liabilities	18.23	17.18
(b) Provisions	39.81	41.14
(c) Deferred tax liabilities (net)	7.50	17.78
(d) Other non-current liabilities	22.62	20.81
Sub-total - Non-current liabilities	1,895.56	1,166.09
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,428.45	890.30
(ii) Lease liabilities	8.40	5.18
(iii) Trade and other payables		
a) total outstanding dues of micro enterprises and small enterprises	132.28	133.16
b) total outstanding dues of creditors other than micro enterprises and small enterprises	546.05	442.68
(iv) Other financial liabilities	195.05	157.21
(b) Other current liabilities	106.26	74.84
(c) Provisions	108.12	79.01
(d) Current tax liabilities (net)	1.04	0.25
Sub-total - Current liabilities	2,525.65	1,782.63
TOTAL - EQUITY AND LIABILITIES	6,724.82	5,030.41

Continued to Page no. 4...



3 Statement of Cash Flow

(₹ in Crores)

Particulars	Consolidated	
	31-03-2023	31-03-2022
	Audited	Audited
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	448.93	231.88
Adjustments:		
Add:		
Depreciation and amortisation expense	104.66	101.29
Finance costs (excluding financial services business)	13.73	106.03
Share based compensation to employees	3.36	4.01
Impairment loss allowance, write off on trade receivable / other receivable (net)	32.39	3.19
Bad debts and irrecoverable balances written off	1.14	2.18
(Write down) / reversal in write down of Inventories	3.84	(3.11)
Profit/(Loss) on reinstatement on receivables/payables	0.77	(1.11)
	155.89	212.48
Less:		
Gain/(Loss) on sale of investments measured at fair value through profit or loss (net)	25.76	13.69
Gain/ (loss) on fair valuation of investments measured at fair value through profit or loss (net)	3.42	7.68
Provisions no longer required written back	5.78	5.71
Unwinding of interest on security deposit & subsidy receivable under Package Scheme of Incentives (PSI), 2001	0.12	2.06
Interest income	21.12	11.53
Gain/ (loss) on disposal of property, plant and equipment (net)	0.48	0.91
Sundry credit balances written back	1.34	0.35
Share of profit of joint venture	1.27	0.32
Gain/ (loss) on fair valuation of derivative instruments	2.07	-
Revenue from deferred Export Promotion Capital Goods (EPCG) Scheme	0.15	0.14
Dividend income	0.00	0.00
	61.51	42.39
Operating profit before working capital changes	547.31	401.97
Working Capital Adjustments		
(Increase) / Decrease in loans and receivables of financial services business	(1,392.82)	(1,397.90)
(Increase) / Decrease in government grant receivables	2.50	24.99
Increase / (Decrease) in provisions	18.76	17.91
(Increase) / Decrease in trade and other receivables	(37.45)	11.49
Increase / (Decrease) in trade and other payables	223.78	(14.94)
(Increase) / Decrease in inventories	(160.76)	(5.47)
	(1,345.99)	(1,363.92)
Net Cash (used) in operations	(798.68)	(961.95)
Income tax paid (net of refunds)	(121.62)	(78.74)
NET CASH (USED) IN OPERATING ACTIVITIES	(920.30)	(1,040.69)
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
Purchase of property, plant and equipment and intangible assets	(161.47)	(125.60)
Payment towards acquisition of balance interest in a subsidiary	(109.36)	-
(Purchase)/ Sale of mutual funds, equity shares, debentures and bonds (Net)	105.32	121.13
Interest received on financials instrument and fixed deposits	19.04	10.40
Investment in fixed deposits	(0.52)	(10.05)
Proceeds from sale of property, plant and equipment and intangible assets including advances	0.97	1.19
Dividend received	1.59	0.00
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(144.43)	(2.93)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(Repayment) of borrowings and bill discounting (net)	1,274.99	1,113.12
Final and interim dividend paid	(72.34)	(57.84)
Finance Costs	(13.35)	(99.21)
Payment for lease liabilities	(8.55)	(5.46)
Share issuance expenses of a subsidiary	(0.01)	(0.17)
Proceeds from issuance of share based payment options in a subsidiary	0.00	0.02
Proceeds from issuance of share capital including securities premium	1.36	-
Receipt of share application money pending allotment of shares	0.07	0.02
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,182.17	950.48
Net increase / (decrease) in Cash and cash equivalents	117.44	(93.14)
Opening Cash and cash equivalents	152.95	246.05
Effect of foreign exchange on Cash and cash equivalents	(0.09)	0.04
Closing Cash and cash equivalents	270.30	152.95

i) The above Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) 7, 'Statement of Cash Flows' as specified in the Companies (Indian Accounting Standards) Rules, 2015

ii) Income Tax paid is treated as arising from operating activities and are not bifurcated between investing and financing activities.

iii) All figures in bracket indicate cash outflow.

Continued to Page no. 5...



- 2 As per Ind AS 108 "Operating Segments", the Group has reported 'Segment information' as described below:-
- A) Business to Business (B2B) - This segment comprises of production, sales and services of Engines, Gensets, Electric Motors, Organic Waste Composter and spares parts of these products and oils.
- B) Business to Customers (B2C) - This segment comprises of production, assembly, sales and services of Diesel or Electric operated Pumps & pumpsets, accessories and allied products and Farm Machines like power tillers, power weeder, rotary tiller, implements, handheld tools, etc.
- C) Financial Services - This segment includes operations of rendering financial services through wholly owned Non-Banking Financial Company (NBFC) subsidiary Arka Financial Holdings Private Limited, NBFC step down subsidiary Arka Fincap Limited and a step down subsidiary Arka Investment Advisory Services Private Limited respectively.
- D) Unallocable - Unallocable comprises of assets, liabilities, revenue and expenses which are not directly related with any of the operating segments.
- 3 The above statement has been prepared in accordance with The Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of The Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 4 The Board of Directors of the Parent Company in its meeting held on 12th November 2022, had given its consent to invest Rs. 40 crores in Rights Issue of 4,00,00,000 8.25% Cumulative Redeemable Preference Shares (Non-Convertible) having face value of Rs. 10/- each of La-Gajjar Machineries Private Limited ("LGM"), a wholly owned subsidiary of the Parent Company, for a term of 7 years. During the quarter ended 31st December 2022, the Parent Company had invested Rs.10 crores at Rs 2.5/- per share towards application money and during the quarter ended 31st March 2023, the Company has further invested remaining Rs.30 crores towards first call money of Rs.2.5/- per share, second call money of Rs.2.5/- per share and third and final call money of 2.5/- per share as per the payment terms covered in the Letter of Offer issued by LGM to the Parent Company.
- 5 During the quarter ended 31st March 2023, the Parent Company has allotted 77,941 fully paid-up equity shares of Rs. 2/- each to the option grantees upon exercise of Employee Stock Options pursuant to 'Kirkoskar Oil Engines Limited – Employee Stock Option Plan 2019' ('KOEL ESOP 2019'). Consequent to aforesaid allotment, the paid-up equity share capital of the Parent Company has increased from 14,46,65,696 fully paid-up equity shares of Rs. 2/- each to 14,47,43,637 fully paid-up equity shares of Rs. 2/- each.
- 6 The Parent Company consistently recognizes provision for any significantly delayed receivables, for accounting of expected credit losses. Provision for doubtful debts and advances for the period includes a provision of Rs. 28.09 Crores in respect of receivables against sales of Gensets to a customer made FY 2021-22. While the Parent company is in active discussions with the customer for the payment, the aforesaid provision has been recognised as per the consistent policy of the Parent company for accounting of expected credit losses.
- 7 The Consolidated Financials Results includes the results of following subsidiaries :-
- La-Gajjar Machineries Private Limited ("LGM")
 - Arka Financial Holdings Private Limited ("AFHPL") (w.e.f. 13th July 2021)
 - Kirkoskar Americas Corporation (formerly known as KOEL Americas Corp.)
 - Optiqua Pipes and Electricals Private Limited (wholly owned subsidiary of LGM)
 - Arka Fincap Limited (subsidiary of the Parent Company upto 3rd March 2022 and subsidiary of AFHPL w.e.f 4th March 2022)
 - Arka Investment Advisory Services Private Limited ("AIASPL") (wholly owned subsidiary of AFHPL w.e.f. 30th March 2022)
- Optiqua Pipes and Electricals Private Limited's Interest of 49% in its Joint Venture viz. ESVA Pumps India Private Limited (ESVA) is accounted for using equity
- 8 The figures for the quarter ended 31st March 2023 are balancing figures between audited figures in respect of full financial year ended 31st March 2023 and the published year to date figures upto the third quarter ended 31st December 2022 which were subjected to "Limited Review" by the Statutory Auditors of the Parent Company.
- 9 The figures for the previous quarter/year have been regrouped wherever required to make them comparable with those of the current quarter/year.
- 10 The above consolidated financial results for the quarter and year ended 31st March 2023 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Parent Company in their respective meetings held on 19th May 2023 and are audited by the Statutory Auditors of the Parent Company.
- 11 The Board of Directors of the Parent Company in its meeting held on 19th May 2023 has recommended a final dividend of Rs. 2.50/- (125%) per fully paid up equity share of Rs. 2 each for the year ended 31st March 2023.

Registered Office:
Laxmanrao Kirloskar Road,
Khadki, Pune - 411003

For Kirloskar Oil Engines Limited

Place : Pune
Date : 19th May 2023



Gauri Kirloskar

Gauri Kirloskar
Managing Director
DIN : 03366274

Independent Auditor's Report on the Quarterly and Annual Consolidated financial results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**The Board of Directors of
Kirloskar Oil Engines Limited**

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Consolidated financial results of Kirloskar Oil Engines Limited (hereinafter referred to as the "Holding Company") and its subsidiaries including the joint venture of its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2023 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries as referred to under 'Other Matters' paragraphs below, the aforesaid consolidated financial results:

- i. include the annual financial results of the following entities:
 - a. La-Gajjar Machineries Private Limited (LGM) (wholly owned subsidiary)
 - b. Optiqua Pipes and Electricals Private Limited (wholly owned subsidiary of LGM)
 - c. ESVA Pumps India Private Limited (Joint venture Entity of LGM)
 - d. Arka Financial Holdings Private Limited (AFHPL) (wholly owned subsidiary)
 - e. Arka Fincap Limited (subsidiary of AFHPL)
 - f. Arka Investments Advisory Services Private Limited (wholly owned subsidiary of AFHPL)
 - g. Kirloskar Americas Corporation (wholly owned subsidiary)
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Group for the Quarter and year ended March 31, 2023.

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Mumbai Office: D-509 Neelkanth Business Park, Nathani Road, Vidyavihar (West) Mumbai 400086, Phone-022-3512 3184



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act") as amended. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

These quarterly and annual financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

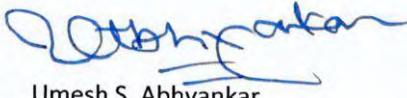
Other Matters

- i. The consolidated Financial Results include the audited Financial Results of two subsidiaries whose financial statements, before consolidation adjustments, reflect Group's share of total assets of Rs. 4,632.05 Crores as at March 31, 2023, Group's share of total income of Rs. 950.93 Crores and Rs. 243.94 Crores, Group's share of total net profit of Rs. 65.93 Crores and Rs. 15.07 Crores and Group's share of total comprehensive income of Rs. 65.30 Crores and Rs. 14.32 Crores for the year and quarter ended March 31, 2023 respectively and cash inflow of Rs. 82.68 Crores for the year ended as on that date, as considered in the consolidated Financial Results, which have been audited by its independent auditor. The independent auditors' reports on separate financial statements of these entities have been furnished to us by the management of the holding company and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

- ii. The consolidated Financial Results include the unaudited Financial Results of a subsidiary, whose financial statements, before consolidation adjustments, reflect Group's share of total assets of Rs. 17.46 Crores as at March 31, 2023, Group's share of total income of Rs. 28.75 Crores and Rs. 6.78 Crores, Group's share of total net profit of Rs.1.37 Crores and Rs. (0.06) Crores and Group's share of total comprehensive income of Rs. 1.40 Crores and Rs. (0.06) Crores for the year and quarter ended March 31, 2023 respectively, and cash inflow of Rs. 0.37 Crores for the year ended as on that date as considered in the consolidated Financial Results. These unaudited financial statements have been furnished to us by the management of the holding company and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management of the holding company, these financial statements are not material to the Group.
- iii. The quarterly consolidated financial results for the quarter ended March 31, 2023 are the derived figures between the audited figures for the year ended March 31, 2023 and the published year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the Financial statements/financial information certified by the Board of Directors.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 23113053BGWTAL5093



Umesh S. Abhyankar
Partner
Membership Number: 113053
Pune, May 19, 2023



Date: 19th May 2023

BSE Scrip Code: **533293**

NSE Scrip Code: **KIRLOSENG**

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

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,

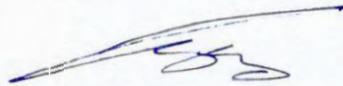
Subject: Declaration in respect of Audit Report with unmodified opinion

Pursuant to the provisions of the Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended read with the SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May 2016, we hereby state that G. D. Apte & Co., Chartered Accountants, Pune, (Firm Registration No. 100515W), Statutory Auditors of the Company, have issued an Audit Report with unmodified opinion, on the Standalone Audited financial results of the Company, for the quarter and year ended 31st March 2023 and Consolidated Audited financial results of the Company, for the quarter and year ended 31st March 2023.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited



Anurag Bhagania
Chief Financial Officer

