



ELGI COMPRESSORS EUROPE S.R.L
[Consolidated]

GROUP REPORTING PACKAGE

Year ended March 31, 2024

ELGI COMPRESSORS EUROPE S.R.L

Consolidated Financial Information

Consolidated Balance Sheet as at March 31, 2024

In EUR Ones

Balance Sheet	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3a	63 979	90 430
Right of use assets	3b	899 907	713 282
Capital work-in-progress	3a	-	-
Goodwill		280 000	280 000
Other intangible assets	5	72 972	82 970
Investments accounted for using the equity method		-	-
Financial assets		-	-
(i) Investments	6	-	-
(ii) Loans	7	-	-
(iii) Other financial assets	8	45 206	40 262
Other non-current assets	9	-	-
Deferred tax assets (Net)	26c	20 771	30 300
Total non-current assets		1 382 835	1 237 244
Current Assets			
Inventories	10	8 366 775	9 684 199
Financial assets			
(i) Trade receivables	11	6 145 358	7 201 811
(ii) Cash and cash equivalents	12	406 762	570 119
(iii) Other Bank Balances	13	65 000	65 000
(v) Loans	14	-	-
(vi) Other financial asset	15	-	-
Current tax assets (Net)	26b	-	-
Other current assets	16	4 507 952	4 283 188
Total current assets		19 491 847	21 804 317
Total Assets		20 874 682	23 041 561
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	50 000	50 000
Other equity	18	(29 719 023)	(24 157 803)
Total equity		(29 669 023)	(24 107 803)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Long term borrowings	19a	-	-
(ii) Lease liabilities	3b	614 940	482 725
(iii) Other financial liabilities	20	-	-
Deferred tax liabilities (Net)	26b	-	-
Provisions	21	-	-
Total non-current liabilities		614 940	482 725
Current liabilities			
Financial liabilities			
(i) Borrowings	19b	32 633 709	30 290 789
(ii) Lease liabilities	3b	313 470	250 035
(iii) Trade payables			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	22	15 197 942	13 398 143
(iv) Other financial liabilities	23	1 347 135	2 173 748
Current tax liabilities (net)	26b	11 389	25 649
Provisions	24	-	-
Other current liabilities	25	425 120	528 275
Total current liabilities		49 928 765	46 666 639
Total liabilities		50 543 705	47 149 364
Total equity and liabilities		20 874 682	23 041 561

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Consolidated Statement of Profit or loss for the year ended March 31, 2024

In EUR Ones

Statement of Profit and Loss	Note	April 01,2022 to March 31, 2024	April 01,2021 to March 31, 2023
Revenue from operations	27	24 317 021	23 728 145
Other income	28	12 933	28 606
Total income		24 329 954	23 756 751
Expenses			
Cost of materials consumed	29	13 915 272	19 572 048
Purchases of stock-in-trade	30	-	-
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	31	1 492 280	(3 550 068)
Employee benefits expenses	32	7 072 176	7 514 021
Finance costs	33	1 307 805	616 494
Depreciation and amortisation expenses	34	400 365	365 212
Other expenses	35	5 624 100	6 354 737
Total expenses		29 811 998	30 872 444
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		(5 482 044)	(7 115 693)
Share of profit/(loss) of joint ventures accounted for using equity method		-	-
Exceptional items		-	-
Profit before tax		(5 482 044)	(7 115 693)
Income tax expense			
- Current tax		72 133	76 167
- Deferred tax		9 529	(30 300)
Profit for the year from continuing operations		(5 563 706)	(7 161 560)
Profit for the year		(5 563 706)	(7 161 560)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value of FVOCI equity instruments		-	-
Remeasurement of post-employment benefit obligations		-	-
Income tax relating to these items		-	-
Items that will be reclassified to profit or loss			
Changes in fair value of interest rate swap		-	-
Deferred tax relating to above changes in interest rate swap		-	-
Changes in foreign currency translation reserve		2 486	(16 504)
Other comprehensive income for the year, net of tax		2 486	(16 504)
Total comprehensive income for the year		(5 561 220)	(7 178 064)

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Consolidated Financial Information
Consolidated Statement of Cash Flows

In EUR Ones

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow from operating activities		
Profit before income tax	(5 482 044)	(7 115 693)
<i>Adjustments for</i>		
Depreciation and amortisation expense	400 365	365 212
Allowance for doubtful debt	160 991	183 200
Write off of intangibles	-	216 887
Unrealised exchange difference	2 486	(16 504)
Interest income classified as investing cash flows	-	-
Finance costs	1 307 805	616 494
Change in operating assets and liabilities,		
(Increase)/decrease in trade receivables	895 462	(602 526)
(Increase)/decrease in inventories	1 317 424	(3 241 280)
(Increase)/decrease in other financial assets	(4 944)	-
(Increase)/decrease in other current assets	(224 764)	(1 490 275)
Increase/(decrease) in trade payables	1 799 799	1 670 011
Decrease in other financial liabilities	(826 613)	194 779
Increase/ (decrease) in other current liabilities	(103 155)	253 572
Cash generated from operations	(757 188)	(8 966 123)
Income taxes paid	(86 393)	(53 906)
Net cash inflow/(outflow) from operating activities	(843 581)	-9 020 029
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(10 611)	(36 622)
(Investments)/Redemption of Bank Deposits	-	(65 000)
Net cash outflow from investing activities	(10 611)	(101 622)
Cash flows from financing activities		
Interest paid	(1 395 441)	(540 011)
Net Short term loans borrowed/ (repayment) from/to banks	-	7 430 000
Net Short term loans borrowed/ (repayment) from/to related parties	2 430 556	2 370 000
Payment of principle element of lease liabilities	(344 280)	(271 716)
Net cash inflow/(outflow) from financing activities	690 835	8 988 273
Net increase/(decrease) in cash and cash equivalents	(163 357)	(133 378)
Cash and cash equivalents at the beginning of the financial year	570 119	703 497
Cash and cash equivalents at end of the year	406 762	570 119

3(a). Property, plant and equipment

In EUR Ones

	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment (including Computers)	Vehicles	Total
As at and year ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount	-	-	-	88 512	193 333	6 145	287 990
Business combinations	-	-	-	-	-	-	-
Additions	-	-	-	5 307	2 567	2 737	10 611
Disposal	-	-	-	-	(15 919)	-	(15 919)
Transfers	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	93 819	179 981	8 882	282 682
Accumulated depreciation							
Opening Accumulated	-	-	-	43 760	153 674	126	197 560
For the year	-	-	-	11 707	23 851	1 504	37 062
Impairment loss (if any)	-	-	-	-	-	-	-
Disposal	-	-	-	-	(15 919)	-	(15 919)
Transfers	-	-	-	-	-	-	-
Closing Accumulated	-	-	-	55 467	161 606	1 630	218 703
Net carrying amount	-	-	-	38 352	18 375	7 252	63 979
As at and year ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount	-	-	-	86 882	164 486	-	251 368
Business combinations	-	-	-	-	-	-	-
Additions	-	-	-	1 630	28 847	6 145	36 622
Disposal	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	88 512	193 333	6 145	287 990
Accumulated depreciation							
Opening Accumulated	-	-	-	31 037	114 750	-	145 787
For the year	-	-	-	12 723	38 924	126	51 773
Impairment loss (if any)	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing Accumulated	-	-	-	43 760	153 674	126	197 560
Net carrying amount	-	-	-	44 752	39 659	6 019	90 430

i) Accounting Policy

Free-hold land is carried at historical cost. All other property, plant and equipments is recognised at historical cost less depreciation. The residual values are not more than 5% of the original cost of the asset.

Depreciation methods and estimated useful life

Particulars	Method of depreciation (SLM / WDV)	Useful life (years)
Land		
Furniture and Fixtures	SLM	10
Vehicle	SLM	5
Office Equipments	SLM	3

ii) Property, Plant and equipments pledged as security

Refer note 43 for information on property, plant and equipment pledged as security by the Company.

iii) Assets given under operating lease

Reconciliation of gross and net carrying amount of assets given under lease as at March 31, 2024 and March 31, 2023 is given as follows:

Particulars	March 31, 2024	March 31, 2023
Gross carrying amount	-	-
Accumulated Depreciation	-	-
Net carrying amount	-	-

iv) Capital Work-in-progress

a) Ageing of Capital work-in-progress

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1- 2 years	2- 3 years	More than 3 years	
As at and year ended March 31, 2024					
(i) Projects in Progress	-	-	-	-	-
As at and year ended March 31, 2023					
(i) Projects in Progress	-	-	-	-	-

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	Amounts in Capital work-in-progress for				Total
	Less than one year	1- 2 years	2- 3 years	More than 3 years	
As at and year ended March 31, 2024					
(i) Projects in Progress					0
As at and year ended March 31, 2023					
(i) Projects in Progress					0

							In EUR Ones
3(b)(i) Right of use assets							
Particulars	Land	Building	Plant and Machinery	Vehicles	Furniture & Fixtures	Office equipment	Total
As at and year ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount	-	586 786	-	815 512	-	-	1 402 298
Business combinations	-	-	-	-	-	-	-
Additions	-	81 836	-	458 094	-	-	539 930
Disposal	-	-86 911	-	-294 402	-	-	-381 313
Closing gross carrying amount	-	581 711	-	979 204	-	-	1 560 915
Accumulated depreciation							
Opening gross carrying amount	-	275 361	-	413 655	-	-	689 016
For the year	-	90 472	-	262 833	-	-	353 305
Disposal	-	-86 911	-	-294 402	-	-	-381 313
Closing Accumulated depreciation	-	278 922	-	382 086	-	-	661 008
Net carrying amount	-	302 789	-	597 118	-	-	899 907
As at and year ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount	-	586 786	-	560 993	-	-	1 147 779
Business combinations	-	-	-	-	-	-	-
Additions	-	-	-	291 190	-	-	291 190
Disposal	-	-	-	(36 671)	-	-	(36 671)
Closing gross carrying amount	-	586 786	-	815 512	-	-	1 402 298
Accumulated depreciation							
Opening gross carrying amount	-	183 480	-	269 338	-	-	452 818
For the year	-	91 881	-	180 988	-	-	272 869
Disposal	-	-	-	(36 671)	-	-	(36 671)
Closing Accumulated depreciation	-	275 361	-	413 655	-	-	689 016
Net carrying amount	-	311 425	-	401 857	-	-	713 282

This note provides information for leases where the group is a lessee.

The group leases various offices, warehouses, office equipments and vehicles. Rental contracts are typically made for fixed periods of 24 months to 9 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The lease payments are discounted using the incremental borrowing rate in the absence of interest rate implicit in the lease. The Incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset depreciated over the underlying asset's useful life.

Particulars	Incremental borrowing rate	
	in %	
	As at March 31, 2024	As at March 31, 2023
Land	N.A	N.A
Building	6,28%	N.A
Vehicles	6,28%	2,28%
Furniture & Fixtures	N.A	N.A
Office equipment	N.A	N.A

3(b)(ii) Lease liabilities	In EUR Ones	
	As at March 31, 2024	As at March 31, 2023
Current	313 470	250 035
Non-current	614 940	482 725
Total	928 410	732 760

iii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	In EUR Ones	
	March 31, 2024	March 31, 2023
Depreciation of Right of use assets		
Land	-	-
Building	90 472	91 881
Plant and Machinery	-	-
Vehicles	262 833	180 988
Furniture & Fixtures	-	-
Office equipment	-	-
Total	353 305	272 869

Particulars	In EUR Ones	
	March 31, 2024	March 31, 2023
Included in Finance costs		
Interest expense	34 090	16 638
Included in Other expenses		
Expenses relating to short term leases (included in Other expenses)	201 860	268 604
Total	235 950	285 242

(iv) Extension and termination options

Extension and termination options are included in a number of property leases. The majority of extension and termination options held are exercisable only by the group and not by respective lessor.

(v) Critical judgements in determining lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

5. Other Intangible assets and Goodwill

(In \$ Ones)

Particulars	Computer Software	Customer lists*	Licensing & Trade marks	Total Intangible assets	Goodwill
As at and year ended March 31, 2024					
Gross carrying amount					
Opening gross carrying amount	-	100 000	-	100 000	280 000
Additions				-	
Disposal				-	
Closing gross carrying amount	-	100 000	-	100 000	280 000
Accumulated amortisation					
Opening accumulated amortisation	-	17 030	-	17 030	-
For the year		9 998		9 998	-
Disposal				-	-
Closing accumulated amortisation	-	27 028	-	27 028	-
Net carrying amount	-	72 972	-	72 972	280 000
As at and year ended March 31, 2023					
Gross carrying amount					
Opening gross carrying amount	271 744	100 000		371 744	280 000
Additions				-	-
Disposal	(271 744)			-271 744	-
Closing gross carrying amount	-	100 000	-	100 000	280 000
Accumulated amortisation					
Opening accumulated amortisation	24 285	7 032		31 317	-
For the year	30 572	9 998		40 570	-
Disposal	-54 857			-54 857	-
Closing accumulated amortisation	-	17 030	-	17 030	-
Net carrying amount	-	82 970	-	82 970	280 000

*acquired as a part of Business Combinations- EPSAC Business Transfer from Rotair.

(i) Amortisation method and useful lives

The Company amortises intangible assets with a limited useful life on a straight line basis over the following periods.

Particulars	Method	Useful life (years)
Customer relationships	SLM	10

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	As at March 31, 2024	In EUR Ones As at March 31, 2023
6. Investments (Non-current)		
(i) At Cost		
Investment in Equity instruments (fully paid-up) (Unquoted)		
Investments In Subsidiaries (wholly owned)		
Investments In Joint Ventures		
Investments in Partnership Firms		
(ii) At fair value through other comprehensive Income		
Investments in Equity Instruments-(fully paid-up) (Quoted)		
Investments In Preference Shares		
Investments In Government Or Trust Securities		
Investments In Debentures Or Bonds		
Investment in Equity instruments (fully paid-up) (Unquoted)		
Investment in step subsidiaries- Eliminating items		
Total	-	-
7. Loans (Non-current)		
Loans considered good - Unsecured		
Loans to subsidiaries	-	-
Loans- Credit impaired		
Total	-	-
8. Other financial assets (Non-current)		
Security deposits	45 206	40 262
Total	45 206	40 262
9. Other non-current assets		
Capital Advances		
Total	-	-
10. Inventories		
(a) Raw materials	464 310	289 454
(b) Work-in-progress	-	-
(c) Finished goods	7 902 465	9 394 745
(d) Stock-in-trade	-	-
(e) Stores and spares and packing materials	-	-
Total	8 366 775	9 684 199
<u>Note:</u>		
- includes Goods in transit amounting to	-	-
- includes provision for slow moving inventories	200 000	151 998
Reconciliation of Provision for slow moving inventories		
Opening Provision for the year	151 998	-
Add: Additional provision during the year	48 002	151 998
Less: Provision utilised	-	-
Closing Provision for the year	200 000	151 998
11. Trade receivables		
Unsecured, considered good	6 145 358	7 201 811
Unsecured, credit impaired	344 191	183 200
	6 489 549	7 385 011
Less: Allowance for doubtful debts(expected credit loss allowance)	(344 191)	(183 200)
Total	6 145 358	7 201 811

Refer note 11(a) for ageing of trade receivables.

Also refer note- 38 for receivables from related parties.

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	As at March 31, 2024	In EUR Ones As at March 31, 2023
12. Cash and cash equivalents		
(a) Cash on hand		
(b) Cheques, drafts on hand		
(c) Balance with banks		
- In current accounts	406 762	570 119
- In deposits accounts with less than 3 months maturity		
Total	<u>406 762</u>	<u>570 119</u>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

13. Other Bank Balances

- In deposit accounts (with original maturity period of more than 3	65 000	65 000
Total	<u>65 000</u>	<u>65 000</u>

*Includes margin money deposit of ₹ XX million and ₹ XX million as at March 31, 2024 and March 31, 2023, respectively.

14. Loans (Current)

Loans considered good - Unsecured

Loan to subsidiaries	-	-
Total	<u>-</u>	<u>-</u>

Loans- Credit impaired

	-	-
Total	<u>-</u>	<u>-</u>

15. Other financial asset

Derivative instruments not designated as hedges

Derivative instruments designated as hedges

Interest rate swap	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>

16. Other current assets

Prepaid expenses	155 852	170 843
Balance with Government authorities	4 334 845	4 094 788
Advance to suppliers	-	1 000
Others	17 255	16 557
Total	<u>4 507 952</u>	<u>4 283 188</u>

17. Equity Share capital

Authorised

Equity shares

Issued, Subscribed and fully paid up

Equity shares	50 000	50 000
Total	<u>50 000</u>	<u>50 000</u>

18. Other Equity

Reserves & Surplus

Retained earnings	(29 705 015)	(24 141 309)
Other Reserves	(14 008)	(16 494)
Total	<u>(29 719 023)</u>	<u>(24 157 803)</u>

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	As at March 31, 2024	In EUR Ones As at March 31, 2023
18. Other equity- Movement during the year		
f) Retained earnings		
Opening balance	(24 141 309)	(16 979 749)
Net profit for the period	(5 563 706)	(7 161 560)
Item of other comprehensive income recognised directly in retained earnings	-	-
Appropriations		
Dividend on equity shares	-	-
Closing balance	<u>(29 705 015)</u>	<u>(24 141 309)</u>
h) Other Reserves		
Foreign currency translation reserve		
Opening balance	(16 494)	10
Changes in Foreign currency translation reserve	-	-
Add/less: Amounts recognized in Profit or loss on loss of control over subsidiary	2 486	(16 504)
Closing balance	<u>(14 008)</u>	<u>(16 494)</u>
19. Borrowings		
(a) Borrowings (Non-current)		
Secured		
-from Banks		
-EURO	-	-
Interest accrued and due on current borrowings	-	-
Unsecured		
-from Others	-	-
Interest accrued and due on current borrowings	-	-
Non-current borrowings	<u>-</u>	<u>-</u>
Less: Current maturities of long term borrowings (refer note 19(b))	-	-
Less: Interest accrued but not due on borrowings (refer note 23)	-	-
Non-current borrowings	<u>-</u>	<u>-</u>

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	As at March 31, 2024	In EUR Ones As at March 31, 2023
19(b). Borrowings (Current)		
Loans repayable on demand		
Secured		
Other facilities		
- from Banks		
- in USD	-	-
- in EURO	27 000 000	27 000 000
- in AUD	-	-
Current maturities of long-term debt	-	-
Interest accrued and due on current borrowings	-	160 239
	<u>27 000 000</u>	<u>27 160 239</u>
Interest rate:	EURIBOR +1.15% Spread	EURIBOR +1.15% Spread
<i>Security information: The Other facilities of EUR 17,000,000 (March 31, 2023- 17,000,000) availed from Citi Bank (United Kingdom) and EUR 10,000,000 (March 31, 2023- 10,000,000) from HDFC Bank are secured by a Corporate guarantee issued by Group entity (March 31, 2024) and Holding Company (March 31, 2023), pari-passu charge on the specific assets of Holding Company and lien on Fixed Deposits of the Holding Company amounting to EUR 3,000,000.</i>		
Unsecured		
- from others	5 546 223	3 115 667
Interest accrued and due on current borrowings	87 486	14 883
	<u>5 633 709</u>	<u>3 130 550</u>
Total	<u>32 633 709</u>	<u>30 290 789</u>
20. Other financial liabilities (non-current)		
Derivative instruments designated as hedges		
Others		
Interest rate swap	-	-
	<u>-</u>	<u>-</u>
21. Provisions (non-current)		
Provision for compensated absences	-	-
Provision for defined pension benefits	-	-
Total	<u>-</u>	<u>-</u>
22. Trade payables		
Other creditors	15 197 942	13 398 143
Total	<u>15 197 942</u>	<u>13 398 143</u>
<i>Refer note 22(a) for ageing of trade payables. Also refer note- 38 for payables to related parties.</i>		
23. Other financial liabilities		
Derivatives not designated as hedges		
Derivative instruments designated as hedges		
Others		
Employee benefit expenses payable	1 185 767	2 008 527
Others	161 368	165 221
Total	<u>1 347 135</u>	<u>2 173 748</u>
24. Provisions (current)		
Provision for Lease	-	-
Provision for Gratuity	-	-
Provision for compensated absences	-	-
Total	<u>-</u>	<u>-</u>
25. Other current liabilities		
Advances received from customers	157 492	156 613
Statutory payable	255 994	342 028
Other liabilities	11 634	29 634
Total	<u>425 120</u>	<u>528 275</u>

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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	In EUR Ones	
26. Income taxes	As at March 31, 2024	As at March 31, 2023
(a) Income tax expense		
Current tax		
Current tax on profits for the year	72 133	76 167
Total current tax expense	72 133	76 167
Deferred tax		
Decrease/(increase) in deferred tax assets	9 529	(30 300)
Total deferred tax expense/ (benefit)	9 529	(30 300)
Income tax expense	81 662	45 867
(b) Income tax assets/ liabilities		
(i) Current tax assets (net)	11 506	1 562
(ii) Current tax liabilities (net)	22 895	27 211
Net current tax asset/ (liability) at the end of the year	(11 389)	(25 649)
Movement during the year:		
Opening balance	(25 649)	(3 388)
Add: Income tax paid during the year	86 393	53 906
Less: Current tax payable for the year	(72 133)	(76 167)
Income tax on other comprehensive income	-	-
Less : MAT credit adjusted	-	-
Closing balance	(11 389)	(25 649)
(c) Deferred tax assets / (liabilities)	As at March 31, 2024	As at March 31, 2023
Depreciation	-	-
Right of use assets	-	-
<i>Set-off of deferred tax assets in relation to:</i>		
Provision for compensated absences	-	-
Provision for Warranty	-	-
<i>Allowance for doubtful debts</i>	-	-
Lease liabilities	-	-
Accumulated Loss	-	-
Accrued expenses	20 771	30 300
Other timing differences	-	-
Net deferred tax asset/(liability) at the end of the year	20 771	30 300
Movement during the year		
Net deferred tax asset/(liability) at the beginning of the year	30 300	
Credits/ (Charge) in Profit and loss relating to temporary differences	(9 529)	30 300
Credits/ (Charge) in Other comprehensive income on account of timing differences	-	-
Translation differences	-	-
Net deferred tax asset/(liability) at the end of the year	20 771	30 300
d) Applicable tax rates in the following subsidiaries that are material as follows:		
Country	As at March 31, 2024	As at March 31, 2023
Belgium	25%	25%
Italy [IRES+IRAP]	27,90%	27,90%
France	25%	25%
Poland	9%	9%
Sweden	20,65%	20,65%
Iberia	25%	25%
United Kingdom	19%	19%

11(a) Trade receivables- Ageing

Particulars	Not due	Outstanding for following periods from the due date of payment#						Less: Allowance for doubtful debts	Total
		Less than 3 months	3months to 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years		
As at March 31, 2024									
a) From related parties (Parent & Subsidiaries controlled by the Parent)	292 015								292 015,00
b) Others									
<u>Undisputed Trade Receivables</u>									
- considered good	###	545 539	118 289	13 792	138 849				5 853 343
- credit impaired									-
<u>Disputed Trade Receivables</u>									
- considered good				167 991	176 200				-
- credit impaired								-344 191	-
	5 328 889	545 539	118 289	181 783	315 049	-	-	-344 191	6 145 358
As at March 31, 2023									
a) From related parties (Parent & Subsidiaries controlled by the Parent)	165 779								165 779
b) Others									
<u>Undisputed Trade Receivables</u>									
- considered good	###	705 552	102 131	236 651	66 946				7 036 032
- credit impaired									-
<u>Disputed Trade Receivables</u>									
- considered good				178 700	4 500				-
- credit impaired								-183 200	-
	6 090 531	705 552	102 131	415 351	71 446	-	-	-183 200	7 201 811

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately”;

22(a) Trade payables- Ageing

Particulars	Not due	Outstanding for following periods from the due date of payment#				Accruals/ Provisions (unbilled)	Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years		
As at March 31, 2024							
Undisputed							
(i) Related parties (Parent & Subsidiaries controlled by the Parent)	7 024 070	7 064 119	6 024	-	-	-	14 094 213
(ii) Others	1 073 120	30 609	-	-	-	-	1 103 729
	8 097 190	7 094 728	6 024	-	-	-	15 197 942
As at March 31, 2023							
Undisputed							
(i) Related parties (Parent & Subsidiaries controlled by the Parent)	10 733 777	1 323 972	-	-	-	-	12 057 749
(ii) Others	1 340 394	-	-	-	-	-	1 340 394
	12 074 171	1 323 972	-	-	-	-	13 398 143

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately”;

ELGI COMPRESSORS EUROPE S.R.L
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Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

	In EUR Ones	
27. Revenue from operations	April 01, 2022 to March 31, 2024	April 01, 2021 to March 31, 2023
Revenue from contracts with customers		
Sale of products	22 756 986	22 487 540
Sale of services	1 560 035	1 240 605
Other operating revenues		
Total	24 317 021	23 728 145

i) Revenue recognised for the year ended March 31, 2024 from opening balance of contract liabilities is EUR 156,613 (March 31, 2023: EUR 373).

(ii) Disaggregation of revenue from contracts with customers:

<u>Geography</u>	April 01, 2022 to March 31, 2024	April 01, 2021 to March 31, 2023
India	-	-
Other regions		
Americas	-	-
Europe	23 932 643	23 681 767
Australia	-	-
Others	384 378	46 378
	24 317 021	23 728 145

iii) In respect of remaining performance obligations, the disclosure towards allocation of transaction price do not arise as the contracts that have an original expected duration of more than one year are not significant.

28. Other income

Interest income - Others	-	-
Profit on sale of assets	-	-
Net gain on foreign currency transaction and translation (other than considered as finance cost)	10 225	10 696
Miscellaneous income (net)	2 708	17 910
Total	12 933	28 606

29. Cost of material consumed

Opening stock of raw materials	289 454	598 242
Purchases	14 090 128	19 263 260
Total	14 379 582	19 861 502
Less:		
Inventory of materials at the end of the year	464 310	289 454
Cost of material consumed	13 915 272	19 572 048

ELGI COMPRESSORS EUROPE S.R.L**Consolidated Financial Information**

Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

31.Changes in inventories of finished goods, work-in-progress and traded goods**Opening inventory***

Finished goods	9 394 745	5 844 677
Work-in-progress	-	-
Stock-in-trade	-	-
Total	9 394 745	5 844 677

Closing inventory*

Finished goods	7 902 465	9 394 745
Work-in-progress	-	-
Stock-in-trade	-	-
Total	7 902 465	9 394 745

Net change in inventory

1 492 280	(3 550 068)
------------------	--------------------

32.Employee benefit expenses

	April 01,2022 to March 31, 2024	In EUR Ones April 01,2021 to March 31, 2023
Salaries, wages and bonus	5 534 542	6 046 608
Contribution to Provident fund, Social security funds & Superannuation scheme	1 175 905	1 138 732
Staff welfare expenses	361 729	328 681
Total	7 072 176	7 514 021

33.Finance costs

Interest expense (other financing arrangements)	1 273 715	599 856
Interest expense (relating to lease liabilities)	34 090	16 638
Total	1 307 805	616 494

ELGI COMPRESSORS EUROPE S.R.L**Consolidated Financial Information****Notes to Consolidated Financial Information as at and for the year ended March 31, 2024****34. Depreciation and amortisation expense**

Depreciation of property, plant and equipment	37 062	51 773
Depreciation of right of use assets	353 305	272 869
Amortisation of intangible assets	9 998	40 570
Total	400 365	365 212

35. Other expenses

Packing & forwarding	40 755	43 810
Consumption of stores	707	39
Commission	5 000	7 269
Repairs and maintenance		
-Building	-2 610	3 431
-Plant and machinery	-	-
-Others	35 045	37 389
Communication expenses	40 332	36 310
Power and fuel	73 173	26 580
Transport charges	701 494	657 761
Travelling & conveyance	532 219	568 560
Insurance	74 147	34 866
Advertisement & publicity	354 476	554 194
Printing and stationery	15 790	51 724
After sales expenses	33 173	24 415
Rates and taxes	5 481	684
Subscription & membership	34 201	29 597
Rent	201 860	268 604
Legal and consultancy charges*	1 145 172	1 835 678
Bank charges	4 719	4 006
Net loss on foreign currency transaction and translation (other than considered as finance cost)	63 524	66 381
Bad debts written off & Provision for doubtful advances and debts	160 991	183 200
Miscellaneous expenses	2 104 451	1 920 239
Total	5 624 100	6 354 737

* includes Stock Option Expense amounting to EUR 24,421 and EUR 19,551 for March 31, 2024 and March 31, 2023, respectively.

36. Financial risk management

In EUR Ones

(A) Credit risk

Credit risk arises from credit exposures to customers including outstanding receivables.

Credit risk is managed at individual company level.

The entity assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the Company. The finance function consists of a separate team who assess and maintain an internal credit rating system. The compliance with the credit limits by customers is regularly monitored by the finance function.

(i) Impairment of financial assets

The group provides for expected credit loss based on the following:

Internal rating	Category	Description of category	Basis for recognition of expected credit loss provision
			Trade receivables
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Life-time expected credit losses (simplified approach)
C2	Doubtful assets, credit impaired	Assets are written off 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. 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.	Asset is written off

(ii) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	Overdue by/ past due by					Total
		Less than 3 months	3 to 6 months	6 months to 1 year	1- 2 years	More than 2 years	
As at March 31, 2024							
A) Related Parties							
Gross carrying amount - trade receivables	292 015	-	-	-	-	-	292 015
Expected loss rate %	0%	0%	0%	0%	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
B) Others							
Gross carrying amount - trade receivables	5 036 874	545 539	118 289	181 783	315 049	-	6 197 534
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
Loss allowance- Credit impaired	-	-	-	167 991	176 200	-	344 191
Total Loss allowance provision - Others	-	-	-	167 991	176 200	-	344 191
Carrying amount of Trade receivables (net of credit loss allowance)	5 328 889	545 539	118 289	13 792	138 849	-	6 145 358
As at March 31, 2023							
A) Related Parties							
Gross carrying amount - trade receivables	165 779	-	-	-	-	-	165 779
Expected loss rate %	0%	0%	0%	0%	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
B) Others							
Gross carrying amount - trade receivables	5 924 752	705 552	102 131	415 351	71 446	-	7 219 232
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
Loss allowance- Credit impaired	-	-	-	178 700	4 500	-	183 200
Total Loss allowance provision - Others	-	-	-	178 700	4 500	-	183 200
Carrying amount of Trade receivables (net of credit loss allowance)	6 090 531	705 552	102 131	236 651	66 946	-	7 201 811

(i) Reconciliation of loss allowance provision - Trade receivables

	Trade receivables
Loss allowance on April 1, 2022	-
Changes in loss allowance:	
Provision made during the year	183 200
Utilisation - Bad debt written off	-
Loss allowance on March 31, 2023	<u>183 200</u>
Changes in loss allowance:	
Provision made during the year	160 991
Utilisation - Bad debt written off	-
Loss allowance on March 31, 2024	<u>344 191</u>

(B) Liquidity risk**(i) Financing arrangements - Undrawn borrowing facilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate		
Expiring within one year (bank overdraft and other facilities)		
Total sanction limit	27 000 000	27 000 000
Less: Outstanding as at reporting date (Note 19(b))	-27 000 000	-27 000 000
Undrawn limit	<u>-</u>	<u>-</u>
Expiring beyond one year (bank loans)		
Total sanction limit	-	-
Less: Terms loan drawn	-	-
Undrawn limit	<u>-</u>	<u>-</u>

(ii) Maturities of financial liabilities**Contractual maturities of financial liabilities:**

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
As at March 31, 2024						
Non-derivatives						
Borrowings- Bank	14 190 000	4 890 000	7 920 000	-	-	27 000 000
Borrowings- Related Parties	1 526 217		4 107 492		-	5 633 709
Lease liabilities	86 966	71 129	155 376	281 675	333 264	928 410
Trade payables	15 197 942	-	-	-	-	15 197 942
Other financial liabilities	1 347 135	-	-	-	-	1 347 135
Total non-derivative liabilities	<u>32 348 260</u>	<u>4 961 129</u>	<u>12 182 868</u>	<u>281 675</u>	<u>333 264</u>	<u>50 107 196</u>
As at March 31, 2023						
Non-derivatives						
Borrowings	6 232 850	8 353 350	15 704 589	-	-	30 290 789
Lease liabilities	75 690	54 325	120 020	166 589	316 136	732 760
Trade payables	13 398 143	-	-	-	-	13 398 143
Other financial liabilities	2 173 748	-	-	-	-	2 173 748
Total non-derivative liabilities	<u>21 880 431</u>	<u>8 407 675</u>	<u>15 824 609</u>	<u>166 589</u>	<u>316 136</u>	<u>46 595 440</u>

(C) Market risk

(i) Currency risk

As at March 31, 2024

Particulars	Exposure in functional currency (EUR)	Exposure in currency other than functional currency			
		USD	GBP	SEK	PLN
Financial assets					
Trade receivables	807 908	-	732 987	-	-
Loans (including accrued interest)	-	-	-	-	-
Cash and cash equivalents	156 264	-	55 982	496 590	213 536
Net exposure to currency risk (assets)	964 172	-	788 969	496 590	213 536
Financial liabilities					
Borrowings	1 526 223	1 650 000	-	-	-
Trade payables	291 249	-	170 672	46 485	377 855
Net exposure to currency risk (liabilities)	1 817 472	1 650 000	170 672	46 485	377 855

As at March 31, 2023

Particulars	Exposure in functional currency	Exposure in currency other than functional currency			
		USD	GBP	SEK	PLN
Financial assets					
Trade receivables	808 280	-	710 640	-	-
Loans (including accrued interest)	-	-	-	-	-
Cash and cash equivalents	184 308	-	162 044	-	-
Net exposure to currency risk (assets)	992 588	-	872 684	-	-
Financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	416 489	-	175 004	3 722	1 013 905
Net exposure to currency risk (liabilities)	416 489	-	175 004	3 722	1 013 905

Sensitivity

The sensitivity of profit or loss to changes on the exchange rate arises mainly from foreign currency denominated financial instruments. Amounts in

Particulars	Impact on Profit after tax	
	As at March 31, 2024	As at March 31, 2023
USD Sensitivity		
EUR/USD increases by 5%	(57 233)	300 289
EUR/USD decreases by 5%	57 233	(300 289)
GBP Sensitivity		
EUR/GBP increases by 5%	27 115	-
EUR/GBP decreases by 5%	(27 115)	-
SEK Sensitivity		
EUR/SEK increases by 5%	1 465	-
EUR/SEK decreases by 5%	(1 465)	-
PLN Sensitivity		
EUR/PLN increases by 5%	(1 429)	-
EUR/PLN increases by 5%	1 429	-

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Consolidated Financial Information
Notes to Consolidated Financial Information as at and for the year ended March 31, 2024

39. Related party transactions

(a) Particulars of transactions with related parties

In EUR Ones

Transactions during the year	Ultimate Holding Company / Holding Company		Companies under common control		Joint Ventures & Others	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<u>Purchase of goods</u>						
ELGi Equipments Limited, India	11 559 725	17 058 334	-	-		
Rotair SPA	-	-	333 384	281 786		
<u>Sale of goods</u>						
ELGi Equipments Limited, India						
Rotair SPA			71 630	53 017		
<u>Sale of services</u>						
ELGi Equipments Limited, India	-	-				
Rotair SPA			653 335	476 475		
<u>Receipt of Services</u>						
AGT Electronics Limited	-	-	-	-	87 793	-
<u>Reimbursement of expenses</u>						
<u>To related parties</u>						
ELGi Equipments Limited, India	38 270	-				
Rotair SPA			1 995 047	1 736 435		
<u>By related parties</u>						
ELGi Equipments Limited, India	490 222	283 475				
Rotair SPA			-	2 009		
<u>Loans taken during the year</u>						
Elgi Compressors Italy S.r.l			1 904 333	1 370 000		
Elgi Compressors USA Inc			1 526 223			
Rotair SPA			1 000 000	1 000 000		
<u>Repayment of loans</u>						
Rotair SPA			2 000 000	-		
<u>Interest expense on loans/ CG taken from</u>						
Elgi Compressors Italy S.r.l				10 295		
Elgi Compressors USA Inc			80 789			
Rotair SPA			98 210	7 011		
ELGi Equipments Limited, India	119 564	124 697				

Balances at year end	Ultimate Holding Company / Holding Company		Companies under common control		Joint Ventures & Others	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<u>Receivable at the end of the year</u>						
ELGi Equipments Limited, India	151 389	62 080				
Rotair SPA			140 625	103 698		
<u>Payable at the end of the year</u>						
ELGi Equipments Limited, India	13 588 444	11 673 666				
Rotair SPA			395 770	418 322		
ATS Elgi Limited			110 000	-		
<u>Other payables</u>						
Rotair SPA			156 801	156 801		
<u>Loan payable</u>						
Elgi Compressors Italy S.r.l			3 580 000	1 675 667		
Elgi Compressors USA Inc			1 526 223	-		
Rotair SPA			440 000	1 440 000		
<u>Interest accrued and due to</u>						
Elgi Compressors Italy S.r.l			87 486	14 883		

39 Commitments

(a) Capital commitments

Particulars

As at March 31, 2024

As at March 31, 2023

Estimated amount of contracts remaining to be executed on capital account

-

-

(b) Others

<<Mention, if any>>

40 Events occurring after the reporting period

The Company evaluated all events and transactions through **May XX, 2024**, the date these financial statements were issued. During this period, there were no material recognizable or non recognizable subsequent events.