


Elgi Sauer Compressors Limited  
Balance Sheet as at March 31, 2024

₹ in 000

Particulars	Note No.	March 31, 2024	March 31, 2023
<b>I. ASSETS</b>			
1) Non-current assets			
a) Property, Plant and Equipment	2	3,75,890.50	30,791.40
b) Capital work-in-progress	3	-	3,33,096.36
c) Other Intangible Assets	4	977.46	1,569.16
d) Financial assets			
i) Investments	5	3,24,962.53	2,36,633.42
ii) Loans	6	239.68	22.64
<b>Total Non-Current Assets</b>		<b>7,02,070.17</b>	<b>6,02,112.98</b>
2) Current assets			
a) Inventories	7	87,770.66	60,088.38
b) Financial assets			
i) Trade receivables	8	2,41,732.55	1,69,649.43
ii) Cash and cash equivalents	9	43,414.27	1,14,315.19
iii) Bank balances other than ii) above	10	13.92	13.92
iv) Others	11	911.50	871.87
c) Current tax assets ( Net)	12	-	3,751.25
d) Other current assets	13	33,711.94	14,131.06
<b>Total Current Assets</b>		<b>4,07,554.84</b>	<b>3,62,821.10</b>
<b>TOTAL ASSETS</b>		<b>11,09,625.01</b>	<b>9,64,932.69</b>
<b>II. EQUITY AND LIABILITIES</b>			
A) EQUITY			
a) Equity Share Capital	14	6,500.00	6,500.00
b) Other equity	15	6,82,448.35	5,62,584.53
<b>Total Equity</b>		<b>6,88,948.35</b>	<b>5,69,084.53</b>
B) LIABILITIES			
1) Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	16	1,71,917.20	1,36,429.69
b) Provisions	17	8,197.30	6,685.51
c) Deferred tax liabilities (net)	18	29,505.11	13,473.50
<b>Total Non-current Liabilities</b>		<b>2,09,619.61</b>	<b>1,56,588.70</b>
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	19	25,000.00	25,000.00
ii) Trade payables			
(A) Total outstanding dues of Micro and Small Enterprises	20	14,695.36	10,014.99
(B) Total outstanding dues of creditors other than Micro and Small Enterprises		1,34,082.22	90,979.46
iii) Other financial liabilities	21	9,201.06	94,719.35
b) Other current liabilities	22	13,556.36	6,555.62
c) Provisions	23	14,522.04	11,990.03
<b>Total Current Liabilities</b>		<b>2,11,057.04</b>	<b>2,39,259.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,09,625.01</b>	<b>9,64,932.69</b>

Significant accounting policies and the accompanying notes form an integral part of financial statements

In terms of our report attached  
For VKS Aiyer & Co.,  
Chartered Accountants  
Firm Registration No.0000665

  
Leena M Sathyanarayanan  
Partner  
Membership No. 204177




Place: Coimbatore  
Date : 30-05-2024

For and on behalf of the Board of Directors of  
Elgi Sauer Compressors Limited



  
Jairam Varadaraj  
Director  
(DIN: 00003361)

  
Satish Narasimha Kini  
Managing Director  
(DIN: 10173016)

  
Peter Hans Gerhard Missfeldt  
Director  
(DIN: 09714476)

Particulars	Note No.	March 31, 2024	March 31, 2023
I. Revenue from operations	24	7,02,836.58	5,48,739.96
II. Other income	25	2,692.99	3,933.40
III. <b>Total Income (I+II)</b>		<b>7,05,529.57</b>	<b>5,52,673.36</b>
IV. Expenses			
a) Cost of materials consumed	26	1,70,894.99	1,42,248.09
b) Purchase of stock-in-trade	27	2,09,271.97	1,55,464.52
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	-19,552.82	-15,070.29
d) Employee benefit expenses	29	65,479.47	60,498.91
e) Finance costs	30	16,497.78	16.82
f) Depreciation and amortisation expenses	31	15,243.85	1,336.82
g) Other expenses	32	68,025.92	44,162.68
<b>Total Expenses</b>		<b>5,25,861.16</b>	<b>3,88,657.55</b>
V. <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>1,79,668.41</b>	<b>1,64,015.81</b>
VI. Exceptional items		-	-
VII. <b>Profit/(Loss) before tax (V-VI)</b>		<b>1,79,668.41</b>	<b>1,64,015.81</b>
VIII. Tax Expense			
1) Current tax	33	40,162.34	42,335.46
2) Deferred tax	18	5,789.92	-1,402.70
IX. <b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,33,716.15</b>	<b>1,23,083.05</b>
X Profit/(Loss) from discontinued operations		-	-
XI. Tax expenses of discontinued operations		-	-
XII. <b>Profit/(Loss) from discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
XIII. <b>Profit/(Loss) for the period (IX+XII)</b>		<b>1,33,716.15</b>	<b>1,23,083.05</b>
XIV. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
1) Remeasurement of actuarial gains/(losses) on post employment benefit obligations		371.57	983.31
2) Change in fair value of FVOCI equity instruments		88,329.10	85,655.74
3) Income Tax relating to items that will not be reclassified to profit and loss		-10,240.69	-9,551.57
<b>Total Other Comprehensive Income for the year</b>		<b>78,459.99</b>	<b>77,087.47</b>
XV. <b>Total Comprehensive Income for the period (XIII+XIV) comprising Profit/(Loss) and other comprehensive income for the period</b>		<b>2,12,176.14</b>	<b>2,00,170.52</b>
XVI. Earnings per equity share (for discontinued operations) :			
1) Basic		-	-
2) Diluted		-	-
XVII. Earnings per equity share (for discontinued operation & Continuing Operations) :	34		
1) Basic		205.72	189.36
2) Diluted		205.72	189.36

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Managing Director  
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Peter Hans Gerhard Missfeldt  
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(DIN: 09714476)



Elgi Sauer Compressors Limited  
Cash Flow Statement for the year ended March 31, 2024

₹ in 000

PARTICULARS	March 31, 2024		March 31, 2023	
	₹ in 000	₹ in 000	₹ in 000	₹ in 000
<b>A. Cash flows from operating activities</b>				
Total Comprehensive Income		2,12,176.14		2,00,170.52
<b>Adjustments for:</b>				
Tax expenses	56,192.95		50,484.33	
Bad debts written off	-24.48		-	
Provision for Expected Credit Loss	-107.93		198.35	
Depreciation & amortization Expenses	13,883.91		1,336.83	
Profit on sale of Property, Plant and Equipment	-51.48		-	
Loss on Property, Plant and Equipment discarded	10.91		23.46	
Dividend and interest income classified as investing cash flows	-1,398.33		-2,908.58	
Provision/ (Reversal) of Employee Benefit Expenses	-		-	
Loss/ (Gain) on fair valuation of equity instruments	-88,329.10		-85,655.74	
Finance Costs	18,415.95		16.82	
Loss/(Gain) on post employment benefit obligations	371.57	-1,036.03	-983.31	-37,487.84
<b>Operating profit before working capital changes</b>		2,11,140.11		1,62,682.68
- (Increase)/decrease in Inventories	-27,682.27		-28,306.03	
- (Increase)/decrease in Trade Receivables	-71,950.71		93,463.49	
- (Increase)/decrease in Other Receivables	-19,837.56		12,311.61	
- Increase/(decrease) in Trade payables	47,783.05		10,534.47	
- Increase/(decrease) in Other Liabilities	-74,845.31	-1,46,532.80	97,389.11	1,85,392.65
<b>Cash generated from operations</b>		64,607.31		3,48,075.33
Income taxes refund/(paid)		-36,411.11		-36,119.74
<b>Net cash from operating activities - (A)</b>		<b>28,196.20</b>		<b>3,11,955.59</b>
<b>B. Cash flows from investing activities</b>				
Purchase of Property, Plant and Equipment	-3,85,293.65		-3,22,713.20	
Proceeds from sale of Property, Plant and Equipment	3,60,039.27		-	
Dividend received	1,080.15		621.09	
Interest received	318.19		2,287.50	
<b>Net cash used in investing activities - (B)</b>		<b>-23,856.04</b>		<b>-3,19,804.61</b>
<b>C. Cash flows from financing activities</b>				
Dividends paid to company's shareholders	-92,312.31		-73,876.61	
Short term loans availed during the year	-		-	
Long term loans availed during the year	35,487.51		1,36,429.69	
Interest paid	-18,415.95		-6,226.98	
<b>Net cash from / (used in) financing activities - (C)</b>		<b>-75,240.75</b>		<b>56,326.10</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>-70,900.59</b>		<b>48,477.08</b>
<b>Cash and Bank balances at beginning of reporting period</b>		<b>1,14,329.30</b>		<b>65,852.22</b>
Less: Bank Balances not Considered as Cash and Cash Equivalents as per Ind AS 7		-		-
<b>Cash and cash equivalents at end of reporting period</b>		<b>43,428.71</b>		<b>1,14,329.30</b>

The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.  
Significant accounting policies and the accompanying notes form an integral part of financial statements

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Firm Registration No.0000665

Leena M Sathyanarayanan  
Partner  
Membership No. 204177

Place: Coimbatore  
Date: 30-05-2024



Jairam Varadaraj  
Director  
(DIN: 00003361)

Peter Hans Gerhard Missfeldt  
Director  
(DIN: 09714476)

For and on behalf of the Board of Directors of  
Elgi Sauer Compressors Limited

Satish Narasimha Kini  
Managing Director  
(DIN: 10173016)

A) Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
6,500	-	-	-	6,500

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
6,500	-	-	-	6,500

B) Other Equity

(1) Current reporting period - 2023-24

Particulars	Reserves and surplus			Total
	General reserve	Retained earnings	Other items of Other Comprehensive Income	
Balance at the beginning of the current reporting period	21,757.93	3,44,591.51	1,96,235.07	5,62,584.52
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive Income for the current year	-	1,33,716.15	88,700.68	2,22,416.82
Dividends	-	-92,312.31	-	-92,312.31
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-10,240.69	-10,240.69
Balance at the end of the current reporting period	21,757.93	3,85,995.35	2,74,695.06	6,82,448.35

(2) Previous reporting period - 2022-23

Particulars	Reserves and Surplus			Total
	General reserve	Retained Earnings	Other items of Other Comprehensive Income	
Balance at the beginning of the previous reporting period	21,757.93	2,95,385.06	1,19,147.60	4,36,290.59
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-
Total Comprehensive Income for the previous year	-	1,23,083.08	77,087.47	2,00,170.55
Dividends	-	-73,876.61	-	-73,876.61
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance at the end of the previous reporting period	21,757.93	3,44,591.52	1,96,235.07	5,62,584.53

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Satish Narasimha Kini  
Managing Director  
(DIN: 10173016)



**Note No.1: Material Accounting Policies**

**A) Corporate information**

Established in the year 2008, **Elgi Sauer Compressors Limited** is the joint venture between **Elgi Equipments Limited, Coimbatore** and **J.P. Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH, Kiel**. Elgi Sauer conglomerate focuses on consolidating the engineering, indigenization, and product support capabilities of both the constituent entities, to build state-of-the-art products and provide customized solution for the defence, shipping, industrial and offshore markets in India.

**B) Statement of compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

**C) Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities are measured at fair value as mandated by the law in force;
- b) Net defined employee benefit plans (assets) / liability measured at Fair Value of plan assets less present value of defined benefit obligations.

**D) Current and Non-Current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

Deferred tax asset and liabilities are classified as non-current assets and liabilities.

**E) Revenue recognition**

Revenue is recognized at fair value of the consideration received and receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods and Services Tax and amount collected on behalf of third parties.

Revenue from contract with customers: Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods is recognized at the point of time when the control of the goods is transferred to the customer, which generally coincides with the delivery of the goods.

The company considers any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the goods, the company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

Revenue is recognized when the performance obligation is satisfied either over time or at a point of time. Performance obligation is satisfied when the customer obtains control.



**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

Commissions: When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the gross amount of commission earned by the Company.

Income recognition:

a) Interest income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b) Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established, when it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.

**F) Foreign currency transactions**

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are generally recognized in statement of profit and loss.

**G) Property, Plant, and Equipment**

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is charged on Straight line basis for Plant & Machinery and Data Processing Equipment and on WDV basis for other assets in the manner prescribed in Schedule II of the Act.

The Useful Life of Property, Plant and Equipment as determined by the Management of the Company are as under:

Asset Name	Useful life
Building	30 Years
Electrical Installation	10 Years
Plant & Machinery	15 Years
Office Equipments	5 Years
Computer Equipment	3 Years
Furniture & Fixtures	10 Years
Specifically identified assets	5 Years





**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains / (losses).

Computer software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

**H) Investments and other financial assets**

(i) Classification

The company classifies its financial assets in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. In the case of a financial asset not classified at fair value through Statement of Profit and Loss, the financial asset is measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in statement of profit and loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other



**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain / (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition of financial assets:

A financial asset is derecognized only when

- a) The Company has transferred the rights to receive cash flows from the financial asset or
- b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**I) Impairment of financial assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**J) Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to the owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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





**K) Inventories**

**Raw materials and stores, work-in-progress, traded and finished goods**

Raw materials and stores, work in progress, trade and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**L) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**M) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

**N) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**O) Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

- i. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

- ii. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are





**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**P) Provisions (other than for employee benefits)**

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

**Q) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:





**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**

- (a) Defined benefit plans such as gratuity;
- (b) Liability for compensated absences and
- (c) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in the financial statements is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

**R) Leases**

Payments made under operating leases are generally recognized in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

**S) Rounding the amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of amended Schedule III of the Act.



₹ in 000

Particulars	Land	Building on Leasehold premises	Plant and Equipment	Furniture and Fixtures	Computer	Electrical Installations	Tangible Assets
<u>Gross carrying value / Deemed Cost</u>							
As at 1st April, 2022	28,223.85	824.72	5,368.77	685.80	3,680.63	43.94	38,827.71
Additions	-	-	-	-	183.00	-	183.00
Deletions	-	-	-	-	53.00	-	53.00
As at 31st March, 2023	28,223.85	824.72	5,368.77	685.80	3,810.63	43.94	38,957.71
Additions	-	3,00,515.21	37,518.51	5,845.71	1,537.90	14,434.86	3,59,852.19
Deletions	-	824.72	209.56	354.62	57.05	14.92	1,460.88
As at 31st March, 2024	28,223.85	3,00,515.21	42,677.72	6,176.89	5,291.48	14,463.88	3,97,349.02
<u>Accumulated Depreciation and Impairment</u>							
As at 1st April, 2022	-	800.78	3,100.93	668.27	2,445.96	43.94	7,059.87
Depreciation	-	9.18	530.76	13.73	582.32	-	1,135.98
Deductions	-	-	-	-	29.54	-	29.54
Impairment	-	-	-	-	-	-	-
As at 31st March, 2023	-	809.96	3,631.69	682.00	2,998.74	43.94	8,166.31
Depreciation	-	9,481.26	2,630.41	592.34	691.27	1,256.88	14,652.16
Deductions	-	810.06	125.04	352.88	57.05	14.92	1,359.95
Impairment	-	-	-	-	-	-	-
As at 31st March, 2024	-	9,481.16	6,137.06	921.46	3,632.96	1,285.90	21,458.52
<u>Net Carrying value</u>							
As at 1st April, 2022	28,223.85	23.94	2,267.84	17.53	1,234.67	0.00	31,767.84
As at 31st March, 2023	28,223.85	14.76	1,737.08	3.80	811.89	0.00	30,791.40
As at 31st March, 2024	28,223.85	2,91,034.05	36,540.66	5,255.43	1,658.52	13,177.98	3,75,890.50

The Factory Land is placed on equitable mortgage for term loan obtained for construction of new factory





Elgi Sauer Compressors Limited

Notes to Financial Statements for the period ended 31-03-2024

Particulars	₹ in 000			
	Building	Machinery	Electrical	Furniture
<b>Gross carrying value / Deemed Cost</b>				<b>Total</b>
As at 1st April, 2022	6,126.00	-	-	6,126.00
Additions	3,12,074.22	10,640.19	2,115.04	3,26,970.36
Deletions	-	-	-	-
As at 31st March, 2023	3,18,200.22	10,640.19	2,115.04	3,33,096.36
Additions	16,406.81	2,091.29	4,203.67	25,441.46
Deletions	3,34,607.03	12,731.48	6,318.72	4,880.60
As at 31st March, 2024	-	-	-	3,58,537.82

3.1 Capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Amount in CWIP for March 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	Amount in CWIP for March 31, 2023			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress - Greenfield project	3,26,970.36	4,639.20	1,486.80	3,33,096.36

3.2 The company has no CWIP / Intangible Assets Under Development whose completion is overdue / has exceeded its cost compared to its original plan for the year ended March 31, 2024 and March 31, 2023

The entire CWIP has been provided as security for term loan obtained for construction of new factory building and purchase of machinery at Kallapalayam



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the period ended 31-03-2024

4. Other Intangible Assets		₹ in 000
Particulars	Intangible Assets	
<u>Gross carrying value / Deemed Cost</u>		
As at 1st April, 2022	895.13	
Additions	1,770.00	
Deletions	-	
As at 31st March, 2023	2,665.13	
Additions	-	
Deletions	-	
As at 31st March, 2024	2,665.13	
<u>Accumulated Amortisation and Impairment</u>		
As at 1st April, 2022	895.13	
Amortisation	200.84	
Deductions	-	
Impairment	-	
As at 31st March, 2023	1,095.97	
Amortisation	591.69	
Deductions	-	
Impairment	-	
As at 31st March, 2024	1,687.66	
<u>Net Carrying value</u>		
As at 1st April, 2022	-	
As at 31st March, 2023	1,569.16	
As at 31st March, 2024	977.46	





**5 Non-current Financial Assets - Investments**

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
(a) Investments in equity instruments	3,24,962.53	2,36,633.42
-In associates		
5,40,074 Equity Shares of Elgi Equipments Limited (As on 31.03.2023 - 5,40,074 Equity Shares)		
<b>Total</b>	<b>3,24,962.53</b>	<b>2,36,633.42</b>

Aggregate amount of quoted investments and market value thereof

**Category-wise classification**

Financial Assets measured at fair value through Other Comprehensive Income

**6 Non-current Financial Assets - Loans**

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Loans Receivables considered good - Unsecured		
i. Loan to Employees	239.68	22.64
<b>Total</b>	<b>239.68</b>	<b>22.64</b>

**7 Inventories**

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Raw materials	30,469.80	11,453.31
Goods In Transit - Raw Material	11,905.50	22,338.30
Work-in-progress	-	-
Stock-in-trade	21,614.65	16,594.57
Goods In Transit - Stock-in-trade	-	12,403.32
Finished goods	26,936.06	-
Stores and Consumables	-	-
Less: Provision for non-moving inventory	-3,155.35	-2,701.12
<b>Total</b>	<b>87,770.66</b>	<b>60,088.38</b>

i) For method of valuation of inventories (Refer Note: 1)

ii) Inventory held at Net Realisable Value amounted to ₹ NIL/- (As at 31.03.2023, ₹ NIL/-)

iii) Movement in provision for non-moving inventory :

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Opening balance	2,701.12	2,355.88
Additions during the year	454.24	345.24
Reversals during the year	-	-
<b>Closing balance</b>	<b>3,155.36</b>	<b>2,701.12</b>



8 Trade Receivables

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Trade receivables		
Unsecured considered good	2,41,732.55	1,69,649.43
Which have significant increase in credit risk	1,454.04	1,561.97
- Disputed considered good		
Less: Provision for expected credit loss	-1,454.04	-1,561.97
<b>Total</b>	<b>2,41,732.55</b>	<b>1,69,649.43</b>

Trade Receivables Ageing Schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						TOTAL
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	92,470.75	1,08,357.92	19,199.63	9,926.10	7,477.58	4,300.57	2,41,732.55
ii) Undisputed Trade receivable - which have significant increase in credit risk							-
iii) Undisputed Trade Receivables - Credit impaired							-
iv) Disputed Trade Receivables - considered good							-
v) Disputed Trade Receivables - which have significant						1,454.04	1,454.04
vi) Disputed Trade Receivables - Credit impaired							-
<b>Sub total (a)</b>	<b>92,470.75</b>	<b>1,08,357.92</b>	<b>19,199.63</b>	<b>9,926.10</b>	<b>7,477.58</b>	<b>5,754.61</b>	<b>2,43,186.59</b>
Less: Provision for expected credit loss (b)							1,454.04
<b>Total (a-b)</b>							<b>2,41,732.55</b>

Trade Receivables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						TOTAL
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	18,237.97	1,33,017.76	13,999.18	4,140.57	253.94		1,69,649.43
ii) Undisputed Trade receivable - which have significant increase in credit risk		-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired		-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good		-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	874.98	-	-	22.11	306.14	358.74	1,561.97
vi) Disputed Trade Receivables - Credit impaired		-	-	-	-	-	-
<b>Sub total (a)</b>	<b>19,112.95</b>	<b>1,33,017.76</b>	<b>13,999.18</b>	<b>4,162.68</b>	<b>560.09</b>	<b>358.74</b>	<b>1,71,211.40</b>
Less: Provision for expected credit loss (b)							1,561.97
<b>Total (a-b)</b>							<b>1,69,649.43</b>





Elgi Sauer Compressors Limited  
Notes to Financial Statements for the period ended March 31, 2024

₹ in 000

Movement in Provision for expected credit loss :

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Opening	1,561.97	1,363.62
Additions	-	209.42
Reversal	-107.93	-11.07
Closing	1,454.04	1,561.97

9 Cash and cash equivalents

Particulars	2024	March 31, 2023
	₹ in 000	₹ in 000
Balances with banks		
In current Account	43,408.18	34,307.54
In deposit Account	-	80,000.00
Cash on hand	6.09	7.65
Total	43,414.27	1,14,315.19

10 Bank balances other than above

Particulars	2024	March 31, 2023
	₹ in 000	₹ in 000
Balances with Banks		
In Other Accounts	13.92	13.92
In Deposit Account ( having maturity of more than 3 Months but less than 12 months)	-	-
Total	13.92	13.92

11 Other Financial Assets

Particulars	2024	March 31, 2023
	₹ in 000	₹ in 000
Unsecured, considered good		
Security & Other Deposits	35.00	35.00
Employee advances/ loans	876.50	430.14
Accrued Interest on Deposits	-	406.73
Total	911.50	871.87

12 Current tax assets ( Net)

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
MAT Credit Entitlement	-	-
Advance tax (net of provisions)	-	3,751.25
Total	-	3,751.25

13 Other current assets

Particulars	2024	March 31, 2023
	₹ in 000	₹ in 000
Advance to suppliers	8,293.26	1,648.08
Gratuity fund- Plan assets	135.34	578.81
Input Tax Credits	25,283.34	8,750.97
Duties Receivable from Government authorities	-	3,153.20
Total	33,711.94	14,131.06



14 Equity Share Capital

Particulars	March 31, 2024		March 31, 2023	
	No. of shares (in Thousands)	₹ in 000	No. of shares (in Thousands)	₹ in 000
<b><u>Authorized share capital</u></b>				
Equity shares of ₹10/- each	650.00	6,500.00	650.00	6,500.00
	<b>650.00</b>	<b>6,500.00</b>	<b>650.00</b>	<b>6,500.00</b>
<b><u>Issued and subscribed capital</u></b>				
Equity shares of ₹10/- each fully paid	650.00	6,500.00	650.00	6,500.00
	<b>650.00</b>	<b>6,500.00</b>	<b>650.00</b>	<b>6,500.00</b>

a. Terms / rights attached to Equity Shares

**Voting:**

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share.

**Dividend:**

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**Liquidation:**

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	March 31, 2024		March 31, 2023	
	No. of shares (in Thousands)	₹ in 000	No. of shares (in Thousands)	₹ in 000
Shares outstanding at the beginning of the year	650.00	6,500.00	650.00	6,500.00
Shares Issued / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>650.00</b>	<b>6,500.00</b>	<b>650.00</b>	<b>6,500.00</b>

c. Details of shareholders holding more than 5% shares in the Company

S. No	Name of shareholder	March 31, 2024		March 31, 2023	
		No. of shares (in Thousands)	% holding in class of shares	No. of shares (in Thousands)	% holding in class of shares
1	Equity shares with voting rights J.P.Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH (Holding Company)	481.00	0.74	481.00	0.74
2	Elgi Equipments Limited	168.99	0.26	168.99	0.26
	<b>Total</b>	<b>649.99</b>	<b>1.00</b>	<b>649.99</b>	<b>1.00</b>

d. Details of shares issued for consideration other than cash in the immediately preceding five years:

No shares were issued for consideration other than cash.

e. Details of shares allotted by way of bonus shares or any buy back in the immediately preceding five years:

No shares were allotted by way of bonus Shares and there have been no shares bought back in the immediately preceding five years.





f. Shares held by promoters at the end of the year  
As at 31 March, 2024

S. No	Promoter name	No. of shares (in Thousands)	% of total shares	% change during the year
1	J.P.Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH	481	74.00%	0.00%
2	Elgi Equipments Limited	169	26.00%	0.00%
	<b>Total</b>	<b>650</b>	<b>100.00%</b>	<b>0.00%</b>

As at 31 March, 2023

S. No	Promoter name	No. of shares (in Thousands)	% of total shares	% change during the year
1	J.P.Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH	481	74.00%	0.00%
2	Elgi Equipments Limited	169	26.00%	0.00%
	<b>Total</b>	<b>650</b>	<b>100.00%</b>	<b>0.00%</b>

15 Other equity

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<b>General Reserve</b>		
Opening Balance	21,757.93	21,757.93
Add: Received / (Utilised)	-	-
	<b>[A] 21,757.93</b>	<b>21,757.93</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening balance	3,44,591.52	2,95,385.06
Add: Profit/(Loss) for the year	1,33,716.15	1,23,083.08
Less: Dividend	-92,312.31	-73,876.61
	<b>[B] 3,85,995.36</b>	<b>3,44,591.53</b>
<b>Other Comprehensive Income</b>		
Opening balance	1,96,235.07	1,19,147.60
Add: Addition during the year	88,700.68	77,087.47
Less: Deferred Tax adjustments	-10,240.69	-
	<b>[C] 2,74,695.06</b>	<b>1,96,235.07</b>
<b>TOTAL</b>	<b>6,82,448.35</b>	<b>5,62,584.53</b>



## Elgi Sauer Compressors Limited

Notes to Financial Statements for the Year ended 31-03-2024

₹ in 000

## 16 Financial liabilities

## Non-Current Borrowings

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Secured		
(a) Term loans		
(I) Term Loan from banks	1,96,917.20	1,61,429.69
Less: Current maturities of long-term debt	25,000.00	25,000.00
<b>Total</b>	<b>1,71,917.20</b>	<b>1,36,429.69</b>

a) Security: Term loan is secured by the equitable mortgage of Factory Land to the extent of 3.59 acres at Codissia Industrial Park, Kallapalayam, building constructed thereon and machinery

b) Terms of Repayment: The term loan shall be repaid in 40 Quarterly installments starting from June 2023.

c) There are no defaults in the repayment of the above borrowings during the year

## 17 Provisions

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Liability for Compensated absences (Long Term)	8,029.15	6,517.37
Provision for Superannuation	168.15	168.14
<b>Total</b>	<b>8,197.30</b>	<b>6,685.51</b>

## 18 Deferred tax liabilities (net)

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<b>Deferred tax liability</b>		
On fair value adjustment of financial instruments	27,616.75	17,510.90
On income allowable against taxable income in future years	-	-
Depreciation	5,757.30	-
On expenses allowable against taxable income in future years	42.32	-
<b>Tax effect of items constituting deferred tax liability</b>	<b>33,416.37</b>	<b>17,510.90</b>
<b>Deferred tax asset</b>		
Depreciation	-	333.70
On expenses allowable against taxable income in future years	3,911.26	3,703.70
<b>Tax effect of items constituting deferred tax asset</b>	<b>3,911.26</b>	<b>4,037.40</b>
<b>Net deferred tax liability</b>	<b>29,505.10</b>	<b>13,473.50</b>





Statement of changes in Deferred Tax

Particulars	For the year ended March 31, 2024			
	Opening	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing
<b>Deferred tax liability</b>				
On fair value adjustment of financial instruments	17,510.90	-	10,104.85	27,616.75
Depreciation	-	5,757.30	-	5,757.30
On expenses allowable against taxable income in future years	-	-	42.32	42.32
	<b>17,510.90</b>	<b>5,757.30</b>	<b>10,147.17</b>	<b>33,416.37</b>
<b>Deferred tax asset</b>				
Depreciation	333.70	-333.70	-	-
On expenses allowable against taxable income in future years	3,703.70	301.07	-93.52	3,911.26
	<b>4,037.40</b>	<b>-32.63</b>	<b>-93.52</b>	<b>3,911.26</b>
<b>Total</b>	<b>13,473.50</b>	<b>5,789.92</b>	<b>10,240.69</b>	<b>29,505.11</b>

Particulars	For the year ended March 31, 2024			
	Opening	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing
<b>Deferred tax liability</b>				
On fair value adjustment of financial instruments	7,712.85	-	9,799.05	17,511.90
	<b>7,712.85</b>	<b>-</b>	<b>9,799.05</b>	<b>17,511.90</b>
<b>Deferred tax asset</b>				
Depreciation	352.77	-19.07	-	333.70
On expenses allowable against taxable income in future years	2,034.45	1,421.77	247.48	3,703.70
	<b>2,387.22</b>	<b>1,402.70</b>	<b>247.48</b>	<b>4,037.40</b>
<b>Total</b>	<b>5,325.63</b>	<b>-1,402.70</b>	<b>9,551.57</b>	<b>13,474.50</b>

19 Borrowings

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Current maturities of long-term debt		
i. Borrowings	25,000.00	25,000.00
<b>Total</b>	<b>25,000.00</b>	<b>25,000.00</b>

20 Trade Payable

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Total outstanding dues of Micro and Small Enterprises	14,695.36	10,014.99
Goods in Transit	11,905.50	-
Total outstanding dues of creditors Other than Micro and Small Enterprises	1,22,176.72	90,979.46
<b>Total</b>	<b>1,48,777.58</b>	<b>1,00,994.45</b>



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

₹ in 000

Ageing of Trade Payables  
For the year ended March 31, 2024

Particulars	Not Due	Less than 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	Total
MSME	8,507.61	6,187.75	-	-	-	14,695.36
Others	24,257.43	1,07,981.87	1,830.40	12.51	-	1,34,082.22
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>32,765.04</b>	<b>1,14,169.62</b>	<b>1,830.40</b>	<b>12.51</b>	<b>-</b>	<b>1,48,777.58</b>

For the year ended March 31, 2023

Particulars	Not Due	Less than 1 year	year - 2 year	2 years - 3 years	More than 3 years	Total
MSME	-	10,014.99	-	-	-	10,014.99
Others	-	90,289.59	15.35	-	673.53	90,978.46
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,00,304.58</b>	<b>15.35</b>	<b>-</b>	<b>673.53</b>	<b>1,00,993.45</b>

21 Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Liabilities for expenses	8,538.79	13,629.20
Dealer deposits	530.00	530.00
Employee related expense payable	132.28	199.98
Creditors for Capital Goods	-	80,360.17
<b>Total</b>	<b>9,201.06</b>	<b>94,719.35</b>

22 Other current liabilities

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Statutory dues payable	1,455.18	2,984.91
Advances from customer	8,525.66	3,570.71
Income Tax Payable	3,575.52	-
<b>Total</b>	<b>13,556.36</b>	<b>6,555.62</b>

23 Provisions

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Provision for warranties (refer note no.23.1)	1,145.37	909.78
Liability for compensated absence	2,765.67	3,355.58
Provision for Bonus	157.49	173.16
Provision for Performance Pay	10,453.51	7,551.51
<b>Total</b>	<b>14,522.04</b>	<b>11,990.03</b>

23.1 Movement in provision for warranties

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Opening balance	909.78	758.60
Additions during the year	652.27	324.78
Reversals during the year	416.68	173.60
<b>Closing balance</b>	<b>1,145.37</b>	<b>909.78</b>





Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

24 Revenue from operations

₹ in 000

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Revenue from operations		
Sale of products - Manufactured goods	2,76,069.98	2,10,090.01
Sale of products - Traded goods	3,56,143.26	2,83,014.86
Sale of services	35,233.29	11,518.33
[A]	6,67,446.53	5,04,623.20
Other operating revenue		
Commission received	14,550.56	26,908.84
Support service income	20,839.49	17,207.92
[B]	35,390.05	44,116.76
<b>Total</b>	<b>7,02,836.58</b>	<b>5,48,739.96</b>

Details of products sold:

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<u>Export Sales:</u>		
Sale of products	961.83	58.31
Sale of services	35,390.05	44,683.42
[A]	36,351.88	44,741.73
<u>Domestic Sales:</u>		
Sale of products	6,31,193.09	4,93,046.56
Sale of Services	35,291.60	10,951.68
[A]+[B]	6,66,484.69	5,03,998.24
<b>Total</b>	<b>7,02,836.58</b>	<b>5,48,739.97</b>

25 Other income

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Interest from financial assets	318.19	2,287.50
Interest on others	-	252.42
Dividend income	1,080.15	621.09
Foreign Exchange gain (Loss)	-200.38	732.18
Profit on sale of assets	51.48	-
Miscellaneous income	1,443.55	40.21
<b>Total</b>	<b>2,692.99</b>	<b>3,933.40</b>

26 Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Opening stock of Raw Material	33,791.62	20,210.35
Add: Purchases	1,79,478.67	1,55,829.36
	2,13,270.29	1,76,039.71
Less: Closing stock of Raw Material	42,375.30	33,791.62
<b>Cost of material consumed</b>	<b>1,70,894.99</b>	<b>1,42,248.09</b>

26. i Cost of inventory recognised as an expense:

Particulars	March 31, 2024	March 31, 2023
	₹	₹
Cost of materials consumed	1,70,894.99	1,42,248.09
Cost of goods sold	1,89,719.15	1,40,394.24
Consumption of stores & spare parts	-	-
<b>Total</b>	<b>3,60,614.14</b>	<b>2,82,642.33</b>



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

27 Purchase of stock-in-trade

₹ in 000

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Traded goods	2,09,271.97	1,55,464.52
<b>Total</b>	<b>2,09,271.97</b>	<b>1,55,464.52</b>

28 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<b>Inventories at the end of the year</b>		
Work-in-progress	-	-
Finished goods	26,936.06	-
Stock in trade	21,614.65	28,997.88
	<b>48,550.71</b>	<b>28,997.88</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	-	-
Finished goods	-	5,035.35
Stock in trade	28,997.88	8,892.24
	<b>28,997.88</b>	<b>13,927.59</b>
<b>Net (Increase) / Decrease in inventories of finished goods, stock-in-trade, and work-in-progress</b>	<b>-19,552.82</b>	<b>-15,070.29</b>

29 Employee benefit expenses

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Salaries, wages and bonus	49,633.32	43,250.33
Performance pay	10,127.88	7,168.10
Contribution to provident and other funds	2,610.12	2,426.17
Expenses related to Post Employment Defined Benefit Plans	850.81	879.02
Expenses related to compensated absences	1,247.73	6,067.02
Staff welfare expenses	1,009.62	708.27
<b>Total</b>	<b>65,479.47</b>	<b>60,498.91</b>

30 Finance costs

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Interest expense	16,497.78	16.82
Interest on Income Tax	-	-
<b>Total</b>	<b>16,497.78</b>	<b>16.82</b>

31 Depreciation and amortisation expenses

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Depreciation expenses	15,096.74	1,135.98
Property, Plant & Equipment (Refer Note: 2)		
Amortisation	147.12	200.84
Intangible Assets (Refer Note: 4)		
<b>Total</b>	<b>15,243.85</b>	<b>1,336.82</b>





Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

32. Other expenses

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Packing charges	2,385.53	1,817.46
Advertisement expenses	1,047.56	711.81
Donation	3.00	-
Freight outwards	1,835.89	1,097.67
Power and fuel	3,017.24	294.13
Repairs and maintenance - Plant	1,055.12	299.97
Repairs and maintenance - Building	888.45	-
Commission & discount (Net)	25,892.29	15,602.19
Rent	255.61	1,533.68
Warranties	235.59	151.18
Installation expenses	2,494.40	2,672.42
Legal Consultancy & Professional charges	3,923.99	880.96
Auditor's remuneration (Refer note 32 (a))	615.70	533.50
Rates and taxes	280.54	71.15
Insurance	775.47	593.02
Bank charges	939.22	1,051.19
Subscription, periodicals & filing fees	17.98	14.66
Service charges	7,505.66	5,971.78
Printing & stationary	209.48	216.46
Communication expenses	633.47	133.92
Travelling expenses	7,799.09	8,168.84
Corporate Social Responsibility (Refer note 32 (b))	2,656.32	2,039.49
Bad debts written off	-24.48	-
Provision for Expected Credit Loss/ (Reversal) Net (refer note no.8)	-107.93	198.35
Loss on assets discarded	10.91	23.46
Miscellaneous expenses	3,679.80	85.39
<b>Total</b>	<b>68,025.92</b>	<b>44,162.68</b>

32 (a) Payment to auditors

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<b>Payment to auditors includes the following:</b>		
(a) As Auditor:		
- For Statutory Audit	340.00	286.00
- For Tax Audit	75.00	59.00
(b) For Taxation matters	35.00	30.00
(c) For Certification and Others	140.00	140.00
(d) Reimbursement	25.70	18.50
<b>Total</b>	<b>615.70</b>	<b>533.50</b>



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

32 (b) Corporate Social Responsibility expenditure

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	4,690.87	4,034.55
Amount of expenditure incurred	2,000.00	2,000.00
Shortfall at the end of the year	2,690.87	2,034.55
Total of previous years shortfall	-	-
Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
Nature of CSR activities	Promoting education and enhancing vocational skills.	
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	N.A.	N.A.
As per the annual CSR action plan for the financial year 2023-24, the company had allotted its entire CSR obligation of ₹ 26.56 lakhs towards expansion of Elgi Matriculation School, Coimbatore. The said project is an on-going one and will be completed before end of the financial year 2024-25. The unspent amount of ₹ 21.56 lakhs has been transferred to an unspent CSR bank account on 18-04-2024 and the balance Rs. 5 lakhs paid to Kaamya Karthikeyan on 19-03-2024.		

33 Income tax expense

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
<b>Current Tax</b>		
Current tax on profit for the year	40,162.34	42,335.46
MAT credit written off	-	-
Adjustments for current tax of prior periods	-	-
<b>[A]</b>	<b>40,162.34</b>	<b>42,335.46</b>
<b>Deferred Tax</b>		
Decrease / (increase) in deferred tax assets	-	-1,402.70
(Decrease) / increase in deferred tax liabilities	-	9,551.57
<b>[B]</b>	<b>-</b>	<b>8,148.87</b>
Tax expense recognized in Statement of	<b>[C] 45,952.26</b>	<b>40,932.76</b>
Tax expense recognized in Other Comprehensive Income	-5,789.92	9,551.57
<b>Total tax expense</b>	<b>40,162.34</b>	<b>50,484.33</b>

34 Earnings Per Share

Particulars	March 31, 2024	March 31, 2023
	₹ in 000	₹ in 000
Profit after tax attributable to equity share holders	1,33,716.15	1,23,083.08
Total number of equity shares	650.00	650.00
Weighted average number of equity shares outstanding, considered for the	650.00	650.00
Face value per equity share (₹)	10.00	10.00
<b>Basic and diluted earnings per share (₹)</b>	<b>205.72</b>	<b>189.36</b>





35 A. Financial Risk Management

The company's activities expose it to market risk, interest rate risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts Foreign Currency Option
Interest rate risk	Borrowings and other liabilities	Rolling cash flow forecasts, Cash flow forecasting sensitivity analysis	Availability of committed credit lines and borrowing facilities, ascertaining the benefit of Fixed or floating interest rate for borrowings

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, The company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- VL 1 : High-quality assets, negligible credit risk
- VL 2 : Quality assets, low credit risk
- VL 3 : Standard assets, moderate credit risk
- VL 4 : Substandard assets, relatively high credit risk
- VL 5 : Low quality assets, very high credit risk
- VL 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk. The company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included.

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the company and changes in the operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.



**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the Year ended 31-03-2024**

**(ii) Provision for expected credit losses**

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

**Basis for recognition of expected credit loss provision**

Internal rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
VL 1	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.	12-month expected credit losses	12-month expected credit losses	Life-time expected credit losses (simplified approach)
VL 2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.			
VL 3	Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong.			
VL 4	Substandard assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due.	Life-time expected credit losses	Life-time expected credit losses	
VL 5	Low quality assets, very high credit risk	Assets where there is a high probability of default. In general, assets where contractual payments are more than 60 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 60 days past due.			
VL 6	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. The group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 120 days past due. 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		

**(a) Expected credit loss for loans and security deposits**

Year ended 31 March 2024:

₹ in 000

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	VL 1	240	-	-	240
		Security deposits	VL 1	35	-	-	35





Year ended 31 March 2023

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	VL 1	23	-	-	23
		Security deposits	VL 1	35	-	-	35

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

Year ended 31 March 2024:

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	1,09,019.00	20,520.59	44,882.96	4,553.61	64,633.69	60,497.79	3,04,107.64
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-1,454.04	-1,454.04
Carrying amount of trade receivables (net of impairment)	1,09,019.00	20,520.59	44,882.96	4,553.61	64,633.69	59,043.75	3,02,653.60

Year ended 31 March 2023:

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	-	96,009.56	48,131.19	260.09	498.14	26,312.04	1,71,211.01
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-1,561.97	-1,561.97
Carrying amount of trade receivables (net of impairment)	-	96,009.56	48,131.19	260.09	498.14	24,750.07	1,69,649.04

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following borrowing facilities at the end of the reporting period:

	31-03-2024	31-03-2023
- at Floating rate (Term Loan)	2,50,000	2,50,000
- Expiring beyond one year (cash credit)	50,000	50,000
- Bank Guarantee	1,60,000	1,60,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees (₹).

(i) Maturities of financial assets

The tables below analyse the company's financial assets into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

Particulars	Note No.	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>March 31, 2024</b>					
Investments	5	-	-	3,24,962.53	3,24,962.53
Non-current loans	6	-	239.68	-	239.68
Trade receivables	8	2,20,028.30	23,158.29	-	2,43,186.59
Cash and cash equivalents	9	43,414.27	-	-	43,414.27
Other Financial Assets - Current	11	911.50	-	-	911.50
<b>Total financial assets</b>		<b>2,64,354.07</b>	<b>23,397.97</b>	<b>3,24,962.53</b>	<b>6,12,714.57</b>

Particulars	Note No.	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>March 31, 2023</b>					
Investments	5	-	-	2,36,633.42	2,36,633.42
Non-current loans	6	-	22.64	-	22.64
Trade receivables	8	1,71,211.01	-	-	1,71,211.01
Cash and cash equivalents	9	1,14,329.11	-	-	1,14,329.11
Other Financial Assets - Current	11	506.13	-	-	506.13
<b>Total financial assets</b>		<b>2,86,046.25</b>	<b>22.64</b>	<b>2,36,633.42</b>	<b>5,22,702.31</b>

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

Particulars	Note No.	On demand	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>March 31, 2024</b>						
Borrowings	16 & 19	-	25,000.00	1,25,000.00	46,917.20	1,96,917.20
Trade payables	20	-	1,46,934.66	1,830.40	-	1,48,765.07
Other financial liabilities	19	-	8,538.79	530.00	-	9,068.79
<b>Total financial liabilities</b>		<b>-</b>	<b>1,80,473.45</b>	<b>1,27,360.40</b>	<b>46,917.20</b>	<b>3,54,751.06</b>

Particulars	Note No.	On demand	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>March 31, 2023</b>						
Borrowings	17	-	25,000.00	1,00,000.00	1,25,000.00	2,50,000.00
Trade payables	18	-	1,00,304.57	688.87	-	1,00,993.45
Other financial liabilities	19	-	1,01,716.43	530.00	-	1,02,246.43
<b>Total financial liabilities</b>		<b>-</b>	<b>2,27,021.00</b>	<b>1,01,218.87</b>	<b>1,25,000.00</b>	<b>4,53,239.88</b>

(C) Market risk - Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (' The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	March 31, 2024			March 31, 2023		
	CHF	USD	EUR	CHF	USD	EUR
<b>Financial assets</b>						
Investment in bonds / debentures	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	6,314.44
<b>Net exposure to foreign currency risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,314.44</b>

Particulars	March 31, 2024			March 31, 2023		
	CHF	USD	EUR	CHF	USD	EUR
<b>Financial liabilities</b>						
Foreign currency loan	-	-	-	-	-	-
Bank loan	-	-	-	-	-	-
Trade payables	-	6,951.00	2,06,449	-	-	33,358.89
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>6,951.00</b>	<b>2,06,449.00</b>	<b>-</b>	<b>-</b>	<b>33,358.89</b>





**Sensitivity**

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

Change in exchange rate	Impact on profit after tax (in ₹)		Impact on other components of equity (in ₹)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
INR/GBP Inc. by 5%	-	-	-	-
INR/GBP Dec. by 5%	-	-	-	-
INR/EUR Inc. by 5%	-	-148.56	-	-
INR/EUR Dec. by 5%	-	148.56	-	-
INR/CHF Inc. by 5%	-	-	-	-
INR/CHF Dec. by 5%	-	-	-	-

\* Holding all other variables constant

**(D) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company is exposed to interest risk because funds are borrowed at floating interest rates.

**(i) Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Note No.	March 31, 2024	March 31, 2023
Variable rate borrowings	16 & 19	1,96,917.20	1,61,429.69
Fixed rate borrowings		-	-
<b>Total Borrowings</b>		<b>1,96,917.20</b>	<b>1,61,429.69</b>

**(ii) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit after tax		Impact on Other components of Equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates - increase by basis 100	-	-1,208.01	-	-
Interest rates - decrease by 100 basis	-	1,208.01	-	-

\* Holding all other variables constant

**35 B. CAPITAL MANAGEMENT**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the Company:

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	43,428.71	1,14,329.11
<b>(a) Total cash</b>	<b>43,428.71</b>	<b>1,14,329.11</b>
Current borrowings	1,96,917.20	1,61,429.69
<b>(b) Total borrowings</b>	<b>1,96,917.20</b>	<b>1,61,429.69</b>
<b>(c) Net debt (b-a)</b>	<b>1,53,488.49</b>	<b>47,100.58</b>
<b>(d) Total equity</b>	<b>6,88,948.35</b>	<b>5,69,084.53</b>
<b>Gearing ratio (c/d)</b>	<b>22%</b>	<b>8%</b>



**36 Employee Benefit Obligations**  
**(i) Defined Contribution plans**

The company makes contribution towards provident fund as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specific percentage of the payroll cost as per the Statute.

The total expenses recognised in the statement of profit and loss of ₹ 18,99,344/- (for March 31, 2022 - ₹ 16,54,505/-) represents contributions payable to these plans by the company.

**(ii) Defined Benefit Plans - Gratuity**

**Description of the Company's defined benefit plan:**

The company operates a defined benefit plan for payment of post employment benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of benefits are common for all the employees of the company.

**Principal actuarial assumptions used as at the balance sheet date:**

Particulars	March 31, 2024	March 31, 2023
Discount Rate	6.97%	7.19%
Salary escalation rate	10.00%	10.00%
Attrition rate	6.00%	6.00%
Expected rate of return on Plan Assets	6.97%	7.19%

**Expenses recognised in the Statement of Profit and Loss:**

Particulars	March 31, 2024	March 31, 2023
Current Service Cost	893.71	905.76
Net interest on net defined benefit obligations	-42.90	-26.74
Expenses recognized in the statement of profit and loss	850.81	879.02

**Amount Recognized For The Current Period In The Statement Of Other Comprehensive Income [OCI]**

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on Plan Obligations	-429.20	-972.07
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	57.63	-11.23
Amount recognized in OCI for the current period	-371.57	-983.30

**Reconciliation in respect of the changes in the present value of obligation:**

Particulars	March 31, 2024	March 31, 2023
Present value of obligations as at the beginning of the year	7,911.81	7,559.97
Interest Cost	565.96	542.83
Current service cost	893.71	905.76
Past service cost	-	-
Benefits paid	-80.66	-124.68
Actuarial loss/(gain) on obligation (balancing figure)	-429.20	-972.07
Present value of obligations as at the end of the year	8,861.62	7,911.81

**Reconciliation in respect of the changes in the fair value of plan assets:**

Particulars	March 31, 2024	March 31, 2023
Fair value of plan assets as at the beginning of the period	8,490.61	7,824.24
Expected return on plan assets	608.86	569.57
Contributions less charges	35.76	210.25
Benefits paid	-80.66	-124.68
Actuarial gain/(loss) on plan assets [balancing figure]	-57.63	11.23
Fair value of plan assets as at the end of the period	8,996.94	8,490.61

**Amounts recognised in the Balance sheet**

Particulars	March 31, 2024	March 31, 2023
Present value of the obligation	8,861.62	7,911.81
Fair value of plan assets	8,996.94	8,490.61
Liability/(Asset) in the Balance sheet	-135.32	-578.80

**Major categories of plan assets (as percentage of total plan assets)**

Particulars	March 31, 2024	March 31, 2023
Funds managed by Insurer- LIC	1.00	1.00
Total	100%	100%





Experience Adjustments

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligation	8,861.62	7,911.81	7,559.97	8,811.10	6,389.25
Plan Assets	8,996.94	8,490.61	7,824.24	7,271.05	6,972.88
Surplus/ (Deficit)	-135.32	-578.81	-264.27	1,540.05	-583.63
Experience Adjustments on plan liabilities - Loss/ (Gain)	-429.20	-972.07	-1,109.67	1,616.26	-1,194.24
Experience Adjustments on plan assets - Gain/ (Loss)	57.63	-11.23	-141.74	-46.51	-52.03

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount Rate (0.5% movement)	-316.07	341.05	-275.44	297.41
Salary Escalation Rate(0.5% movement)	338.80	-317.46	296.15	-277.28

(iii) Defined Benefit Plans - Earned Leave obligations

Under the compensated absences plan, leave encashment is payable to all eligible employees at the rate of per day salary, as per current accumulation of leave days.

Particulars	March 31, 2024	March 31, 2023
Current leave obligations expected to be settled within the next 12 months	558.51	476.44

Principal assumptions:

Particulars	March 31, 2024	March 31, 2023
Discount Rate	6.97%	7.19%
Rate of increase in compensation levels	10.00%	10.00%
Attrition Rate	6.00%	6.00%
Expected rate of return on Plan Assets	0.00%	0.00%

Reconciliation in respect of the changes in the present value of obligation:

Particulars	March 31, 2024	March 31, 2023
Present value of obligations as at the beginning of the year	4,528.26	4,099.22
Interest Cost	313.87	286.17
Current service cost	845.63	798.87
Past service cost	-	-
Benefits paid	-325.87	-293.28
Actuarial loss/(gain) on obligation (balancing figure)	243.64	-362.71
Present Value of Obligation as at the end of the period	5,605.53	4,528.27

V Actuarial Gains And Losses Recognized

Particulars	March 31, 2024	March 31, 2023
Actuarial gain (loss) for year - obligation	-243.64	-362.71
Actuarial gain (loss) for year - plan assets	-	-
Subtotal	-243.64	-362.71
Actuarial (gain) / loss recognized	243.64	362.71
Unrecognized actuarial gains (losses) at the end of the period	-	-

VI Amounts recognised in the Balance sheet

Particulars	March 31, 2024	March 31, 2023
Present value of the obligation	5,605.53	4,528.27
Fair value of plan assets	-	-
Difference	5,605.53	4,528.27
Liability recognized in the balance sheet	5,605.53	4,528.27



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended 31-03-2024

VII. Expenses Recognised In The Statement Of Profit And Loss:

Particulars	March 31, 2024	March 31, 2023
Current service cost	845.63	798.87
Interest on obligation	313.87	286.17
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the period	243.64	-362.71
Past service cost	-	-
Expenses recognized in the statement of profit and loss	1,403.13	722.33

VIII. Movements In The Liability Recognized In The Balance Sheet

Particulars	March 31, 2024	March 31, 2023
Opening net liability	4,528.26	4,099.22
Expense as above	1,403.13	722.33
Contribution paid	-325.87	-293.28
Closing net liability	5,605.53	4,528.26

Sensitivity Analysis Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Leave Salary				
Discount Rate (0.5% movement)	-270.08	293.80	-216.55	235.57
Salary Escalation Rate(0.5% movement)	284.02	-264.09	228.22	-212.16

(iv) Defined Benefit Plans - Sick Leave obligations

The company's sick leave obligations have been provided in the statement of profit and loss as follows:

Particulars	March 31, 2024
Current Component of Pvo- Long Term Leave	2,207.16
Non-Current Component of Pvo-Long Term Leave	2,982.12
	5,189.28





Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended March 31, 2024

₹ in 000

37 Related party transactions

(a) Parent entities

The company is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by	
			March 31, 2024	March 31, 2023
J.P.Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH (Holding Company)	Foreign Company	Germany	74%	74%
Elgi Equipments Limited	Domestic Company	India	26%	26%

(b) Others

JP Sauer & Sohn Maschinenbau GmbH- Germany, Girodin Sauer- France, Sauer Compressors USA - USA, Sauer Compressors UK Ltd - UK, Dr. Dieter Murmann Beteiligungsgesellschaft mbH, Haug Kompressoren AG- Switzerland, Sauer Compressors -USA ,Elgi Ultra Limited- India(Coimbatore).

(c) Transactions with related parties

The following transactions occurred with related parties:

	March 31, 2024									
	Sale of Goods	Services Provided	Commission Received	Purchase of goods	Services Availed	Amount payable	Amount receivable	Dividend Paid	Dividend Received	
Elgi Equipments Limited	54.21	-	-	2,740.13	3,821.29	585.52	-	24,001.56	1,080.15	
Elgi Ultra Limited	-	-	-	-	60.00	-	-	-	-	
JP Sauer & Sohn Maschinenbau GmbH	961.83	20,085.98	14,758.06	2,35,583.77	-	82,191.36	7,518.52	68,312.14	-	
JP Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH	-	-	-	-	2,041.98	-	-	-	-	
DWB Dr. Dieter Murmann Beteiligungsgesellschaft mbH	-	-	-	-	-	-	-	-	-	
Girodin-Sauer S.A.S	-	175.99	-	39,404.54	-	18,529.08	-	-	-	
Haug Kompressoren AG	-	-	-	-	-	-	-	-	-	
Sauer Compressors UK Limited	-	532.27	-	-	-	-	-	-	-	
Sauer Compressors USA Inc.	-	45.25	-	-	-	-	-	-	-	
Sauer Compressor S.U.R.L	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1,016.04</b>	<b>20,839.49</b>	<b>14,758.06</b>	<b>2,77,728.44</b>	<b>5,923.27</b>	<b>1,01,305.96</b>	<b>7,518.52</b>	<b>92,313.70</b>	<b>1,080.15</b>	

	March 31, 2023									
	Sale of Goods	Services Provided	Commission Received	Purchase of goods	Services Availed	Amount payable	Amount receivable	Dividend Paid	Dividend Received	
Elgi Equipments Limited	98.71	-	-	4,845.03	6,856.79	6,942.62	16.28	19,207.92	621.09	
Elgi Ultra Limited	-	-	-	-	60.00	5.40	-	-	-	
JP Sauer & Sohn Maschinenbau GmbH	58.31	16,838.54	7,963.39	1,87,327.42	-	64,914.38	8,544.58	-	-	
JP Sauer & Sohn Maschinenbau Beteiligungsgesellschaft MBH	-	-	-	-	993.54	-	-	-	-	
DWB Dr. Dieter Murmann Beteiligungsgesellschaft mbH	-	-	-	-	895.33	-	-	-	-	
Girodin-Sauer S.A.S	-	566.65	18,944.49	33,689.00	-	10,816.94	491.58	-	-	
Haug Kompressoren AG	-	-	-	401.04	-	-	-	-	-	
Sauer Compressors UK Limited	-	369.38	-	-	-	-	-	-	-	
Sauer Compressors USA Inc.	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>157.02</b>	<b>17,774.57</b>	<b>26,907.88</b>	<b>2,26,262.49</b>	<b>8,805.66</b>	<b>82,679.34</b>	<b>9,052.44</b>	<b>73,876.61</b>	<b>621.09</b>	

(d) Terms and conditions

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders. Goods and services were sold to related party based on the price list in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.



**38 Segment Reporting**

The Company is operating in a single Business Segment - Compressors

**39 Expenditure in Foreign Currency**

Particulars	March 31, 2024	March 31, 2023
Travelling Expenses	2,407.36	1,038.15
Purchase of Materials	43,631.36	2,04,108.94
Services	7,424.88	1,704.90

**40 Earnings in Foreign Currency**

Particulars	March 31, 2024	March 31, 2023
a) FOB Value of exported goods	0.96	58.31
b) Engineering Support Services	20.84	17,207.92
c) Commission	14.55	26,908.84
d) Other Services	-	566.65
<b>Total</b>	<b>36.35</b>	<b>44,741.72</b>

**41 Details of Leasing Arrangements**

AS 116 Disclosure -The expense relating to short-term leases and leases of low-value asset, when the practical expediency is applied.

Particulars	March 31, 2024	March 31, 2023
Short term Lease	233.95	1,533.68
Leases of low value asset	-	-
<b>Total</b>	<b>233.95</b>	<b>1,533.68</b>

**Maturity analysis of Rental payments not recognized as lease liability**

Particulars	March 31, 2024	March 31, 2023
Short term Lease	233.95	1,533.68
Leases of low value asset	-	-

**42 Value of Imports Calculated on CIF basis**

Particulars	March 31, 2024		March 31, 2023	
	Manufacturing	Trading	Manufacturing	Trading
Raw Materials/Finished Goods*	89,133.60	1,75,636.05	36,707.92	1,87,327.42

\* Includes imports in INR values also

**Value of Indigenous and Imported Materials and Components Consumed**

Particulars	March 31, 2024		March 31, 2023	
	Manufacturing	Trading	Manufacturing	Trading
Imported				
Value	43,037.81	93.41	1,15,867.46	1,29,905.62
%	99.75%	30.87%	78.67%	95.97%
Indigenous				
Value	108.30	209.18	31,415.98	5,453.26
%	0.25%	69.13%	21.33%	4.03%
<b>Total</b>	<b>43,146.11</b>	<b>302.59</b>	<b>1,47,283.44</b>	<b>1,35,358.88</b>





**Elgi Sauer Compressors Limited**  
**Notes to Financial Statements for the period ended March 31, 2024**

**43 Details of dues to Micro, Small and Medium Enterprises as defined under the MSME Act, 2006**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier		
Principal amount due to micro, small and medium enterprises	14.70	10,014.99
Interest due on above	-	-
<b>Total</b>	<b>14.70</b>	<b>10,014.99</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	-	-

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company and relied upon by the auditors.

**44 Dividends made and proposed**

After the reporting dates the following dividends were proposed by the directors subject to the approval at the Annual General Meeting. The dividends have not been recognised as liabilities.

Particulars	March 31, 2024	March 31, 2023
Proposed Dividend	100.29	92,312.31

**45 Contingent Liabilities**

Particulars	March 31, 2024	March 31, 2023
Bank Guarantees	1,19,376.94	1,29,662.31

**46 Capital Commitment**

Particulars	March 31, 2024	March 31, 2023
Capital Commitment - Towards Green field project	-	24,933.49

47 The Company has not entered into any transactions with companies struck off under Companies Act, 2013

48 There are no proceedings initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and the rules made there under

49 Income tax assessments have been provisionally completed upto AY:2022-23. Refunds are due for certain assessment years due to technical issues in Income Tax portal

50. (a) All the immovable properties are held in the name of the Company.

(b) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

(c) The company has not advanced or loaned or invested or received any funds which has been advanced or loaned or invested in other intermediaries or ultimate intermediaries.

(d) The company has created floating charge on the entire current assets of the company which is registered with Registrar of Companies.



Elgi Sauer Compressors Limited  
Notes to Financial Statements for the Year ended March 31, 2024


51 Ratios

The following are analytical ratios for the year March 31, 2024 & March 31, 2023.

S No.	Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance
1	Current Ratio (i)	Current Assets	Current Liabilities	1.93	1.52	27.34%
2	Debt Equity Ratio	Borrowings	Shareholders fund	0.29	0.28	0.76%
3	Debt service coverage Ratio (ii)	Net Operating Income	Interest +Principal Repayment+lease payments	5.09	6.61	-22.93%
4	Return on Equity Ratio (iii)	Total Comprehensive Income for the period	Shareholders fund	0.31	0.35	-12.44%
5	Inventory Turnover ratio (iv)	Revenue from operations	Average Inventory	9.51	0.03	27482.61%
6	Trade Receivables turnover ratio (v)	Revenue from operations	Average Trade Receivables	3.42	0.00	81933.58%
7	Trade payables Turnover ratio	Purchases	Average Trade payables	3.11	0.01	45178.95%
8	Working capital Turnover ratio (vi)	Reveue from operation	Working capital (Current Assets - current Liabilities)	3.58	4.44	-19.46%
9	Net profit ratio (vii)	Total Comprehensive Income for the period	Reveue from operation	0.30	0.36	-17.24%
10	Return on Capital Employed	Earnings before Interest and Tax	Capital employed	0.22	0.23	-3.42%
11	Return on Investment (viii)	Dividend + Market appreciation	Investments at the beginning of the year	0.38	-1.00	-137.84%

- (i) Increase in Trade Receivables, inventories & other current assets.  
(ii) Increase in net operating income as compared to principal repayments  
(iii) Increase in shareholders fund by ₹ 11.71 Crores, whereas increase in total comprehensive income is ₹ 94.65  
(iv) Reduced due to stock in transit of ₹ 3.47 Crores during the current year  
(v) Improvement in collection and increase in sales throughout the year  
(vi) Improvement in the working capital composition as compared to revenue from operations  
(vii) Reduction due to only a marginal increase in total comprehensive income, as compared to increase in the revenue from operations.  
(viii) Reduction due to increase in the value of investment by ₹ 8.57 Crores

In terms of our report attached  
For VKS Aiyer & Co.,  
Chartered Accountants  
Firm Registration No.0000665


  
Leena M Sathyanarayanan  
Partner  
Membership No. 204177

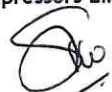



Place: Coimbatore  
Date : 30-05-2024



For and on behalf of the Board of Directors of  
Elgi Sauer Compressors Limited

  
Jairam Varadaraj  
Director  
(DIN: 00003361)

  
Satish Narasimha Kini  
Managing Director  
(DIN: 10173016)

  
Peter Hans Gerhard Missfeldt  
Director  
(DIN: 09714476)