



Garisenuru & Co.,
Chartered Accountant

No. 1187, Jai Malhar Building
19th Main, 20th 'B', Cross,
Sahakar Nagar, Bangalore - 560 092
Mob. No.: 9035690010
E-mail: subhu.yh@gmail.com

Independent Auditors report on special purpose financial information prepared for consolidation purposes

To
M/s. Arun & Co
Chartered Accountants
1/1, MELA KULA PILLIYAR KOVIL STREET,
MELA KULAVANIGARPURAM,
OPP TO ST. THOMAS CHURCH
SOUTH BYE-PASS ROAD
KURUCHI, TIRUNELVELI - 627005.

As requested in your instructions 'Elgi Rubber Company Limited Group Audit instructions' dated May 13, 2024, I have audited for purposes of your audit of the consolidated financial statements of Elgi Rubber Company Limited. The accompanying special purpose information of ELGI Rubber Company Holdings BV, Netherlands, as of March 31, 2024 and for the year then ended on pages 1 to 9 of the accompanying financial reporting package of Elgi Rubber Company Limited. This special purpose financial statements prepared solely to enable Elgi Rubber Company Limited to prepare its consolidated financial statements.

Management responsibility for the special purpose financial information:

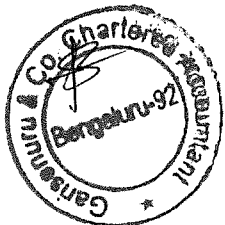
Management is responsible for the preparation of this special purpose financial information in accordance with policies and instructions contained in Elgi Rubber Company Limited Accounting Manual / Accounting policies and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

My responsibility is to express an opinion on this special purpose financial information based on my audit. I conducted my audit in accordance with International standards on Auditing required that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of these special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentations of these special purpose financial information.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion the conclusions reached in forming my opinion as based on the component materiality level specified by you in the context of the audit of the consolidated statements of the group.



Opinion

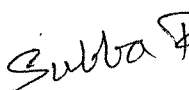

In my opinion, in the accompanying special purpose financial information for ELGI Rubber Company Holdings BV, Netherlands as of March 31, 2024, and for the year ended has been prepared, in all material respects in accordance with the policies and instructions contained in Elgi Rubber Company Limited accounting manual / accounting policies.

Restrictions on use

The special purpose financial information has been prepared for purpose of providing information to Elgi Rubber Company Limited to enable it to prepare the consolidated financial statements of the Group as a result, the special purpose financial information is not a complete set of financial statements of ELGI Rubber Company Holdings BV, Netherlands in accordance with Ind AS (Indian IFRS) and is not intended to the true and fair view of/ present fairly, in all material respects, the financial position of ELGI Rubber Company Holdings BV, Netherlands as of March 31, 2024 and of its financial performance for the year then ended in accordance with Ind AS. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for M/s. Arun & Co., Chartered Accountants, and should not be used by other parties.

For Garisenuru and Co
Chartered Accountant
FRN: 018666S

Subba Reddy G
Proprietor
Membership No.:244907

Date: 29th May 2024
UDIN: 24244907BKFTIN1271

ELGI Rubber Company Holdings BV, Netherlands,

Memorandum of work performed for the year ended March 31, 2024

Addressee

To

M/s. Arun & Co

Restrictions of use:

The memorandum is intended solely for the use of M/s. Arun & Co, Chartered Accountants, in connection with the audit of the financial information and results of Elgi Rubber Company Limited, for the year ended March 31, 2024 and is not to be used for any other purpose. The matters raised in this memorandum are only those that have come to my attention arising from my work on the financial information of ELGI Rubber Company Holdings BV, Netherlands, which was performed in accordance with Group letter of instruction ('Instructions').

Scope of the work performed by me:

The scope of the work performed by me on the financial information of ELGI Rubber Company Holdings BV, Netherlands, was in accordance with the instructions received from you.

Identification of financial information Being Reported On

Report identifiers: Financial statements for the period ended March 31, 2024

Financial information: Currency used – INR in million

Particulars	YE – 31.03.2024	YE – 31.03.2023
Turnover	1,159.11	1,279.92
Profit after tax	(109.94)	(87.44)
Total assets	1,480.53	1,576.36
Total liabilities	1,480.53	1,576.36

Significant Risks and my Responses: No significant risks identified

Law and Regulations: No instances of Non-compliance requiring your attention were noted.

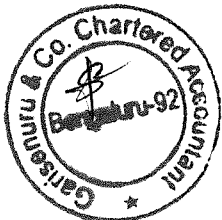
Fraud: No instances of Fraud requiring your attention were noted.

Indication of Management bias: No indicators of Management bias were detected by me.

Significant Matters - Nil

Key Audit Matters (KAMs): Not applicable

Summary of uncorrected misstatements: No uncorrected misstatements were noted



Compliance with group accounting policies: I performed the procedures as requested. No instances of non-compliance requiring your attention were noted.

Differences in GAAP/ Differences in Group accounting policies: No differences of GAAP were identified

Summary of significant control deficiencies at the component level: No significant control deficiencies were noted

Related parties: No related parties were identified by me in addition to the names by you in your instructions

Subsequent evidence procedures:

1. I performed the procedures as requested.
2. No items requiring your attention were noted.

Matters to be communicated to (Group Management/Those charged with governance): No specific representations to be included

Specific representations from Group management: No Specific representations to be included

Going concern status of Component: No items requiring your attention were noted.

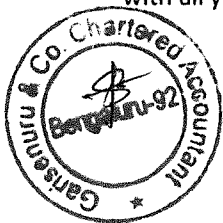
Litigation and claims: No items requiring your attention were noted.

Changes in accounting policies from previous year and its impact on the financial statements: No items requiring your attention were noted.

Financial statement and Statutory Audit Report: Attached is copy of the special purpose financial statement and the audit report on these special purpose financial statements.

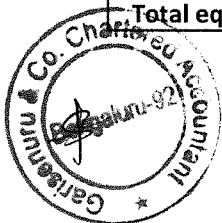
Compliance with Ethical requirements: I confirm that I comply with the code of ethics, issued by the institute of Chartered Accountants of India, in relation to the work carried out on the Component.

Other matters: I confirm that apart from matters noted above, I have not become aware of any other matters relating to the financial information of ELGI Rubber Company Holdings BV, Netherlands, or the Group financial statements of Elgi Rubber Company Limited that I need to report to you. I also confirm that I have complied with all your requirements, as set out in your instructions dated May 13, 2024.



Elgi Rubber Company Holding BV, Netherlands
Balance Sheet as at 31 MAR 2024
All amounts in Local Currency _ INR Million

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
ASSETS			
Non-current assets			
Property, plant and equipment	1	884.55	870.03
Intangible assets	1	119.96	162.95
Capital work in progress	2	-	7.87
Goodwill on consolidation		-	-
Financial assets			
Investments		-	-
Loans		-	-
Other non-current financial asset		-	-
Deferred tax asset (Net)	3	45.24	40.99
Other non-current assets	4	11.45	1.95
Total non-current assets		1,061.19	1,083.79
Current assets			
Inventories	5	270.12	299.30
Financial assets			
Trade receivables	6	139.11	172.70
Cash and cash equivalents	7	9.18	20.57
Bank balances other than above		-	-
Loans		-	-
Other Financial Assets		-	-
Other current assets	8	0.92	-
Total current assets		419.34	492.57
Total Assets		1,480.53	1,576.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	309.77	307.67
Other equity	10	(1,614.10)	(1,432.70)
Total equity		(1,304.33)	(1,125.03)

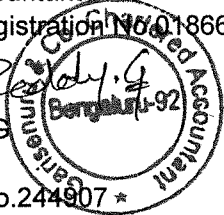


Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	129.69	118.47
Current liabilities			
Financial liabilities			
Borrowings	12	2,164.66	2,038.86
Trade payables	13	432.01	424.01
Short Term Provisions	14	17.08	9.82
Other current liabilities	15	41.42	110.24
Total liabilities		2,784.86	2,701.39
Total Equity and Liabilities		1,480.53	1,576.36

The accompanying notes form an integral part of the financial statements

For Garisenuru & Co
Chartered Accountant
ICAI Firms' Registration No. 18666S

Subba Reddy G
Subba Reddy G
Proprietor
Membership No. 2424907 *



UDIN: 24244907BKFTIN1271
Date: 29th May 2024

Elgi Rubber Company Holding BV, Netherlands

Statement of Profit and Loss account for the year ended 31st March 2024

All amounts in Local Currency _ INR Million

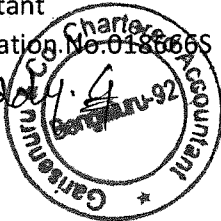
	Particulars	Notes	Period ended Mar 31 2024	Period ended Mar 31 2023
Continuing Operations				
A	Income			
	Revenue from operations	16	1,159.11	1,279.92
	Other income	17	-	22.96
	Total income		1,159.11	1,302.88
B	Expenses			
	Cost of materials consumed	16	444.83	428.36
	Employee Benefits Expense	17	202.88	287.83
	Depreciation and amortisation expense	18	54.42	63.53
	Other expenses	19	489.93	557.95
	Excise Duty on Sales	20	-	-
	Finance costs	21	62.12	52.69
	Total expenses		1,254.19	1,390.35
C	Profit before exceptional items and tax		(95.08)	(87.47)
	Exceptional items		-	-
D	Profit before tax from continuing operations		(95.08)	(87.47)
	Income tax expense	22		
	Current tax			(0.32)
	MAT Tax		-	-
	Deferred tax charge/ (credit)		14.87	(4.30)
	Profit for the year		(109.94)	(82.85)
E	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		-	-
	Income tax relating to these items		-	-
	Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year			(109.94)	(82.85)

The accompanying notes form an integral part of the financial statements

For Garisenuru & Co
Chartered Accountant

ICAI Firms' Registration No. 018666S

Subba Reddy G
Subba Reddy G
Proprietor
Membership No.244907



UDIN: 24244907BKFTIN1271

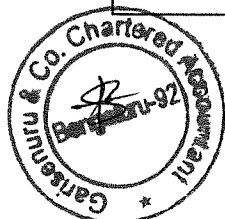
Date: 29th May 2024

Elgi Rubber Company Holding BV, Netherlands

Notes to Accounts

All amounts in Local Currency _ INR Million

	As at 31-Mar-24	As at 31-Mar-23
2 Capital Work-in-progress		-
Capital work in progress	-	7.87
	-	7.87
3 Non-current assets- Deferred tax asset (Net)		
Differential Tax on Capital gains	45.24	40.99
	45.24	40.99
MAT Credit Entitlement		-
	45.24	40.99
4 Other Non Current Assets (Unsecured, considered good)		
Other disputed statutory payments/deposits	5.10	-
Statutory Payments	6.35	-
Advance recoverable in cash or in kind or for value to be received	-	1.95
	11.45	1.95
5 Inventories		
Raw Materials	23.80	30.41
Finished products	73.77	92.65
Stock-in-trade (acquired for trading)-Retreading Machinery	-	10.80
Packing materials	8.73	-
Stores and spares	163.82	165.44
Scrap		
	270.12	299.30
6 Trade receivables		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	139.11	172.70
Unsecured, considered doubtful	-	-
Other debts		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	139.11	172.70
Less : Allowance for expected credit losses	-	-
	139.11	172.70



Elgi Rubber Company Holding BV, Netherlands

Notes to Accounts

All amounts in Local Currency _ INR Million

	As at 31-Mar-24	As at 31-Mar-23
7 Cash and cash equivalents		
Cash on hand	0.05	0.01
Balances with banks		
In current accounts	3.95	17.22
In demand deposits with original maturity of less than 3 months	5.19	3.34
	9.18	20.57
8 Other current assets (Unsecured, considered good)		
Others	0.92	
	0.92	-
9 Capital		
Subscribed and fully paid up share capital		
Subscribed and fully paid up share capital	309.77	307.67
	309.77	307.67
10 Other Equity		
Capital Reserves	140.68	140.68
Foreign Currency Translation Reserve	(140.67)	(69.22)
Retained earnings	(1,614.10)	(1,504.16)
	(1,614.10)	(1,432.70)
a) Capital Reserve		
Balance at the beginning and end of the year	140.68	140.68
b) Foreign Currency Translation Reserve		
Balance at the beginning of the year	(69.20)	292.29
Additions/ (deductions) during the year	(71.47)	-361.49
Balance at the end of the year	(140.67)	(69.20)
c) Retained earnings		
Balance at the beginning of the year	(1,504.16)	(1,421.34)
Net profit for the period	(109.94)	(82.85)
Transfer from Other Comprehensive Income		
Balance at the end of the year	(1,614.10)	(1,504.19)

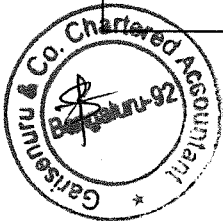


Elgi Rubber Company Holding BV, Netherlands

Notes to Accounts

All amounts in Local Currency _ INR Million

	As at 31-Mar-24	As at 31-Mar-23
11 Long Term Borrowings		
Term Loans (Secured)		
From Banks	129.69	118.47
	129.69	118.47
23 Current liabilities - Financial Liabilities: Borrowings		
a) Secured		
Loans repayable on Demand		
From banks		
Cash credit facility	992.24	980.04
b) Unsecured		
From banks	45.04	-
Loans from related parties	1127.38	1,058.82
Total	2,164.66	2,038.86
24 Trade payables		
Trade payables	432.01	424.01
Total	432.01	424.01
15 Other current liabilities		
Unpaid Dividend	-	19.20
Statutory Dues Payable	-	76.28
Employee benefits payable	32.36	-
Other Payable to related party	4.12	14.76
Other payables	4.94	-
Total	41.42	110.24
25 Provisions (Current)		
Provision - others	17.08	9.82
Total	17.08	9.82



Elgi Rubber Company Holding BV, Netherlands

Notes to Accounts

All amounts in Local Currency _ INR Million

	Period Ended Mar 31 2024	Period Ended Mar 31 2023
16 Revenue from Operations		
Sale of Products	1,143.95	1,279.92
Sale of Service	15.16	-
Other Operating Revenue - Scrap Sales		
	1,159.11	1,279.92
17 Other income		
Other non operating income	-	22.96
	-	22.96
17(a) Other Non - Operating Income		
Dividend Income from .Others	0.05	-
Income - Commission	-	1.34
RTP interest writeen back	-	16.62
SBLC commision write off	-	5.03
Miscellaneous income	6.85	-
	6.90	22.99
16 Cost of materials consumed		
Raw material Consumed	415.15	428.36
Opening inventory	-	-
Add: Purchase	-	-
Less: Inventory at the end of the period	-	-
	415.15	428.36
17 Employee benefits expense		
Salaries, wages and bonus	173.43	263.97
Contribution to provident and other funds	22.83	17.44
Staff welfare expenses	6.62	6.41
	202.88	287.83
18 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	54.42	63.53
	54.42	63.53

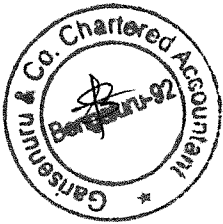


Elgi Rubber Company Holding BV, Netherlands

Notes to Accounts

All amounts in Local Currency - INR Million

19 Other expenses		
Consumption of stores and spare parts	3.04	1.73
Power and fuel	232.13	177.60
Rent	0.20	0.17
Labour charges	7.77	1.05
Repairs and Maintenance – Plant and machinery	38.28	74.92
Repairs and Maintenance – Building	2.29	2.47
Repairs and Maintenance – Others	15.46	13.34
Insurance	30.61	37.10
Rates and taxes	3.65	2.76
Exchange fluctuation expenses (Net)	1.63	1.70
Travelling and conveyance	2.93	4.05
Auditors' Remuneration (see note below)	6.55	3.83
Professional fees	1.77	3.96
Advertisement and other selling expenses	4.51	3.70
Carriage Inward	15.92	14.82
Freight charges	73.05	133.29
Miscellaneous expenses	50.14	81.45
	489.93	557.95
21 Finance Cost		
Interest on Borrowings		
On borrowings from banks	14.15	15.40
Interest paid to related party	35.66	29.12
Others	1.25	5.16
Financial charges on borrowings	11.07	3.02
	62.12	52.69



Elgi Rubber Company Holding BV, Netherlands

1. Property, plant and equipment and Intangible assets

Particulars	Tangible assets							Intangible assets	Total Assets
	Land	Building	Plant and Equipment	Vehicles	Total				
Cost at 31st March 2023	195.71	911.78	3,253.08	19.94	4,380.51	162.95	4,543.46		
Additions	-	-	-	-	-	-	-	-	
Disposals/Adjustments	-	-	146.14	2.36	148.50	43.92	192.41		
Exchange difference(FCTR)	1.33	2.53	303.25	4.76	311.88	87.95	399.83		
Cost at 31st March 2024	197.04	914.31	3,410.20	22.35	4,543.90	206.98	4,750.88		
Depreciation&Amortisation	-	-	-	-	-	-	-		
As at 31st March 2023	-	266.87	3,177.22	19.92	3,464.02	46.47	3,510.48		
Charges for the year	-	29.14	5.86	0.02	35.02	-	35.02		
Disposals	-	-	146.10	2.36	148.46	43.91	192.37		
Exchange difference(FCTR)	-	0.65	299.89	4.76	305.30	87.94	393.24		
As at 31st March 2024	-	296.66	3,336.87	22.35	3,655.88	90.50	3,746.38		
Net Block	-	-	-	-	-	-	-		
As at 31st March 2023	195.71	644.91	75.87	0.02	916.50	116.48	1,032.98		
As at 31st March 2024	197.04	617.65	73.33	0.00	888.02	116.48	1,004.50		

