



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 Limited, Sri Lanka, as of March 31, 2024 and for the year then ended on pages 1 to 7 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:

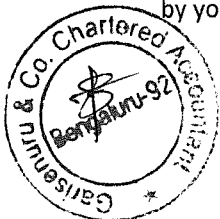
Management is responsible for the preparation of this special purpose financial information in accordance with policies and instructions contained in Elgi Rubber Company Limited Accounting Manual / Accounting policies and for such internal control as management determines is necessary to enable the preparation 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 Limited, Sri Lanka, 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 Limited, Sri Lanka, 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 Limited, Sri Lanka, 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.

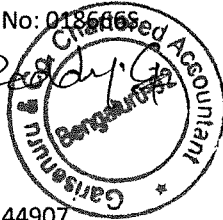
For Garisenuru and Co
Chartered Accountant

Firms Registration No: 0186866

Subba Reddy G

Subba Reddy G
Proprietor

Membership No.:244907



Date: 29th May 2024

UDIN: 24244907BKFTIJ4542

ELGI Rubber Company Limited, Sri Lanka,

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 Limited, Sri Lanka, 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 Limited, Sri Lanka, 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	44.27	33.89
Profit after tax	8.99	2.27
Total assets	62.13	53.38
Total liabilities	62.13	53.38

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.

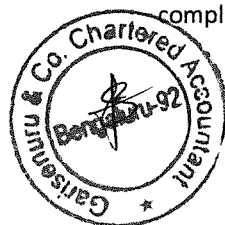
Indication of Management bias: No indicators of Management bias were detected by me.

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.

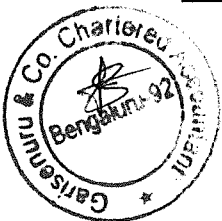
Compliance with Ethical requirements: I confirm that I comply with the code of ethics, issued by the institute of Chartered Accountants of India, in relation to the work carried out on the Component.

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 Limited, Sri Lanka, 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 Limited, Sri Lanka
Balance Sheet as at 31 MAR 2024
All amounts in INR Million

Particulars	Notes	As at 31 Mar 2024	As at 31 Mar 2023
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.51	0.65
Intangible assets		-	-
Capital work in progress		-	-
Goodwill on consolidation		-	-
Financial assets			
i) Investments		-	-
ii) Loans		-	-
iii) Other financial asset		-	-
Deferred tax asset (Net)		-	-
Other non-current assets		-	-
Total non-current assets		0.51	0.65
Current assets			
Inventories	2	20.98	24.00
Financial assets			
i) Trade receivables	3	25.10	26.18
ii) Cash and cash equivalents	4	4.66	2.93
iii) Bank balances other than above	5	7.26	0.08
iv) Loans	5A	0.12	-
Other current assets	6	3.51	1.16
Total current assets		61.62	54.34
Total Assets		62.13	54.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	2.76	2.49
Other equity	8	45.43	43.37
Total equity		48.19	45.86
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Provisions		-	-
Deferred tax liabilities (Net)	9	7.50	3.92
Total non-current liabilities		7.50	3.92



Current liabilities			
Financial liabilities			
i) Borrowings		-	-
ii) Trade payables	10	0.65	2.06
Provisions	11	3.35	1.89
Other current liabilities	12	2.45	1.26
Total current liabilities		6.45	5.21
Total liabilities		13.94	9.13
Total Equity and Liabilities		62.13	54.99

The accompanying notes form an integral part of the financial statements

For Garisenuru & Co
Chartered Accountant
ICAI Firms' Registration No. 018666S

Subba Reddy G
Proprietor
Membership No. 244907
UDIN: 24244907BKFTIJ4542
Date: 29th May 2024



Elgi Rubber Company Limited, Sri Lanka
Statement of Profit and Loss for the period ended 31 MAR 24
All amounts in INR Million

Particulars	Notes	Period ended 31 Mar 2024	Period ended 31 Mar 2023
Income			
Revenue from operations	13	44.27	33.89
Other income	14	0.11	4.02
Total income		44.38	37.91
Expenses			
Cost of materials consumed	15	29.67	20.91
Employee Benefits Expense	16	3.02	2.78
Depreciation and amortisation expense	17	0.19	0.17
Other expenses	18	7.52	6.29
Finance costs	19	0.30	0.38
Total expenses		40.71	30.53
Profit before exceptional items and tax		3.67	7.38
Exceptional items		-	-
Profit before tax from continuing operations		3.67	7.38
Income tax expense			
Current tax	20	1.92	1.56
Deferred tax charge/ (credit)	21	(7.24)	3.54
Profit for the year		8.99	2.27
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		8.99	2.27

The accompanying notes form an integral part of the financial statements

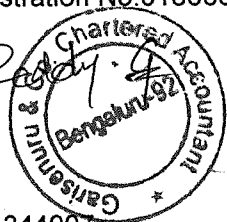
For Garisenuru & Co
Chartered Accountant
ICAI Firms' Registration No.018666S

Subba Reddy G
Proprietor

Membership No.244907

UDIN: 24244907BKFTIJ4542

Date: 29th May 2024



Elgi Rubber Company Limited, Sri Lanka
Notes to Financial Statements for the year ended Mar 31, 2024
All amounts in INR Million

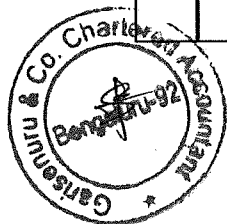
	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
2	Inventories		
	Raw Materials	20.98	24.00
		20.98	24.00
3	Trade receivables		
	Outstanding for a period less than six months from the date they are due for		
	Unsecured, considered good	25.50	26.54
	Unsecured, considered doubtful	-	-
	Other debts		
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	-	-
		25.50	26.54
	Less : Allowance for expected credit losses	(0.40)	(0.36)
		25.10	26.18
4	Cash and cash equivalents		
	Cash on hand	0.01	0.01
	Balances with banks		
	In current accounts	4.64	2.91
		4.66	2.93
5	Other Bank Balances		
	In fixed deposits maturing within next 12 months	7.26	0.08
		7.26	0.08
5A	Other Loans and Receivables		
	(Unsecured, considered good)		
	Loans to employees	0.12	-
		0.12	-
6	Other current assets		
	Prepaid expenses	0.13	0.18
	Balance with govt authorities:	0.07	0.06
	Vat credit receivable	1.68	-
	Advance payment of income tax	1.62	0.92
		3.51	1.16
7	Capital		
	Subscribed and fully paid up share capital	2.76	2.49
		2.76	2.49



Elgi Rubber Company Limited, Sri Lanka
Notes to Financial Statements for the year ended Mar 31, 2024

All amounts in INR Million

	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
8	Other Equity		
	General Reserve	26.24	26.24
	Foreign Currency Translation Reserve	(33.46)	(26.52)
	Retained earnings	52.65	43.66
		45.43	43.37
	d) General Reserve		
	Balance at the beginning of the year	26.24	26.24
	Additions/ (deductions) during the year		-
	Balance at the end of the year	26.24	26.24
	f) Foreign Currency Translation Reserve		
	Balance at the beginning of the year	(26.52)	(26.01)
	Additions/ (deductions) during the year	(6.94)	(0.51)
	Balance at the end of the year	(33.46)	(26.52)
	h) Retained earnings		
	Balance at the beginning of the year	43.66	41.39
	Net profit for the period	8.99	2.27
	Balance at the end of the year	52.65	43.66
9	Deferred tax liabilities (Net)		
	Deferred tax liabilities (Net)	7.50	3.92
	Total	7.50	3.92
10	Trade payables		
	Trade payables	0.65	2.06
	Total	0.65	2.06
11	Provisions (Current)		
	Provision for Income Tax(Net)	3.35	1.89
	Total	3.35	1.89
12	Other current liabilities		
	Statutory Dues Payable	2.12	1.05
	Employee benefits payable	0.33	0.21
	Total	2.45	1.25



Elgi Rubber Company Limited, Sri Lanka
Notes to Financial Statements for the year ended Mar 31, 2024
All amounts in INR Million

	Period ended 31 Mar 2024	Period ended 31 Mar 2023
13 Revenue from Operations		
Sale of Products	44.27	33.89
	44.27	33.89
14 Other income		
Interest Income	0.11	-
Other non operating income (Refer 18(a))	-	4.02
	0.11	4.02
18(a) Other Non - Operating Income		
Net gain on foreign currency transactions and translations	-	4.02
	-	4.02
15 Cost of materials consumed		
Raw material Consumed	29.67	20.91
	29.67	20.91
16 Employee benefits expense		
Salaries, wages and bonus	2.21	2.30
Contribution to provident and other funds	0.20	0.16
Gratuity paid (net of reversals)	0.47	0.21
Staff welfare expenses	0.14	0.12
	3.02	2.78
17 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	-	
Amortisation on intangible assets	0.19	0.17
	0.19	0.17
18 Other expenses		
Power and fuel	1.85	1.11
Repairs and Maintenance – Plant and machinery	0.17	0.22
Repairs and Maintenance – Building	0.20	0.07
Repairs and Maintenance – Others	0.78	0.56
Insurance	0.21	0.14
Rates and taxes	0.10	0.16
Travelling and conveyance	0.06	0.04
Auditors' Remuneration (see note below)	0.18	0.13
Professional fees	0.05	0.03
Carriage Inward	0.51	0.30
Net loss on foreign currency transactions and translations	2.74	0.00
Freight charges	-	0.00
Miscellaneous expenses	0.67	3.51
	7.52	6.29
19 Finance Cost		
Interest on Borrowings		
Interest paid to related party	0.05	0.23
Financial charges on borrowings	0.24	0.15
	0.30	0.38
24 Tax expense		
Current tax	1.92	1.56
	1.92	1.56
25 Deferred tax		
Deferred tax	(7.24)	3.54
	(7.24)	3.54



Elgi Rubber Company Limited, Sri Lanka

1. Property, plant and equipment

Particulars	Tangible assets					Intangible assets	Total Assets	
	Land	Building	Plant and Furniture	Vehicles	Total			
Cost at 31st March 2023		1.74	5.78		0.02	7.54	0.20	7.74
Additions						-	-	-
Disposals/Adjustments	-	-			-	-	-	-
Exchange difference(FCTR)		0.19	0.62		0.00	0.81	0.02	0.84
Cost at 31st March 2024	-	1.93	6.40	-	0.03	8.35	0.22	8.57
Depreciation&Amortisation								
As at 31st March 2023	-	1.74	5.28		0.02	7.04	0.05	7.09
Charges for the year	-		0.15			0.15	0.04	0.19
Disposals						-		-
Exchange difference(FCTR)	-	0.19	0.58		0.00	0.77	0.01	0.78
As at 31st March 2024	-	1.93	6.01	-	0.03	7.96	0.10	8.06
Net Block								
As at 31st March 2023	-	-	0.50	-	0.00	0.50	0.15	0.65
As at 31st March 2024	-	-	0.39	-	0.00	0.39	0.12	0.51

