



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

To

M/s. Arun & Co

Chartered Accountant

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 5, 2025, I have audited for purposes of your audit of the consolidated financial statements of Elgi Rubber Company Limited, the accompanying special purpose information of Borrachas e Equipmentos Elgi Ltda, Brazil, as of March 31, 2025 and for the year then ended 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 Borrachas e Equipmentos Elgi Ltda, Brazil, as of March 31, 2025, 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 Borrachas e Equipmentos Elgi Ltda, Brazil, 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 Borrachas e Equipmentos Elgi Ltda, Brazil, as of March 31, 2025 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 & Co  
Chartered Accountant

Firm Registration No: 0186665

*Subba Reddy G*

Subba Reddy G

Proprietor

Membership No.244907



Date: 28.05.2025

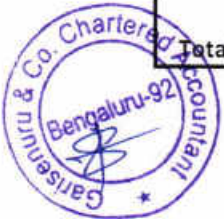
UDIN: 25244907BMRKDS6195

**Borrachas e Equipamentos Elgi Ltda, Brazil**

**Balance Sheet as at 31 MAR 2025**

All amounts in Local Currency \_ INR Million

	Notes	As at Mar 31, 2025	As at Mar 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	136.71	155.64
Intangible assets		-	-
Goodwill on consolidation		-	-
Financial assets			
Investments		-	-
Loans		-	-
Other non-current financial asset	2	13.12	14.65
Deferred tax asset (Net)		-	-
Other non-current assets	3	47.37	36.22
<b>Total non-current assets</b>		<b>197.20</b>	<b>206.51</b>
<b>Current assets</b>			
Inventories	4	108.91	114.62
Financial assets			
Trade receivables	5	85.19	81.18
Cash and cash equivalents	6	22.59	0.01
Bank balances other than above			
Loans		-	-
Other Financial Assets		-	-
Other current assets	7	266.43	269.43
<b>Total current assets</b>		<b>483.12</b>	<b>465.24</b>
<b>Total Assets</b>		<b>680.32</b>	<b>671.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	239.91	268.01
Share application money pending allotment	9	-	60.08
Reserves & Surplus	10	(589.27)	(438.71)
<b>Total equity</b>		<b>(349.36)</b>	<b>(110.62)</b>



<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	11	40.65	18.80
Other financial liabilities		-	-
<b>Total non-current liabilities</b>		<b>40.65</b>	<b>18.80</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12	833.15	616.83
Trade payables	13	105.97	110.68
Other current liabilities	14	49.91	36.07
<b>Total current liabilities</b>		<b>989.03</b>	<b>763.58</b>
<b>Total liabilities</b>		<b>1,029.68</b>	<b>782.38</b>
<b>Total Equity and Liabilities</b>		<b>680.32</b>	<b>671.76</b>

The accompanying notes form an integral part of the financial statements

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

*Subba Reddy*

Subba Reddy G  
Proprietor  
Membership No.244907  
UDIN: 25244907BMRKDS6195  
Date: 28th May 2025



Borrachas e Equipmentos Elgi Ltda,Brazil

Statement of Profit & Loss Account for the year ended 31st March 2025

All amounts in Local Currency \_ INR Million

	Notes	Period Ended Mar 31, 2025	Period Ended Mar 31, 2024
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	15	197.84	235.49
Other income	16	36.11	0.59
<b>Total income</b>		<b>233.95</b>	<b>236.08</b>
<b>B Expenses</b>			
Cost of materials consumed	17	15.98	117.72
Purchase of stock in trade - Traded goods	18	32.05	-
Changes in inventories of finished goods	19	37.89	(22.64)
Employee Benefits Expense	20	36.49	39.46
Depreciation and amortisation expense	21	6.12	6.73
Other expenses	22	78.97	73.69
Finance costs	23	10.69	10.19
<b>Total expenses</b>		<b>218.19</b>	<b>225.15</b>
<b>C Profit before exceptional items and tax</b>		<b>15.76</b>	<b>10.93</b>
Exceptional items		-	-
<b>D Profit before tax from continuing operations</b>		<b>15.76</b>	<b>10.93</b>
Income tax expense			
Current tax		-	-
MAT Tax		-	-
Deferred tax charge/ (credit)		-	-
<b>Profit for the year</b>		<b>15.76</b>	<b>10.93</b>
<b>E Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		-	-
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>15.76</b>	<b>10.93</b>

The accompanying notes form an integral part of the financial statements

For Garisenuru & Co  
Chartered Accountant

ICAI Firms' Registration No.0186665

*Subba Reddy G*

Subba Reddy G

Proprietor

Membership No.244907

UDIN: 25244907BMRKDS6195

Date: 28th May 2025



**Note 1: Property, plant and equipment and Intangible assets**

Particulars	Tangible assets					
	Land	Building	Plant and Equipment	Furniture and Fittings	Vehicles	Total
<b>Cost at 31st March 2024</b>	<b>30.55</b>	<b>69.08</b>	<b>112.72</b>	<b>2.92</b>	<b>2.38</b>	<b>217.65</b>
Additions	-	-	0.35	-	-	0.35
Disposals/Adjustments	-	-	-	-	-	-
Exchange difference(FCTR)	(3.23)	(7.20)	(10.60)	(0.20)	(0.25)	(21.48)
<b>Cost at 31st March 2025</b>	<b>27.32</b>	<b>61.88</b>	<b>102.47</b>	<b>2.72</b>	<b>2.13</b>	<b>196.52</b>
<b>Depreciation&amp;Amortisation</b>						
As at 31st March 2024	-	3.81	53.80	2.40	2.00	<b>62.01</b>
Charges for the year	-	-	6.11	0.01	0.00	<b>6.12</b>
Disposals	-	-	-	-	-	-
Exchange difference(FCTR)	-	(0.04)	(8.07)	(0.19)	(0.02)	(8.32)
<b>As at 31st March 2025</b>	<b>-</b>	<b>3.77</b>	<b>51.84</b>	<b>2.22</b>	<b>1.98</b>	<b>59.81</b>
Net Block						
<b>As at 31st March 2024</b>	<b>30.55</b>	<b>65.27</b>	<b>58.92</b>	<b>0.52</b>	<b>0.38</b>	<b>155.64</b>
<b>As at 31st March 2025</b>	<b>27.32</b>	<b>58.11</b>	<b>50.63</b>	<b>0.50</b>	<b>0.15</b>	<b>136.71</b>



Borrachas e Equipamentos Elgi Ltda, Brazil

Notes to Accounts

All amounts in Local Currency \_ INR Million

	Period Ended Mar 31, 2025	Period Ended Mar 31, 2024
<b>2 Other non-current financial asset</b> (Unsecured, considered good) Other Advances	13.12	14.65
	<b>13.12</b>	<b>14.65</b>
<b>3 Other Non Current Assets</b> (Unsecured, considered good) Due from related parties	47.37	36.22
	<b>47.37</b>	<b>36.22</b>
<b>4 Inventories</b> Raw Materials Finished products Stock-in-trade (acquired for trading)-Retreading Machinery	37.02 61.76 10.13	15.82 98.80 -
	<b>108.91</b>	<b>114.62</b>
<b>5 Trade receivables</b> Outstanding for a period less than six months from the date they are due for payment Unsecured, considered good Unsecured, considered doubtful  Other debts Unsecured, considered good Unsecured, considered doubtful  Less : Allowance for expected credit losses	105.27 0.11  0.56 -  (20.75)	85.96 18.40  - -  (23.18)
	<b>85.19</b>	<b>81.18</b>
<b>6 Cash and cash equivalents</b> Cash on hand  Balances with banks In current accounts	0.03  22.56	0.01  -
	<b>22.59</b>	<b>0.01</b>



Borrachas e Equipamentos Elgi Ltda, Brazil

Notes to Accounts

All amounts in Local Currency - INR Million

	Period Ended Mar 31, 2025	Period Ended Mar 31, 2024
<b>7 Other current assets</b>		
(Unsecured, considered good)		
Income and claims receivable	21.72	12.41
Prepaid expenses	32.58	37.00
Balance with govt authorities:	39.68	39.60
Advance recoverable in cash or in kind or for value to be received	64.37	24.04
Due from related parties	-	36.24
Loans to employees	-	0.26
Commission receivable ER UN	1.16	0.43
Deferred tax Assets (Net)	106.92	119.45
	<b>266.43</b>	<b>269.43</b>
<b>8 Capital</b>		
Subscribed and fully paid up share capital		
Subscribed and fully paid up share capital	239.91	268.01
	<b>239.91</b>	<b>268.01</b>
<b>9 Share application money pending allotment</b>		
Share application money pending allotment	-	60.07
	<b>-</b>	<b>60.07</b>
<b>10 Other Equity</b>		
Capital Reserves	4.24	4.24
General Reserve	(30.03)	(30.03)
Foreign Currency Translation Reserve	(194.22)	(27.90)
Retained earnings	(369.26)	(385.02)
	<b>(589.27)</b>	<b>(438.71)</b>
<b>a) Capital Reserve</b>		
Balance at the beginning and end of the year	4.24	4.24
<b>b) General Reserve</b>		
Balance at the beginning of the year	(30.03)	(30.03)
Additions/ (deductions) during the year		
Balance at the end of the year	<b>(30.03)</b>	<b>(30.03)</b>
<b>f) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	(27.90)	135.93
Additions/ (deductions) during the year	(166.32)	(163.83)
Balance at the end of the year	<b>(194.22)</b>	<b>(27.90)</b>



Borrachas e Equipamentos Elgi Ltda, Brazil

Notes to Accounts

All amounts in Local Currency \_ INR Million

	Period Ended Mar 31, 2025	Period Ended Mar 31, 2024
<b>h) Retained earnings</b>		
Balance at the beginning of the year	(385.02)	(395.95)
Net profit for the period	15.76	10.93
Balance at the end of the year	<b>(369.26)</b>	<b>(385.02)</b>
<b>11 Long Term Borrowings</b>		
Unsecured		
from Banks	40.65	18.80
	<b>40.65</b>	<b>18.80</b>
<b>12 Current liabilities - Financial Liabilities: Borrowings</b>		
Unsecured		
From banks		
Loans from related parties	799.62	600.68
From Others	33.53	16.15
<b>Total</b>	<b>833.15</b>	<b>616.83</b>
<b>13 Trade payables</b>		
Trade payables	-	-
Trade payables - Others	20.99	13.84
Trade payables related parties - ER IN	84.69	87.05
Trade Payables - Related parties	0.29	9.79
<b>Total</b>	<b>105.97</b>	<b>110.68</b>
<b>14 Other current liabilities</b>		
Current maturities of long-term debt	-	2.75
Interest accrued but not due on secured loans	4.55	5.08
Statutory Dues Payable	2.32	4.01
Employee benefits payable	4.26	5.04
Other payables	38.78	19.19
<b>Total</b>	<b>49.91</b>	<b>36.07</b>



Borrachas e Equipamentos Elgi Ltda, Brazil

Notes to Accounts

All amounts in Local Currency - INR Million

	Period Ended Mar 31, 2025	Period Ended Mar 31, 2024
<b>15 Revenue from Operations</b>		
Sale of Products	193.19	223.40
Sale of Service	0.84	2.43
Other Operating Revenue - Scrap Sales	3.81	9.66
	<b>197.84</b>	<b>235.49</b>
<b>16 Other Income</b>		
Interest Income	2.10	0.59
Other non operating Income	34.01	-
	<b>36.11</b>	<b>0.59</b>
<b>16 (a) Interest Income</b>		
Interest from Banks	2.10	0.59
	<b>2.10</b>	<b>0.59</b>
<b>16 (b) Other Non - Operating Income</b>		
Miscellaneous income	34.01	-
	<b>34.01</b>	<b>-</b>
<b>17 Cost of materials consumed</b>		
Raw material Consumed		
Opening inventory	8.25	32.96
Add: Purchase	36.02	93.01
Less: Inventory at the end of the period	28.29	8.25
	<b>15.98</b>	<b>117.72</b>
<b>18 Purchase of stock in trade - Traded goods</b>		
Purchase of stock in trade	32.05	-
	<b>32.05</b>	<b>-</b>
<b>Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
Opening Stock		
Finished Goods	67.61	30.93
Work in Process	9.94	25.49
Stock in Trade	26.38	24.85
Scrap		
	<b>103.92</b>	<b>81.27</b>
Closing Balance		
Finished goods	25.52	67.61
Work-in-progress	8.90	9.94
Stock in trade	31.62	26.38
Scarp		
	<b>66.03</b>	<b>103.93</b>
<b>Total Changes in Work in Progress and finished goods</b>	<b>37.89</b>	<b>(22.64)</b>



**Borrachas e Equipamentos Elgi Ltda, Brazil**

**Notes to Accounts**

All amounts in Local Currency INR Million

<b>20 Employee benefits expense</b>		
Salaries, wages and bonus	20.94	23.91
Contribution to provident and other funds	11.25	11.59
Staff welfare expenses	4.30	3.96
	<b>36.49</b>	<b>39.46</b>
<b>21 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	6.12	6.73
Amortisation on intangible assets		
	<b>6.12</b>	<b>6.73</b>
<b>22 Other expenses</b>		
Consumption of stores and spare parts	2.07	2.25
Power and fuel	12.05	11.18
Repairs and Maintenance – Plant and machinery	0.44	-
Repairs and Maintenance – Building	0.04	0.51
Repairs and Maintenance – Others	5.31	3.94
Insurance	1.63	1.38
Rates and taxes	2.48	4.36
Exchange fluctuation expenses (Net)	-	1.39
Travelling and conveyance	0.48	1.84
Auditors' Remuneration (see note below)	-	0.21
Professional fees	20.85	16.48
Advertisement and other selling expenses	4.10	3.98
Freight charges	7.76	7.56
Miscellaneous expenses	21.76	18.61
	<b>78.97</b>	<b>73.69</b>
<b>23 Finance Cost</b>		
Interest on Borrowings		
Paid to non banking financial institutions	10.69	10.19
Others	-	0.00
	<b>10.69</b>	<b>10.19</b>

