



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.

Opinion

I have audited the accompanying special purpose financial statements of Elgi Rubber Company Limited, Kenya ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2026, its loss and total comprehensive income for the year ended on that date.

Basis for Opinion:

I conducted my audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to my audit of the special purpose financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the special purpose financial statements.

Emphasis of matter – Basis of Accounting and Restriction on Distribution and Use

I draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Elgi Rubber Company Limited under the requirements of section 129 (3) of the Companies Act, 2013. As a result, the special purpose financial statements may not be suitable for another purpose. The special purpose financial statements cannot be referred to or distributed or included or used for any other purpose except with my prior consent in writing. My report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without my prior written consent. I neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

My opinion is not modified in respect of this matter.



Responsibilities of Management and Board of Directors for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 2 of the special purpose financial statement. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

My objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit 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 company's internal control. • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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
UDIN: 26244907VZAAAR5564



Date: 28th May 2026
Place: Bengaluru

Elgi Rubber Company Limited, Kenya
Balance Sheet as at 31 March 2026
All amounts in Local Currency _ KES Million

Particulars		As at	As at
		31 Mar 2026	31 Mar 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	0.05	0.06
Other intangible assets	4	0.01	0.02
Financial assets			
Investments		-	-
Loans		-	-
Other non-current financial asset		-	-
Deferred tax asset (Net)		-	-
Income Tax asset (Net)		1.99	1.99
		2.05	2.07
Current assets			
Inventories		-	-
Financial assets			
Trade receivables	5	8.58	8.54
Cash and cash equivalents	6	0.28	0.29
Bank balances other than above		-	-
Loans		-	-
Other Financial Assets		-	-
Other current assets	7	0.28	0.34
		9.14	9.17
Total Assets		11.19	11.24
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	2.40	2.40
Other equity	9	8.02	8.50
Total equity		10.42	10.90
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Other financial liabilities		-	-
Provisions		-	-
		-	-



Current Liabilities			
Financial liabilities			
Borrowings		-	-
Trade payables		-	-
Provisions		-	-
Other current liabilities	10	0.77	0.34
		0.77	0.34
Total liabilities		0.77	0.34
Total Equity and Liabilities		11.19	11.24

The accompanying notes form part of the financial statements.

For Garisenuru & Co
Chartered Accountant
Firms' registration No. 0186665

Subba Reddy G

Subba Reddy G
Proprietor
Membership No. 244907



UDIN: 26244907VZAAAR5564
Date: 28.05.2026
Place: Bengaluru

Elgi Rubber Company Limited, Kenya

Statement of Profit and Loss account for the year ended 31st March 2026

All amounts in Local Currency _ KES Million

	Particulars	Notes	Period ended 31 Mar 2026	Period ended 31 Mar 2025
A	Income			
	Revenue from operations	11	0.00	1.40
	Other income		-	-
	Total income		0.00	1.40
B	Expenses			
	Cost of materials consumed		-	-
	Purchase of stock in trade - Traded goods		-	-
	Changes in inventories of finished goods		-	-
	Employee Benefits Expense	12	-	0.44
	Depreciation and amortisation expense	13	0.01	0.01
	Other expenses	14	0.46	0.98
	Finance costs	15	0.01	0.01
	Total expenses		0.48	1.44
C	Profit before exceptional items and tax		(0.48)	(0.04)
	Exceptional items		-	-
D	Profit before tax from continuing operations		(0.48)	(0.04)
	Income tax expense		-	-
	Current tax		-	-
	Deferred tax charge/ (credit)		-	-
	Profit for the year		(0.48)	(0.04)
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		(0.48)	(0.04)

The accompanying notes form part of the financial statements

For Garisenuru & Co

Chartered Accountant

Firms' registration No. 0186665

Subba Reddy

Subba Reddy G

Proprietor

Membership No.244907



UDIN: 26244907VZAAAR5564

Date: 28.05.2026

Place: Bengaluru

Elgi Rubber Company Limited, Kenya

1 Company overview

Elgi Rubber Company Limited, Kenya is a Company providing solutions to Rubber Industry and engaged in the business of manufacture/Trade of Reclaimed rubber, Retreading machinery, and Retread rubber.

2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company, Elgi Rubber Company Limited under the requirements of section 129(3) of the Companies Act, 2013 which is required to be furnished by the Holding Company, Elgi Rubber Company Limited.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provision of the Companies Act, 2013 (the Act' (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendments rules issued thereafter.

These financial statements are presented in Kenyan Shilling (KES) , which is the Company's functional currency. All financial information presented in Kenyan Shilling (KES) has been rounded to the nearest millions (up to two decimals).

Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the audited condensed standalone interim financial statements have been discussed in the respective notes.

3 Critical Accounting Estimates

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, and similar allowances

Sale of goods and services:

Revenue from the sale of goods and services is recognized when the company transfers control of goods or services to its customer at the amount to which the company expects to be entitled.

Property, plant and equipment

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ Insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Intangible assets

Intangible assets with finite useful lives that are acquired separately, where the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment Testing Methodology - Trade Receivables

Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.

Provisions, Contingent Liabilities and Contingent Asset

Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately. Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months and highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.



Elgi Rubber Company Limited, Kenya

4. Property, Plant and Equipment

Particulars	Tangible assets		Intangible assets	Total Assets
	Plant and Equipment	Total		
Cost at 31st March 2025	0.08	0.08	0.38	0.46
Additions	-	-	-	0.00
Disposals/Adjustments	-	-	-	0.00
Cost at 31st March 2026	0.08	0.08	0.38	0.46
Depreciation&Amortisation				
As at 31st March 2025	0.02	0.02	0.36	0.39
Charges for the year	0.01	0.01	0.01	0.01
Disposals	-	-	-	0.00
As at 31st March 2026	0.02	0.02	0.37	0.40
Net Block		-		
As at 31st March 2025	0.07	0.07	0.02	0.07
As at 31st March 2026	0.06	0.06	0.01	0.06



Elgi Rubber Company Limited, Kenya

Notes to Financial Statements for the year ended Mar 31, 2026

All amounts in Local Currency _ KES Million

	Period Ended 31 Mar 2026	Period Ended 31 Mar 2025
5 Trade receivables		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	8.58	8.54
Unsecured, considered doubtful		
Other debts		
Unsecured, considered good		
Unsecured, considered doubtful		
Less : Allowance for expected credit losses	8.58	8.54
	8.58	8.54
6 Cash and cash equivalents		
Balances with banks		
In current accounts	0.28	0.29
Cash on hand	0.00	0.00
	0.28	0.29
7 Other current assets		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received	0.01	0.01
Vat credit receivable	0.27	0.33
	0.28	0.34
8 Capital		
Subscribed and fully paid up share capital	2.40	2.40
	2.40	2.40



Elgi Rubber Company Limited, Kenya

Notes to Financial Statements for the year ended Mar 31, 2026

All amounts in Local Currency _ KES Million		
	Period Ended 31 Mar 2026	Period Ended 31 Mar 2025
9 Other Equity		
Securities Premium Account	0.02	0.02
Retained earnings	8.00	8.48
	8.02	8.50
a) Securities Premium Account		
Balance at the beginning and end of the year	0.02	0.02
c) Retained earnings		
Balance at the beginning of the year	8.48	8.52
Net profit for the period	(0.48)	(0.04)
Balance at the end of the year	8.00	8.48
10 Other current liabilities		
Other payables	0.77	0.34
Total	0.77	0.34



Elgi Rubber Company Limited, Kenya

Notes to Financial Statements for the year ended Mar 31, 2026

All amounts in Local Currency _ KES Million

	Period Ended 31 Mar 2026	Period Ended 31 Mar 2025
11 Revenue from Operations		
Sale of Products	-	-
Sale of Service	0.00	1.40
	0.00	1.40
12 Employee benefits expense		
Salaries, wages and bonus	-	0.22
Contribution to provident and other funds	-	0.01
Gratuity paid (net of reversals)	-	0.21
Staff welfare expenses	-	0.00
	-	0.43
13 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	0.01	0.01
Amortisation on intangible assets	-	-
	0.01	0.01
14 Other expenses		
Rent	0.07	0.07
Insurance	-	0.02
Exchange fluctuation expenses (Net)	(0.04)	0.23
Travelling and conveyance	-	0.01
Auditors' Remuneration (see note below)	0.15	0.15
Professional fees	0.28	0.15
Bad Debts	-	0.34
Miscellaneous expenses	-	0.01
	0.46	0.98
15 Finance Cost		
Interest on Borrowings	-	-
Others	0.01	0.01
Financial charges on borrowings	-	-
	0.01	0.01

