Elgi Rubber Company Limited

Super A Unit ●Coimbatore Private Industrial Estate ● Kuruchi ● Coimbatore 641 021 ● India ● CIN : L25119TZ2006PLC013144,
+91 (422) 232 1000 ● info@in.elgirubber.com ● www.elgirubber.com.

Ref: ERCL/SEC/2025/JULY/09 17th July, 2025

The Manager — Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
C-1, Block G, Bandra Kurla Complex
Bandra (E), Mumbai — 400 051

Dear Sir/Madam,

Subject : Submission of 19th Annual Report for the financial year 2024-25

Symbol : ELGIRUBCO

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 19th Annual Report of the Company for the financial year 2024-25.

A copy of the Annual Report is also available on the Company's website at www.elgirubber.com

This is for your information and record.

Thanking you,

Yours Sincerely,

For Elgi Rubber Company Limited

FAIZUR
REHMAN
ALLAUDEEN

Digitally signed by FAIZUR
REHMAN ALLAUDEEN
Date: 2025.07.17 19:12:41
+05'30'

Faizur Rehman Allaudeen
Company Secretary & Compliance Officer
M.No.A70055

Encl: As above

Elgi Rubber Company Limited

ANNUAL REPORT 2024-25

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Elgi Rubber Company Limited

CIN : L25119TZ2006PLC013144

Annual Report 2024 - 25

Chairman & Managing Director

Sudarsan Varadaraj

Executive Director

Harsha Varadaraj

Non Executive Directors

Jairam Varadaraj
MD Selvaraj (upto 26.09.2024)
Vijayraghunath (upto 26.09.2024)
V Bhuvaneshwari (upto 26.09.2024)
Sarathraj Selvakumar (from 14.08.2024)
Parvathi Srinivasan (from 01.09.2024)
R Vidhya Shankar (from 27.09.2024)

Head Office

Super A Unit,
Coimbatore Private Industrial Estate,
Kuruchi, Coimbatore-641 021

Registered Office

Super A Unit,
Coimbatore Private Industrial Estate,
Kuruchi, Coimbatore-641 021

Plants

Kanjikode, Palakkad
Kottayi, Palakkad
Annur, Coimbatore
Kuruchi, Coimbatore
Kovilpalayam, Coimbatore
Sriperumbudur, Kancheepuram
Colombo, Sri Lanka
Lorena, SP, Brazil
Luling, Texas, USA
Stoughton, Wisconsin, USA
Maastricht, The Netherlands

Registrar & Share Transfer Agent

MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)
C-101, 247 Park,
L.B.S. Marg
Vikhroli (West)
Mumbai - 400 083

Key Managerial Personnel

Sudarsan Varadaraj
(Chairman & Managing Director)

Harsha Varadaraj
(Executive Director)

SR Venkatachalam
(Chief Financial Officer)

Faizur Rehman Allaudeen
(Company Secretary)

Bankers

HDFC Bank Limited
Axis Bank Limited
The Federal Bank Limited
CSB Bank Limited
RBL Bank Limited

Statutory Auditor

Arun & Co
Chartered Accountants
Tirunelveli

Cost Auditor

P. Mohan Kumar & Co.,
Cost Accountants
Coimbatore

Internal Auditor

Reddy, Goud & Janardhan
Chartered Accountants
Bengaluru

Secretarial Auditor

C N Paramasivam
Company Secretary in Practice
Coimbatore

Registrar & Share Transfer Agent Branch Office

MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)
"Surya", 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028

Notice of the 19th Annual General Meeting

MEMBERS

NOTICE is hereby given that the 19th Annual General Meeting (19th AGM) of the members of the company will be held on **Monday, August 11, 2025 at 10:00 AM (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")** without the in-person presence of the members at a common venue to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements of the company along with consolidated financial statements including statement of profit and loss (including other comprehensive income) along with the statement of cash flows and the statement of changes in equity for the financial year ended March 31, 2025 together with notes and the reports of the board of directors and the auditors thereon.
2. To appoint a Director in the place of Dr. Jairam Varadaraj (DIN: 00003361), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. **Approval for the appointment of M/s. Arun & Co., Chartered Accountants, Tirunelveli, a partnership firm as Statutory Auditors to fill up the casual vacancy caused due to the change in their legal constitution by way of conversion from a sole proprietorship firm and to fix the remuneration payable to them.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary resolution:**

   RESOLVED THAT pursuant to the provisions of Section 139(8), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and as per the recommendation of the Audit Committee and the Board of Directors, M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli, a partnership firm, be and are hereby appointed as Statutory Auditors of the Company to fill up the casual vacancy caused due to the change in legal constitution consequent to the conversion of M/s. Arun & Co., Chartered Accountants (Firm Registration No. 014464S), a sole proprietorship firm into a partnership firm, to hold such office till the conclusion of this 19th Annual General Meeting of the Company at such remuneration plus applicable taxes and out of pocket expenses, as may be approved by the Board of Directors based on the recommendation of the Audit Committee in consultation with the statutory auditors.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, things and matters as may be necessarily required to give effect to the above resolution.

4. **Appointment of M/s. Arun & Co., Chartered Accountants, Tirunelveli, a partnership firm as Statutory Auditors for a period of five consecutive years and the remuneration payable to them.**

   To consider and thought fit, to pass the following resolution as an **Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and as per the recommendation of the Audit Committee and the Board of Directors, M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli, a partnership firm, be and are hereby appointed as Statutory Auditors of the Company to hold such office for a period of five consecutive years commencing from the conclusion of this 19th Annual General Meeting till the conclusion of the 24th Annual General Meeting to be held in the year 2030 on a remuneration of a sum of Rs.1,500,000/- (Rupees One Million Five Hundred Thousand only) as statutory audit fee (excluding fees for other services, applicable taxes and reimbursement of travelling expense and out of pocket expenses) to conduct the statutory audit of the accounts for the financial year 2025-26 and in respect of the subsequent financial years, as may be approved by the Board of Directors based on the recommendation of the Audit Committee in consultation with the statutory auditors.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, things and matters as may be necessarily required to give effect to the above resolution.

5. **Approval for appointment of Ashty David (DIN: 01813998) as a Non-Executive Independent Director for a first term of 5 (five) consecutive years effective from May 29, 2025 to May 28, 2030**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors, Ashty David (DIN: 01813998), who was appointed as an Additional Director by the Board in terms of Section 161(1) of the Companies Act, 2013 with effect from May 29, 2025 and who has submitted a declaration to the effect that he meets the criteria of independence as envisaged under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the said Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold such office for a first term of 5 (five) consecutive years with effect from May 29, 2025 to May 28, 2030 (both days inclusive), who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) constituted by the Board from time to time) of the Company be and is hereby authorised to do all necessary acts, deeds, things and matters and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

6. **Appointment of Secretarial Auditor for a period of five consecutive years and to fix the remuneration payable to him**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with relevant circulars and pursuant to the recommendation of the Board of Directors of the Company, the approval of the members be and is hereby accorded for the appointment of C N Paramasivam (FCS 4654/ COP 3687), Practicing Company Secretary, Coimbatore, who is holding a valid Peer Review Certificate issued by the Institute of Company Secretaries of India (ICSI), as Secretarial Auditor of the Company to conduct secretarial audit for a period of five consecutive years commencing from Financial Year 2025- 26 till Financial Year 2029-30 on a remuneration of a sum of Rs. 2,00,000/- (Rupees Two Lakhs only) as secretarial audit fees (excluding applicable taxes and out of pocket expenses incurred in connection with the audit) to audit the secretarial and related records for the financial year 2025-2026 and in respect of the subsequent financial years, as may be approved by the Board of Directors in consultation with the Secretarial Auditor.

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) constituted by the Board from time to time) of the Company be and is hereby authorized to do all necessary acts, deeds, things and matters and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

7. **Ratification of the remuneration payable to Cost Auditor of the Company for the financial year 2025 -26**

To consider and thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the re-appointment of M/s. P. Mohan Kumar & Co., Cost Accountants (Firm Registration No.100490), Coimbatore as the Cost Auditor made by the Board of Directors based on the recommendation of the Audit Committee to conduct the audit of cost records of the company for the financial year 2025-26 on a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) constituted by the Board from time to time) of the Company be and is hereby authorized to do all necessary acts, deeds, things and matters and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

8. **Approval to enter into material related party transactions with LRG Technologies Limited, a related party**

To consider and thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with its relevant Rules made thereunder and Regulation 23(4) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and the relevant circulars, guidelines and clarifications issued in this regard from time to time, the related party transactions policy of the Company and pursuant to the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the company to enter into / continue to enter into agreements / contracts / arrangements / business transactions with LRG Technologies Limited, a related party of the Company, for an aggregate amount not exceeding Rs.500 million (Rupees Five Hundred million only), as per the details more particularly described in the statement pursuant to Section 102 of the Companies Act, 2013 annexed to this notice, notwithstanding the fact that such transactions either taken individually or together with previous transactions during a financial year may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements or such other threshold as may be specified under applicable laws / regulations from time to time.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and are hereby severally authorised to negotiate and finalize the terms and conditions, to execute all such agreements, documents, instruments and writings as may be considered necessary with power to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company, to settle all questions, difficulties or doubts that may arise in this connection and to do all such acts, deeds, matters and things, as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution."

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 and 4

The Members of the Company at their 16th Annual General Meeting (AGM) held on 26th August, 2022 had appointed M/s. Arun & Co., Chartered Accountants, Tirunelveli, a sole proprietorship firm having ICAI Firm Registration Number 014464S and holding valid Peer Review Certificate issued by The Institute of Chartered Accountants of India as the Statutory Auditors of the Company to hold office from the conclusion of the 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting which ought to be held in the year 2027.

M/s. Arun & Co., Chartered Accountants, Tirunelveli, a sole proprietorship firm vide their communication letter dated 8th July, 2025 has intimated the conversion of M/s. Arun & Co., Chartered Accountants, Tirunelveli, a sole proprietorship firm into a partnership firm and further confirmed that the Firm Registration Number 014464S and the Peer Review Certificate issued by The Institute of Chartered Accountants of India in the name of the erstwhile sole proprietorship firm continues to remain the same and valid without any change in accordance with the ICAI guidelines, which has resulted in casual vacancy in the office of Statutory Auditor as envisaged under section 139(8) of the Companies Act, 2013 due to the said change in the legal constitution of the Statutory Auditor firm.

Pursuant to the provisions of Section 139(8), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on 9th July, 2025, has recommended the appointment of M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli, a partnership firm to fill up the casual vacancy caused due to the change in legal constitution consequent to the conversion of the sole proprietorship firm M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli into a partnership firm, by appointing the converted partnership firm, M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli as statutory auditors to hold such office until the conclusion of the ensuing 19th Annual General Meeting of the Company, which holds a valid Peer Review issued by The Institute of Chartered Accountants of India, subject to approval of the Members at the ensuing 19th Annual General Meeting.

Accordingly, the approval of the Members is sought for passing the Resolution as set out in Item No. 3 of the Notice. The Board recommends the passing of this resolution.

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and as per the recommendation of the Audit Committee, the Board of Directors, at their meeting held on 9th July, 2025, has also considered and recommended the appointment of M/s. Arun & Co. (Firm Registration No. 014464S), Chartered Accountants, Tirunelveli, a partnership firm, as Statutory Auditors to hold such office for a period of 5 consecutive years from the conclusion of the ensuing 19th Annual General Meeting till the conclusion of 24th Annual General Meeting to be held in the year 2030 on such remuneration as set out in the Ordinary Resolution under Item No.4 of this notice, subject to the approval of the members at the ensuing 19th Annual General Meeting.

The Audit Committee and the Board of Directors have considered the following credentials of the appointee auditors while recommending their appointment: M/s. Arun & Co., Chartered Accountants was established by CA A Arun, B. Com, FCA, CISA (USA), DBF, DIBF (Membership No. 227831) in the year 2013 as a sole proprietorship firm and having ICAI Firm Registration Number 014464S. The office of the firm is located in Tirunelveli, Tamil Nadu. The constitution of M/s. Arun & Co. has been changed from a sole proprietorship firm into a partnership firm by admitting CA A Adityan, B. Com, FCA, PGDM (Membership No. 242124) as a new partner effective from 1st June, 2025. The Firm Registration Number 014464S and the Peer Review Certificate issued by The Institute of Chartered Accountants of India in the name of the erstwhile sole proprietorship firm continues to remain the same and valid without any change in accordance with the ICAI guidelines. The firm presently has 2 partners who bring together over 12 years of rich experience in the field of audit, assurance, tax, and advisory services to various clients across various sectors.

M/s. Arun & Co., Chartered Accountants has given their consent and the eligibility certificate for the proposed appointment and further, confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act and that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The Appointee Statutory Auditors has also furnished a declaration confirming independence as prescribed under the applicable statute.

The Audit Committee has proposed a remuneration of a sum of Rs.1,500,000/- (Rupees One Million Five Hundred Thousand only) as statutory audit fee (excluding fees for other services, applicable taxes and reimbursement of travelling expense and out of pocket expenses) to conduct the statutory audit of the accounts for the financial year 2025-26 and in respect of the subsequent financial years, as may be decided by the Board of Directors in consultation with the statutory auditors after considering various parameters / market standards. In the opinion of the Board, there will not be any material change in the remuneration payable to the new statutory auditors from that paid to the sole proprietorship auditor firm for the conduct of the statutory audit of the Company, since the appointment is due to the change in legal constitution consequent to the conversion of the sole proprietorship firm into a partnership firm. The other terms of appointment of Statutory Auditors will be specified by the Board based on the recommendation of the Audit Committee.

Accordingly, the approval of the Members is sought for passing the Ordinary Resolution as set out in Item No. 4 of the Notice. The Board recommends the passing of this resolution.

None of the directors and Key Managerial Personnel(s) of the company or their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out in Item No.3 and 4 of the Notice.

Item No. 5

Based on the evaluation and recommendation of the Nomination and Remuneration Committee ("NRC"), and being eligible for appointment as an Independent Director as per the criteria laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on May 29, 2025, has appointed Ashty David (DIN: 01813998) as an Additional Director of the Company, in the capacity of an Independent Director, with an intention to appoint him as an Independent Director for the first term of five consecutive years with effect from May 29, 2025 to May 28, 2030 (both days inclusive), subject to the approval of the members by means of a special resolution. Further, the Company has also received a notice from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director.

Pursuant to Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the appointment of Ashty David (DIN: 01813998) as a Non-Executive Independent Director of the Company effective from May 29, 2025 shall require the approval of the members by means of passing a special resolution. Further, pursuant to Regulation 17(1C) of the Listing Regulations, the Company is required to obtain the approval of the members for appointment of a person on the Board of Directors at the next general meeting or within a time period of 3 months from the date of such appointment, whichever is earlier.

Ashty David (DIN: 01813998), being the appointee Independent Director, has expressed his consent, if appointed, to act as a Director in the prescribed Form DIR-2 and has submitted necessary declaration to the effect that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that his name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of a Director by order of Securities and Exchange Board of India (SEBI) or any other statutory authority under any law. He also has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

In the opinion of the Board, Ashty David (DIN: 01813998) is a person of integrity and fulfils the conditions specified under the said Act read with relevant Rules made thereunder and the Listing Regulations for his appointment as a Non-Executive Independent Director of the Company and he is independent of the management and he possess the skills and capabilities required for the said role of an Independent Director of the Company. Considering his knowledge, qualification, skills and experience, the Board of Directors is of the opinion that the appointment of Ashty David (DIN: 01813998) as an Independent Director would be highly beneficial to the Company.

The disclosure as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) are provided as annexure forming part of the Notice.

In accordance with the provisions of Section 152(6) of the Act, Ashty David (DIN: 01813998) would not be liable to retire by rotation during his first term of office as an Independent Director commencing from May 29, 2025 to May 28, 2030 (both days inclusive).

The draft terms and conditions of appointment of Ashty David (DIN: 01813998) as an Independent Director would be made available for inspection by the members electronically on the Company's website (www.elgirubber.com) and also, at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the meeting and the same shall also be made available for electronic inspection during the meeting.

Accordingly, the Board of Directors recommends the Special Resolution, as set out in Item No.5 of this notice, for the approval of the members.

Except Ashty David (DIN: 01813998), being the appointee Independent Director, none of the other Director(s) and Key Managerial Personnel(s) of the Company or their relatives, are concerned or interested, financially or otherwise, in the special resolution set out at Item No.5 of this notice.

Item No. 6

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 notified on 12.12.2024 ("Listing Regulations") (as amended), every Listed Company, based on the recommendation of the Board of Directors, shall appoint a Secretarial Auditor, who shall be a Peer Reviewed Company Secretary in Practice, for a term of five consecutive years, with the approval of its shareholders in its Annual General Meeting. Accordingly, the Board of Directors, at their meeting held on 29th May, 2025, has recommended the appointment of C N Paramasivam (FCS 4654/ COP 3687), Company Secretary in Practice, Coimbatore, who is holding a valid peer review certificate issued by The Institute of Company Secretaries of India, as Secretarial Auditor of the Company to conduct the Secretarial Audit for a period of five consecutive years commencing from Financial Year 2025- 26 till Financial Year 2029-30 on a remuneration as set out in the Ordinary Resolution under Item No.6 of this notice, subject to the approval of the Shareholders at the ensuing Annual General Meeting.

C N Paramasivam (FCS 4654/ COP 3687) has given his consent to act as Secretarial Auditor of the Company and has confirmed that his aforesaid appointment, if made, would be within the limits specified by Institute of Company Secretaries of India. He further confirmed that he has not incurred any disqualification and is eligible to be appointed as Secretarial Auditor of the Company in terms of Regulation 24A (1A) of the Listing Regulations and the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31st December 2024.

The Board of Directors of the Company have considered the following credentials of the appointee Secretarial Auditor while recommending his appointment: C. N. Paramasivam is a Fellow Member of the Institute of Company Secretaries of India (ICSI) based in Coimbatore, Tamil Nadu. He is a Practicing Company Secretary for more than 30 years and he is having rich experience and expertise knowledge in the field of Corporate, Securities and allied laws. He is specialized in carrying out Secretarial Audits, Board Process Audits and Corporate Governance Audits. He holds a valid Peer Review Certificate issued by ICSI. He holds a Bachelor's degree in commerce and he is also an Associate Member of the Institute of Chartered Accountants of India (ICAI).

The Board has proposed an audit fees of Rs. 200,000/- (Rupees Two lakhs only) (excluding applicable taxes and out of pocket expenses incurred in connection with the audit) to C. N. Paramasivam to conduct the audit of the secretarial and related records for the financial year 2025-2026 and in respect of the subsequent financial years, as may be approved by the Board of Directors in consultation with the Secretarial Auditor as set out in the Ordinary Resolution under Item No.6 of this notice. The terms of appointment of the Secretarial Auditor will be specified by the Board of Directors of the Company.

The Board of Directors have approved and recommended the appointment of C. N. Paramasivam as Secretarial Auditor and the remuneration payable to him, as set out in the Ordinary Resolution under Item No.6 of this notice, after considering his qualifications, experience, independent assessment, and expertise in providing secretarial audit services. Accordingly, the Board of Directors recommends the Ordinary resolution set forth in Item no. 6 of this notice for the approval of members.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of this notice.

Item No. 7

The Board of Directors of the company, based on the recommendation of the Audit Committee, has approved the re-appointment of M/s. P. Mohan Kumar & Co., Cost Accountants, (Firm Registration No.100490), Coimbatore as Cost Auditor to conduct the audit of the cost records of the company for the financial year ending March 31, 2026 at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, subject to ratification by the members of the Company.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the company by means of passing an ordinary resolution. Accordingly, the approval of the members is sought by way of an ordinary resolution as set out in Item No. 7 of the Notice. The Board recommends the passing of this resolution.

None of the Directors and Key Managerial Personnel(s) of the company or their relatives are concerned or interested, financially or otherwise, in the Ordinary resolution set out in Item No. 7 of the Notice.

Item No. 8

Pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, a transaction with a related party shall be considered "material", if the transactions entered into individually or taken together with previous transactions during a financial year with such related party exceeds 10% of the turnover of the Company as per the audited financial statements of the preceding financial year. Pursuant to the first proviso to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a transaction with a related party shall be considered "material", if the transactions entered into individually or taken together with previous transactions during a financial year with such related party exceeds Rs. 1,000 Crores or 10% of the total consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

The Company has been entering into related party transactions with LRG Technologies Limited, a related party, with respect to purchase, sale or supply of goods or materials of any kind, availing or rendering of services of any kind, Purchase or Sale or leasing of property/assets of any kind on an arms' length basis. Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 (as amended) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and as per the Related Party Transactions Policy and as per the recommendation of the Audit Committee and the Board of Directors, the members had earlier approved by means of passing an ordinary resolution through postal ballot process on November 03, 2024 for entering into material related party transactions for an aggregate limit of Rs.500 million (with inter-changeable limits) for the period commencing from November 04, 2024 to September 30, 2025.

Considering the business requirements, the transactions proposed to be entered by the Company with the said related party in the forthcoming period may exceed the threshold limits under the Companies Act, 2013, the Listing Regulations and the Related Party Transactions Policy of the Company and the same are proposed to be undertaken on an arms' length basis and in the ordinary course of business. The transactions proposed to be entered into by the Company are purely as per the business requirements of the Company. The actual value of these transactions in a financial year may vary depending on the business achieved by the Company and is directly proportional to the business. Accordingly, the Audit Committee, at their meeting held on May 29, 2025, has approved and recommended the above proposed material transactions with the said related party, subject to obtaining the approval of the members while noting that such proposed transaction(s) are on an arms' length basis and in the ordinary course of business of the Company.

Pursuant to Section 188 of the Act and Regulation 23(4) of Listing Regulations, the prior approval of the Shareholders of the Company by way of an ordinary resolution would be required for the material related party transactions to be entered into with related parties. Further, pursuant to the amendment to Regulation 23 of the Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024, all related party transactions which exceeds 10% of the annual turnover needs to be approved by the shareholders by way of a resolution and if such approval is obtained from the shareholders at an Annual General Meeting, it shall be valid for a period commencing from the conclusion of such Annual general Meeting till the conclusion of the next Annual General Meeting. Accordingly, the approval of the Members is being sought for the transactions proposed to be entered into with the above-mentioned related party as per the details given below.

The details of the transactions with above-mentioned related party as required pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024 is given below:

<table>
<tr><th>Name of the related party</th><th>LRG Technologies Limited</th></tr>
<tr><td>Relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)</td><td>A public limited company belonging to Promoter Group in which Sudarsan Varadaraj (DIN: 00133533), Chairman and Managing Director, Dr. Jairam Varadaraj (DIN:00003361), Director and Harsha Varadaraj (DIN: 06856957), Executive Director are interested as Directors/Relative of Director and holding more than 2% of its paid-up capital along with their relatives.</td></tr>
<tr><td>Type, tenure, material terms and particulars of the proposed transaction and Value of the proposed transaction</td><td>The Company intends to enter into transactions for the period commencing from the conclusion of this 19th Annual general Meeting till the conclusion of next 20th Annual General Meeting, as per the details given below:
<table>
<tr><th>Type of transaction</th><th>Transaction limit not exceeding</th></tr>
<tr><td>Purchase of goods or materials of any kind</td><td rowspan="6">Rs.500 million and the limits are inter-changeable</td></tr>
<tr><td>Sale of goods or materials of any kind</td></tr>
<tr><td>Availing of services of any kind</td></tr>
<tr><td>Rendering of services of any kind</td></tr>
<tr><td>Leasing of property of any kind</td></tr>
<tr><td>Purchases or sale of asset of any kind</td></tr>
</table></td></tr>
<tr><td>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)</td><td>13.02% based on the audited consolidated financial statements for the financial year ended 31st March 2025.</td></tr>
<tr><td>Where the transaction relates to any loans, inter corporate deposits, advances or investments made or given by the listed entity or its subsidiary:</td><td>The proposed transaction does not involve any loans, inter-corporate deposits, advances or investments and hence, the disclosure of details pertaining to the same does not arise.</td></tr>
<tr><td>Justification as to why the RPT is in the interest of the listed entity</td><td>The proposed transactions are intended to be carried out as part of the business requirements and the same will be on an arm's length basis and in the ordinary course of business of the Company.</td></tr>
<tr><td>Any valuation or other external report relied upon by the listed entity in relation to the proposed transactions</td><td>The Company has not relied upon the valuation or any external report in relation to the proposed transactions and hence, the disclosure regarding the same does not arise.</td></tr>
</table>

Name of the related party	LRG Technologies Limited
Any other information that may be relevant	All relevant information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 forms part of this notice.

Members may please note that in terms of the provisions of Section 188 and Regulation 23 of the Listing Regulations, no related party(ies) as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall vote to approve the Ordinary Resolution under Item No. 8 of this notice.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 8 of the Notice for the approval of the Members, who are not related parties of the Company.

Except Sudarsan Varadaraj, Chairman and Managing Director, Jairam Varadaraj, Director and Harsha Varadaraj, Executive Director and their relatives, none of the other Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 8 of the Notice except to the extent of their shareholding in the company.

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. Further, the disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") in respect of the Directors seeking appointment / re- appointment at this AGM are also annexed to this Notice.

2. Members are informed that the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India (SEBI) vide their circulars issued from time to time (collectively referred to as "MCA and SEBI Circulars"), has permitted the conduct of the 19th Annual General Meeting ("19th AGM" or "AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the in-person presence of the members at a common venue. The deemed venue for the 19th AGM shall be the Registered Office of the Company situated at Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore - 641021, Tamil Nadu.

   In compliance with the applicable provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the MCA and SEBI Circulars, the 19th AGM of the Company is being held through VC / OAVM. Members desirous of participating in the 19th AGM through VC / OAVM, may refer to the procedures mentioned below.

3. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this 19th AGM is being held through VC/ OAVM pursuant to the MCA and SEBI Circulars, the physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this 19th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.**

4. Institutional / Corporate members intending to appoint their authorized representatives for attending the meeting through VC / OAVM are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting to the Scrutinizer by email at their email address mds@mdsassociates.in with a copy marked to the company's e-mail address info@in.elgirubber.com.

5. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India ("ICSI") in respect of the director(s) seeking appointment / re-appointment at the ensuing 19th Annual General Meeting are furnished as annexure and forms part of this notice.

6. The register of members and share transfer books of the company will remain closed from Tuesday, 5th August, 2025 to Monday, 11th August, 2025 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.

7. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the company for payment of dividend, if any. The company or its registrar and share transfer agent, M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant by the members. Members holding shares in physical form and desirous of registering bank particulars against their respective folios for payment of dividend, are requested to write to the registrar and share transfer agent of the company.

8. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participants for availing NECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz., www.elgirubber.com and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent.

9. Dividend of prior years: Pursuant to Section 124 of the Companies Act, 2013, the dividend which remained unpaid / unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred along with the shares to the "Investor Education and Protection Fund" established by the Central Government. The shareholders, whose unclaimed or unpaid amount has been transferred to the Investor Education and Protection Fund (IEPF), may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Members who have not encashed their dividend warrant(s) are requested to send their claim with a cancelled cheque containing name of the claimant shareholder (for their Bank details) immediately to the company/registrar and transfer agent for receiving the amounts through electronic channels such as RTGS/ NEFT in lieu thereof. Details of the shareholders whose shares have been transferred in respect of the unclaimed dividends already transferred to IEPF/ whose shares are liable to be transferred to IEPF are available on the company's website: www.elgirubber.com.

10. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

11. Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the details on the dividend warrants as furnished by these depositories to the company and the company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, members should contact their depository participants (DP) and furnish particulars of any changes desired by them.

12. In accordance with SEBI's Master Circular dated 17th May 2023 and amendment circular dated 17th November 2023, 7th May 2024 and 10th June 2024, Members holding shares in physical form, whose folio(s) are updated with PAN, nomination details, contact details, Bank Account details or updated specimen signature, will only be eligible for payment of dividend, through electronic mode effective from 1st April 2024 . Therefore, Members holding shares in physical form are requested to update the above-mentioned details by providing the appropriate requests through ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend.

13. The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited"), the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.

14. The Securities and Exchange Board of India ("SEBI") has mandated that the transfer of securities held in physical form, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from April 1, 2019. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated that the Company or its Registrars and Share Transfer Agents shall issue the securities in dematerialized form only while dealing the requests for issue of duplicate share certificate, sub-division or consolidation of certificates/folios, transmission or transposition, with effect from 25th January, 2022. As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline. The shareholders/ claimants shall submit duly filled up Form ISR-4 (hosted on the website of the Company and the RTA) along with the documents / details specified therein in order to process such requests. Therefore, the members, who are holding share(s) in physical form, are requested to immediately dematerialize their shareholding in the company. Necessary prior intimation in this regard has already been provided to the shareholders. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation. Members can contact the Company or RTA, for assistance in this regard.

15. In case of transmission / transposition, the members are requested to forward their requests and other communications directly to the Registrar and Share Transfer Agent (RTA) of the company, M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited"), Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu, India.

16. Pursuant to the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 a special window has been opened for re-lodgement of share transfer deeds, which were lodged prior to deadline of April 01, 2019 and rejected / returned / not attended to due to deficiency in the documents / process or otherwise, for a period of 6 months from July 07, 2025 till January 06, 2026.The shares that are re-lodged for transfer during this period shall be issued only in demat mode. Such re-lodgement requests alongwith the requisite documents shall be submitted to MUFG Intime India Pvt Ltd, the Registrar and Share Transfer Agent (RTA) within the stipulated time.

17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member wishing to avail this facility may submit to the company's Registrar & Share Transfer Agent in the prescribed Form SH-13 (hosted on the website of the Company and RTA). Should any assistance be desired, members shall get in touch with the company's Registrar & Share Transfer Agent. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.

18. Change of Address: Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof viz, Aadhar/Electricity Bill/Telephone Bill/Ration Card/Voter ID Card/ Passport etc. and bank particulars to the company or its registrar & share transfer agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective depository participants and not to the Company/ Registrar and Share Transfer Agent.

19. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participant(s), as the case may be, immediately:

    a) the change in the residential status on return to India for permanent settlement (or)

    b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.

20. Members are requested to update their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent, M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited") in prescribed Form ISR-1 and other forms as notified by the Securities and Exchange Board of India (SEBI) from time to time.

21. As per the green initiative taken by the Ministry of Corporate Affairs, members are advised to register their email address with the company in respect of shares held in physical form and with the concerned depository participant in respect of shares held in demat form to enable the company to serve documents in electronic form.

22. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the 19th AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Further, a letter providing the web link including the exact path where the complete details of the Annual Report is available will be sent to the Shareholders who have not registered their email address. In respect of Members, who have not registered their email address, a letter providing the weblink including exact path, where the complete details of the Annual report is available, will be sent by the Company. Members may note that the Notice of the 19th Annual General Meeting and the Annual Report for the financial year 2024-25 will also be available on the Company's website www.elgirubber.com, website of the National Stock Exchange of India Limited (NSE) at www.nseindia.com and on the website of M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited") https://instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

23. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its Registrar and Share Transfer Agent, M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited"), Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, Tamil Nadu, India, by quoting the Folio number or the Client ID number with DP ID number.

24. Members desirous of receiving any information on the accounts or operations of the company are requested to forward his/her queries by email to the Company at info@in.elgirubber.com at least seven working days prior to the date of the 19th Annual General Meeting. Such queries will be replied by the company suitably during the AGM or through a separate e-mail.

25. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

26. Members are requested to note that the 19th Annual General Meeting is scheduled to be held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) and hence, the route map of the venue as required under Secretarial Standards on General Meetings (SS-2) is not annexed to this Notice.

27. Annual financial statements and related details of the wholly owned subsidiary companies are posted on the Company's website and are also kept for inspection at the Registered Office of the Company and at the respective offices of the subsidiary companies during normal business hours. A copy of the same will also be provided to the members on request.

28. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.

29. **Registration of email ID and Bank Account details:**

    In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, login details for e-voting are being sent to the registered email address. In case the shareholders has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

a) In case of shares held in physical form, kindly submit your updation request in the prescribed Form ISR-1 (hosted on the website of Company and RTA) to our RTA, Link Intime India Private Limited.

b) In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

30. Voting through electronic means:

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), amendments, clarifications, exemptions or re-enactments thereof for the time being in force) and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS - 2), the company is pleased to provide its members the facility to cast their vote electronically from a place other than the venue of the Annual General Meeting ("remote e-Voting") at the 19th Annual General Meeting (AGM) by electronic means and all the business items as set out in this notice of Annual General Meeting which shall be transacted through the remote e-voting / e-voting services provided by M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited").

b) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. Monday, August 4, 2025, may refer to this Notice of the 19th Annual General Meeting, posted on company's website www.elgirubber.com for detailed procedure with regard to remote e-voting. Any person who ceases to be a member of the company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purposes only.

c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote(s) again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

d) The instructions for members for voting electronically are as under:-

   i. The remote e-voting period begins on Friday, 08th August, 2025 at 09:00 AM (IST) and ends on Sunday, 10th August, 2025 at 05:00 PM (IST).

   ii. During this period, the shareholders of the company, holding shares either in physical form or in dematerialized form, as on Monday, 4th August, 2025 (the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by MUFG for voting thereafter.

<u>Remote e-Voting Instructions for shareholders:</u>

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "IDeAS Login Section".

b) Click on "Beneficial Owner" icon under "IDeAS Login Section".

c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".

c) Enter the last 4 digits of your bank account / generate 'OTP'

d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

METHOD 2 - NSDL e-voting website

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the “Login” tab available under ‘Shareholder/Member’ section.

c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.

e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 - NSDL OTP based login

a) Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp

b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.

c) Enter the OTP received on your registered email ID/ mobile number and click on login.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.

e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com & click on New System Myeasi Tab.

b) Enter existing username, Password & click on “Login”.

c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields for registration.

c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 - CDSL e-voting page

a) Visit URL: https://www.cdslindia.com

b) Go to e-voting tab.

c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on “Submit”.

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through “e-voting” option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) Post successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in & click on "Login" under 'SHARE HOLDER' tab.

b) Enter details as under:

   1. User ID: Enter User ID
   2. Password: Enter existing Password
   3. Enter Image Verification (CAPTCHA) Code
   4. Click "Submit".

   (Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

Shareholders not registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

   1. User ID: Enter User ID
   2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
   4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
      - o Shareholders holding shares in NSDL form, shall provide 'D' above
      - o Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
   5. Set the password of your choice.

      (The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   6. Enter Image Verification (CAPTCHA) Code.
   7. Click "Submit" (You have now registered on InstaVote).

      Post successful registration, click on "Login" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

STEP 2: Steps to cast vote for Resolutions through InstaVote

A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".

B. Select 'View' icon. E-voting page will appear.

C. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

E. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

A. Visit URL: https://instavote.linkintime.co.in

B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

C. Fill up your entity details and submit the form.

D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

A. Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

B. Click on "Investor Mapping" tab under the Menu Section

C. Map the Investor with the following details:

1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

2) 'Investor's Name - Enter Investor's Name as updated with DP.

3) 'Investor PAN' - Enter your 10-digit PAN.

4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No.".

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.

f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: https://instavote.linkintime.co.in

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: https://instavote.linkintime.co.in

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: https://instavote.linkintime.co.in

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

InstaVote Support Desk
M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited")

Instameet VC Instructions for Shareholders:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

a) Visit URL: https://instameet.in.mpms.mufg.com & click on "Login".

b) Select the "Company Name" and register with your following details:

c) Select Check Box - Demat Account No. / Folio No. / PAN

  • Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.

  • Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.

  • Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.

  • Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

  • Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

d) Click "Go to Meeting"

  You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

a) Shareholders who would like to speak during the meeting must register their request with the company.

b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.

c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

InstaMeet Support Desk
M/s. MUFG Intime India Private Limited (formerly known as "M/s. Link Intime India Private Limited")

Other information:

a) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the company as on the cut-off date i.e. Monday, 4th August, 2025.

b) Once the vote on a resolution is cast by a Member through electronic means, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.

c) Mr. M D Selvaraj, Managing Partner of M/s. MDS & Associates LLP (LLPIN: ABZ – 8060), Company Secretaries, Coimbatore has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.

d) The Scrutinizer shall, after the conclusion of the e-voting at the Annual General Meeting, will first count the votes cast by e-voting during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within the prescribed time to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

e) The results shall be declared within the time stipulated under the applicable laws. The results declared along with the consolidated scrutinizer's report shall be placed on the company's website www.elgirubber.com and on the website of MUFG and the same will be communicated to the Stock Exchange where the company's shares are listed within the stipulated time.

By order of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
DIN: 00133533
Chairman & Managing Director

Place : Coimbatore
Date : July 9, 2025

Additional information on Director seeking appointment at the Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) are mentioned below:

Name	Ashty David
Director Identification Number (DIN)	01813998
Date of Birth/ Age	08/02/1978/ 47 years
Nationality	Indian
Date of first appointment on the board	29.05.2025
Board position held	Appointed as an Additional Director under the category “Non-Executive Independent Director” w.e.f. 29.05.2025
Educational Qualification	Graduated with a Bachelor’s degree in Arts and Law
Brief profile including experience & areas of expertise	25 years’ Experience in litigations in the Trial Courts and Appellate Courts on all spheres and Arbitration. He specializes in the field of Property Law, Succession, Real Estate, Contracts, Arbitration, Consumer Protection and Banking and related matters.
Justification for choosing the appointee as an Independent Director	Refer to statement setting out material facts annexed to this notice.
Summary of Performance Evaluation in case of re-appointment of Independent Director	Not applicable
Number of Meetings of Board attended during the year	Not applicable
Remuneration sought to be paid (per annum)	Sitting fees only
Remuneration last drawn (per annum)	Not applicable
Terms & Conditions of Appointment/Re-appointment	Not liable to retire by rotation and as set out in Item No. 5 of this notice
Details of inter-se relationship with other Directors, Manager and Key Managerial Personnel of the Company	Not related
Details of shares held in the Company (including shareholding as a beneficial owner)	Nil
List of Directorship held in other companies as on date of notice	Scan Tech Paper and Boards Private Limited
Name of the listed Companies from which the Director has resigned in the past three years	Nil
Chairman/Member of the committees of other companies as on date of notice	Nil

By order of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
DIN: 00133533
Chairman & Managing Director

Place : Coimbatore
Date : July 9, 2025

Directors' Report

The Board of Directors have pleasure in presenting the 19th Annual Report and the Audited Financial Statements of the Company for the year ended March 31, 2025.

Financial Highlights

(₹ in million)

	2024-25	2023-24
Profit before exceptional items, depreciation and tax	102.46	201.21
Less: Depreciation	151.45	121.60
Add: Exceptional items	-	109.72
Profit before taxation	(48.99)	189.33
Less: Provision for taxation	2.1	5.00
(Add) / Less: Provision for deferred tax	(8.52)	5.05
Income tax Related to Earlier Year	-	-
Profit after tax	(42.57)	179.28
Add: Opening surplus	1659.65	1480.37
Profit available for appropriation	1617.08	1659.65
Other comprehensive income, net of taxes	(0.94)	(5.78)
Total comprehensive income for the year	(43.51)	173.50

Review of Business Operations and Future Outlook

The company has recorded a revenue of INR 2272.28 million for the year against INR 2119.31 million in the previous year, an increase of 7.22%. This is mainly on account of increase in exports.

The net loss was INR 42.57 million compared to net profit of INR 179.28 million in the previous year. This is primarily due to the following:

- The Sriperumbudur factory is not operating at full capacity on account of process improvement and modifications required for environmental control. It is expected that these will be completed by the third quarter of 2025-26.
- Loss in value of investments of INR 79.31 million.
- Inability of the market to absorb raw material price increases.

The wholly owned operating subsidiaries in the USA, Brazil and Sri Lanka have performed well. The market conditions in western Europe continue to be challenging for the subsidiary in the Netherlands subsidiary. Major revival activities have been implemented, and business is showing improvement with increased orders from existing as well as new customers and new markets.

During the year, the Aircraft Tyre Retreading business division of the Company was disposed of in accordance with the approval obtained from the members by means of a special resolution passed through Postal Ballot process on October 28, 2023.

As part of strategic restructuring, the Company has obtained necessary approval from its members by means of a Special Resolution passed through Postal Ballot on November 3, 2024 (a) to sell or otherwise dispose off certain immovable properties, comprising of land and buildings, in Chengalpattu District of the Company on an "as is where is" basis to any prospective buyer(s), not being related parties; and (b) to sell or otherwise dispose off the non-current investments held by it (excluding those investments held by the Company in its subsidiaries), in open market through stock exchange platforms.

Change in the nature of Business

There was no change in the nature of business of the company during the financial year ended March 31, 2025.

Transfer to Reserve

During the year under review, the company has not transferred any amount to the general reserves. However, the current year loss of Rs. 42.57 millions has been adjusted to the Retained earnings in the Statement of Profit and Loss account of the Company.

Dividend

In view of loss, the Board of Directors has not recommended any dividend for the financial year 2024-25.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company had transferred an amount of INR 0.150 million, being the amount of dividend relating to FY 2016-17 remained unclaimed for a period of 7 years and 71,543 equity shares, to the Investor Education and Protection Fund during the financial year 2024-25, within the stipulated time. The details of the amount of unclaimed dividend and the shares transferred to the Investor Education and Protection Fund are also made available on the website of the Company www.elgirubber.com.

Share Capital

The paid-up capital of the company as on March 31, 2025 stood at INR 50.05 million divided into 50,050,000 equity shares of Re.1/- each. During the year under review, the company has not made any fresh issue of shares or any other securities.

Copy of Annual Return

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), the copy of the Annual Return in the prescribed Form MGT-7 for the financial year ended March 31, 2025 is placed on the company's website www.elgirubber.com

Board and Committee meetings

During the year under review, 5 meetings of the Board of Directors, 5 meetings of the Audit Committee, 4 meetings of the Nomination and Remuneration Committee, 10 meetings of the Stakeholders Relationship Committee and 6 meetings of the Finance and Administrative Committee were held. Further details of the Board and committee meetings as applicable, have been enumerated in the Corporate Governance Report annexed herewith and forms part of this Report.

Statement on Compliance of applicable Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on the meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

Directors' Responsibility Statement

Pursuant to the requirement of section 134(3)(c) of the Companies Act, 2013 with respect to Directors Responsibility Statement, the Board hereby confirms that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures from those standards;

ii. the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts for the financial year ended 31st March 2025 on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government

During the year under review, there were no instances of fraud identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of The Companies Act, 2013.

Declaration of Independent Directors

All the Independent directors have given necessary declarations under section 149(7) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended) that they meet the criteria of independence as laid down under section 149(6) read with applicable Schedule and Rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended) and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended). Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Statement regarding opinion of the board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

During the year, Sarathraj Selvakumar (DIN: 08904057), Parvathi Srinivasan (DIN: 10646746) and Ramani Vidhya Shankar (DIN: 00002498) were appointed as Independent Directors of the Company for a first term of five consecutive years with effect from August 14, 2024, September 1, 2024 and September 27, 2024 respectively. The Board of Directors has evaluated the performance of the Independent Directors during the year 2024-25 based on the criteria and framework adopted by the Board and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors was satisfactory.

Company's policy relating to Directors' appointment, payment of remuneration and other matters provided under Section 178(3) of the Companies Act, 2013

The Board, based on the recommendation of the Nomination and Remuneration Committee, had framed a policy which inter alia provides the criteria for selection and appointment of Directors, Key Managerial Personnel, Senior Management and the criteria for evaluation of their performance and the remuneration payable to them and other matters provided under Section 178(3) of the Act and SEBI Listing Regulations. The criteria for determining qualifications, positive attributes and independence of Directors have been outlined in the Corporate Governance Report annexed to this report. The salient features of the nomination and remuneration policy of the company is annexed herewith as **Annexure I** and the full policy can be accessed on the company's website www.elgirubber.com.

Comments on Auditor's Report

Statutory Auditor

The report of the Statutory Auditor for the year ended March 31, 2025 does not contain any qualifications, reservations, adverse remarks or disclaimers. Further, with respect to the observation made in the Auditor Report, the same is self explanatory.

Secretarial Auditor

With respect to the observations of the Secretarial Auditor of the Company in his report for the year ended March 31, 2025, which are self-explanatory, your Directors wish to state that the delay in reporting was inadvertently caused due to administrative and other reasons as disclosed to the stock exchange while reporting such events in accordance with Regulation 30. However, the company has taken necessary steps and will ensure that there are no such instances going forward.

Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

The Company has not made any investments during the year under review and the loans / guarantees given to its wholly-owned subsidiaries during the year were in accordance with Section 186 of the Companies Act, 2013. Details of loans given, investments made in earlier years, guarantees given and securities provided pursuant to the provisions of section 186 of the Companies Act, 2013 have been given in the notes to the financial statements.

Particulars of contracts or arrangements made with related parties

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") during the financial year 2024-25 were in the ordinary course of business and on an arm's length pricing basis.

Pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, the Company had obtained the approval of the members by means of an ordinary resolution passed through postal ballot process on November 03, 2024 to enter into material related party transactions with LRG Technologies Limited, a related party. Further, the approval of the members is being sought to enter into material transactions with the said Related Party and accordingly, necessary ordinary resolution is included in the notice of the ensuing 19th Annual General Meeting for the approval of the members, who are not related parties of the Company.

The particulars of Material Related Party Contract / Transaction entered by the Company with its related parties which are at arms' length basis are provided in Form AOC-2 and the same is annexed to the Board's Report as **Annexure - II**. The details of transactions entered with related parties are disclosed in the relevant notes to the financial statements.

Further, the Company has formulated a policy on related party transactions for identification and monitoring of such transactions. The policy on related party transactions, as approved by the Board of Directors of the company, is available on the company's website www.elgirubber.com.

Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the Report

There have been no material changes and commitments which affect the financial position of the Company since the end of the financial year and till the date of Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure III** of this report.

Statement on Risk Management

The Board identifies and reviews the various elements of risk which the company has to face and laid out the procedures and measures for mitigating those risks. The elements of risk threatening the company's existence are very minimal.

The company does not face any risk other than those that are prevalent in the industry and has taken all possible steps to overcome such risks. The main concerns are volatility in raw material prices and fluctuations in foreign exchange rates. Effective planning in raw material purchasing and the ability to pass on raw material price increases, have minimised the risk relating to the volatility in raw material prices.

Foreign exchange fluctuation risk is minimised through proper planning and natural hedging. As a part of the overall risk management strategy, all assets are appropriately insured.

Details about the policy developed and implemented by the company on Corporate Social Responsibility initiatives

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and all other applicable provisions, if any, the Corporate Social Responsibility Committee ("CSR Committee") was dissolved with effect from 10th November, 2021 and all the roles, responsibilities and functions of the Corporate Social Responsibility Committee, as provided under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) are being discharged by the Board of Directors of the Company in terms of the said provisions of the Act and its Rules with effect from the said date.

The requisite information has also been provided in the Corporate Governance Report forming part of this Directors' Report. The Corporate Social Responsibility (CSR) Policy of the Company is available on the website of the Company www.elgirubber.com.

As part of its initiatives under its CSR Policy, the company has undertaken various projects towards CSR initiatives and the said projects are by and large in accordance with Schedule VII of the Companies Act, 2013 and the CSR Policy of the Company. The annual report on CSR activities is annexed herewith as **Annexure IV**.

Annual performance evaluation of the Board, its committees and of the individual directors

The Board has made a formal annual evaluation of its own performance, its Committees and of every individual Directors including the Independent Directors of the Company based on a structured questionnaire, formulated in accordance with the performance evaluation criteria approved by the Nomination and Remuneration Committee. The Board's own performance was evaluated based on the criteria like structure, governance, dynamics and functioning and review of operations, financials, internal controls etc.

The performance of the individual Directors including Independent Directors were evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and the Code of Conduct as laid down by the Board. Further, the Independent Directors, at their separate meeting held during the year 2024-25, has evaluated the performance of the Board as a whole, including the Chairman and Managing Director / Executive Director and Non-Executive Non-Independent Directors and other items as stipulated under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees of the Board were evaluated based on the terms of reference specified by the Board to the said Committee. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Individual Directors including Independent Directors adheres to their applicable criteria.

The criteria for evaluation of the performance of the Non-Executive Directors and Independent Directors have also been explained in the Corporate Governance Report annexed to this Report.

Directors and Key Managerial Personnel

As per the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Jairam Varadaraj (DIN: 00003361), Director, retires by rotation at the ensuing 19th Annual General Meeting and being eligible, he has offered himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review, M D Selvaraj (DIN: 00001608), Vijayraghunath (DIN: 00002963) and V Bhuvaneshwari (DIN: 01628512) has retired as Non-Executive Independent Director(s) of the Company consequent upon completion of their second term of five consecutive years with effect from the close of the business hours on September 26, 2024. The Board acknowledges and appreciates their contributions and valuable services rendered during their tenure as Independent Directors of the Company.

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the approval of the members by means of passing a special resolution at their 18th Annual General Meeting held on August 14, 2024, Sarathraj Selvakumar (DIN: 08904057) was appointed as Non- Executive Independent Director of the Company for a first term of 5 (Five) consecutive years effective from August 14, 2024 and has complied with the provisions of the Act.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on August 12, 2024, had appointed Parvathi Srinivasan (DIN: 10646746) as an Additional Director (in the capacity of “Non-Executive Independent”) with effect from September 1, 2024 with an intention to appoint her as an Independent Director to hold such office for a first term of 5 consecutive years effective from September 1, 2024 subject to the approval of the members of the Company by way of passing a special resolution. Subsequently, the appointment of Parvathi Srinivasan (DIN: 10646746) as an Independent Director for a first term of 5 consecutive years effective from September 1, 2024 was approved by the members by means of a special resolution passed through postal ballot process on November 3, 2024 and has complied with the provisions of the Act.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on September 27, 2024, had appointed R Vidhya Shankar (DIN: 00002498) as an Additional Director (in the capacity of “Non-Executive Independent”) with effect from September 27, 2024 with an intention to appoint him as an Independent Director to hold such office for a first term of 5 consecutive years effective from September 27, 2024 subject to the approval of the members of the Company by way of passing a special resolution. Subsequently, the appointment of R Vidhya Shankar (DIN: 00002498) as an Independent Director for a first term of 5 consecutive years effective from September 27, 2024 was approved by the members by means of a special resolution passed through postal ballot process on November 3, 2024 and has complied with the provisions of the Act.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 29, 2025, has appointed Ashty David (DIN: 01813998) as an Additional Director (in the capacity of “Non-Executive Independent”) with an intention to appoint him as an Independent Director to hold such office for a first term of 5 consecutive years effective from May 29, 2025, subject to the approval of the members of the Company at the ensuing 19th Annual General Meeting by way of passing a special resolution. The Company has also received necessary declaration from the appointee Independent Director that he fulfils the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, necessary special resolution has been included in the notice of the ensuing 19th Annual General Meeting for the approval of the members. Your Directors recommends his appointment.

Other than the above, there was no change in the composition of Board of Directors and the Key Managerial Personnel during the year under review.

The following are the Key Managerial Personnel of the Company as on March 31, 2025:

- Sudarsan Varadaraj (DIN: 00133533) -Chairman and Managing Director
- Harsha Varadaraj (DIN: 06856957) -Executive Director
- SR Venkatachalam -Chief Financial Officer
- Faizur Rehman Allaudeen -Company Secretary

Subsidiaries, Joint Ventures and Associate Companies

The company has 7 wholly-owned subsidiaries and 2 step-down subsidiaries. The statement pursuant to section 129(3) of the Companies Act, 2013 containing the salient features of the financial statements of the said subsidiary companies in the prescribed Form AOC-1 forms part of this annual report. As required under Section 134 of the Act read with its relevant Rules, the said disclosure also highlights the performance of the subsidiaries.

The Board has approved a policy for determining material subsidiaries which is available on the company’s website www.elgirubber.com.

The consolidated financial statements prepared in accordance with the applicable accounting standards have been annexed to the Annual Report. The annual accounts of the subsidiary companies are also available on the website of the company www.elgirubber.com and kept for inspection by the members at the registered office during normal business hours of the company. The company shall provide a copy of the annual accounts of subsidiary companies to the shareholders upon their request.

Companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year;

The Company to continue to maintain its wholly owned subsidiary in Kenya namely Elgi Rubber Company Limited, which has been inoperative for the past three financial years, as dormant, instead of winding up, in accordance with applicable laws in order to enable the receipt of all pending VAT credit and other claims, if any. However, none of the subsidiary(ies) of the Company has ceased to exist during the year under review. Further, the Company does not have any joint ventures or associate companies during the year.

Deposits

The Company had obtained approval to invite, accept and renew deposits from public and/or its members within the limits as stipulated under the provisions of Sections 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended) by means of a special resolution passed in the 14th Annual General Meeting held on August 28, 2020.

Accordingly, the Company has renewed the deposits from its members during the year ended March 31, 2025 and the same are within the limits prescribed under the Companies Act, 2013 and the rules framed there under. There were no fresh deposits accepted during the year under review. The details relating to the unsecured deposits accepted from the members of the Company as covered under Chapter V of the 2013 Act are given hereunder:

(₹ in millions)

Amount of deposits as on 01.04.2024	82.50
Deposits accepted during the year	0.00
Deposits repaid during the year including pre matured deposits	12.00
Amount of deposits as on 31.03.2025	70.50
Deposits remaining unpaid or unclaimed as at the end of the year	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil
a. At the beginning of the year	Nil
b. Maximum during the year	Nil
c. At the end of the year	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

There were no default in the payment of interest to the deposit holders during the year under review. Further, the Company has not accepted any deposits from public.

The Company has obtained Credit Rating on the fixed deposits [IVR BB+/INC Negative Outlook] as assigned by Infomerics Valuation and Rating Private Limited.

In accordance with the Companies (Acceptance of Deposits) Rules, 2014 (as amended), the monies received from the Directors, if any, has been disclosed under relevant notes to the financial statements

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future

There were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review

No applications have been made and no proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Details of difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

Adequacy of internal financial controls with reference to the financial statements

The company has implemented and evaluated the internal financial controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The company has appointed internal auditors with a dedicated internal audit team.

The internal audit reports were reviewed periodically by the Board. Further, the Board annually reviews the effectiveness of the company's internal control system.

The Board of Directors confirms that the internal financial controls are adequate with respect to the operations of the company. A report of auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of internal financial controls is annexed with the Auditors report.

Statutory Auditors

M/s. Arun & Co (FRN: 014464S) Chartered Accountants, Tirunelveli, a sole proprietorship firm, was appointed as the Statutory Auditor of the Company at the 16th Annual General Meeting to hold such office for a period of 5 consecutive years from the conclusion of the 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting to be held in the year 2027. The Company has also obtained necessary consent under Section 139 and eligibility certificate under Section 141 from M/s. Arun & Co., (FRN: 014464S) Chartered Accountants, Tirunelveli to the effect that their appointment would be in conformity with the provisions of the Companies Act, 2013.

Further, the Statutory Auditor has confirmed that they are holding a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, C N Paramasivam (FCS No.: 4654; C P No.: 3687; Peer Review No.3167/2023) Company Secretary in Practice, was appointed as the Secretarial Auditor of the company to carry out the secretarial audit for the financial year ended March 31, 2025. Accordingly, the secretarial audit report given in the prescribed Form No. MR-3 is enclosed with this report as **Annexure V**.

Further, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company, at their meeting held on May 29, 2025, has recommended the appointment of C N Paramasivam (FCS 4654/ COP 3687), Company Secretary in Practice, Coimbatore and who is holding a valid Peer Review Certificate issued by The Institute of Company Secretaries of India, as the Secretarial Auditor of the Company for a period of five consecutive financial years commencing from FY 2025–26 to FY 2029–30, subject to the approval of the members at the ensuing 19th Annual General Meeting. Accordingly, necessary ordinary resolution has been set out under Item No.6 of the notice of the said meeting for the approval of the members. Your Directors recommend their appointment.

C N Paramasivam (FCS 4654/ COP 3687) has given his consent and confirmed his eligibility for appointment as Secretarial Auditor of the Company. Further, the Secretarial Auditor has confirmed that he holds a valid Peer Review Certificate issued by the Institute of Company Secretaries of India.

Cost Auditor and maintenance of cost records

The Company has made and maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on May 29, 2025, had re-appointed M/s. P Mohan Kumar & Co (Firm Registration No.100490), Cost Accountants, Coimbatore as the Cost Auditor of the company for the financial year 2025-26 and had approved the remuneration payable to the Cost Auditor. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the company is subject to the ratification by the members at the ensuing 19th Annual General Meeting. Necessary resolution has been included in the notice of the ensuing 19th Annual General Meeting for the approval of the members. The Board recommends the ratification of the remuneration payable to the Cost Auditors.

The Cost Audit Report for the financial year 2024-25 will be filed with the Central Government within the period stipulated under the Companies Act, 2013.

Disclosure under section 197 (12) and rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc., as stipulated under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure VI** to this Report.

In terms of provisions of Section 197(12) and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the statement showing the names of the top ten employees in terms of remuneration drawn forms part of this report. Pursuant to the second proviso to section 136(1) of the Act, the Annual Report excluding the said information is being sent to the members of the company. Any member interested in obtaining such information may send an email to info@in.elgirubber.com.

There were no employees who are in receipt of remuneration in the aggregate at the rate of not less than ₹10,200,000/- if employed throughout the year or ₹ 850,000/- per month if employed for part of the year or if employed throughout the financial year or part thereof, was in receipt of remuneration which, in the aggregate, is in excess of the remuneration drawn by the Chairman and Managing Director or Executive Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Human Resources and Industrial Relations

The company continues to enjoy a cordial relationship with all its employees. The employee count as on March 31, 2025 is 451.

Disclosure under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

The company has put in place a policy for prevention of sexual harassment of women at workplace in line with the requirements of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received, if any, under the said Act. There were no complaints received during the financial year 2024-25 and there were no unresolved complaints as on 31st March, 2025.

Corporate Governance

A report on Corporate Governance along with Management Discussion & Analysis Report (MD&A) as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure VII** and forms part of this report. The company has complied with the conditions relating to corporate governance as stipulated in Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee

The Audit committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The particulars relating to the composition, meetings and functions of the committee has been disclosed in the Report on Corporate Governance under the head ‘Audit committee’ and forms part of this report. The Board has accepted all the recommendations made by the Audit Committee during the year and hence no disclosure is required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

Vigil Mechanism/ Whistle Blower Policy

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 4 and 22 of the SEBI Listing Regulations and in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has a Whistle Blower Policy to deal with unethical or improper practice or violation of Company’s Code Of Business Conduct or any complaints regarding accounting, auditing, internal controls or disclosure practices of the company. The policy gives a platform to the whistle blower to report the complaints on the above-mentioned practices to the chairperson of the audit committee. Although the complainant is not expected to prove the truth of an allegation, the complainant aims to demonstrate that there are sufficient grounds for concern and is not done as a malicious act against an individual. The audit committee reviews the complaints received, redressed, objected, withdrawn and dismissed, if any, for every quarter in their meeting. The whistleblower policy is available on the company’s website www.elgirubber.com.

Cautionary Statement

Statements in this report, especially those relating to MD&A giving details of company’s objectives, projections, estimates and expectations may be construed as “forward looking statements” within the realm of applicable laws and regulations. Actual results are liable to differ materially from those either expressed or implied.

Acknowledgement

Your Directors thank the company’s shareholders, customers, suppliers, business associates, bankers and other stakeholders for their continued support to the company during the year. Your Directors also wish to place on record their appreciation of the contributions made by all the employees towards the growth of the Company

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

ANNEXURE-I

SALIENT FEATURES OF THE NOMINATION AND REMUNERATION POLICY OF THE COMPANY

CRITERIA FOR APPOINTMENT/RE-APPOINTMENT AND REMOVAL OF DIRECTOR INCLUDING INDEPENDENT DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director including Independent Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

CRITERIA FOR DETERMINING REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Executive Chairman / Chairman and Managing Director / Managing Director / Executive Director / Whole-time Director:

- The Remuneration/ Commission etc. payable to Executive Chairman / Chairman and Managing Director / Managing Director / Executive Director / Whole-time Director, etc. including the income components, perquisite, benefits, etc., shall be governed as per the provisions of the Companies Act, 2013 and its rules made there under or any other enactment and the Listing Regulations, including amendments or modifications or re-enactments for the time being in force.
- All form of remuneration including its components, perquisites, benefits etc. payable to Executive Chairman / Chairman and Managing Director / Managing Director / Executive Director / Whole-time Director, etc. shall be determined and recommended by the Nomination and Remuneration Committee and the same shall be approved by the Audit Committee, Board of Directors and Shareholders with or without modifications as may be deemed appropriate subject to the provisions of the Companies Act, 2013 and its rules made there under or any other enactment and the Listing Regulations, including amendments or modifications or re-enactments for the time being in force.

2) Remuneration to Non- Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

  i) The Services are rendered by such Director in his capacity as the professional; and

  ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay/ commission/ incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund etc. as decided from to time.
- The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

ANNEXURE-II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis**

1.a	Name (s) of the related party & nature of relationship	LRG Technologies Limited A public limited company belonging to Promoter Group in which Sudarsan Varadaraj (DIN: 00133533), Chairman and Managing Director, Dr. Jairam Varadaraj (DIN:00003361), Director and Harsha Varadaraj (DIN: 06856957), Executive Director are interested as Directors/Relative of Director and holding more than 2% of its paid-up capital along with their relatives.
b.	Nature of the contracts / arrangements / transactions	• Purchase of goods or materials of any kind • Sale of goods or materials of any kind • Availing of services of any kind • Rendering of services of any kind • Leasing of property of any kind • Purchases or sale of asset of any kind
c.	Duration of the contracts / arrangements / transactions	4th November 2024 to 30th September, 2025
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The proposed transactions are intended to be carried out as part of the business requirements and the same will be on an arm's length basis in the ordinary course of business of the Company. Transaction Value shall not exceed an aggregate limit of Rs.500 million and the limits are inter-changeable
e.	Date of Approval by Board, if any	27.09.2024
f.	Amount paid as advances, if any	Nil

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

ANNEXURE-III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

i) Steps taken or impact on conservation of energy

Energy conservation is one of the primary objectives of the company and measures are taken on an ongoing process.

ii) Steps taken by the company for utilising alternate sources of energy

Through the arrangement with the State Electricity Board, wind energy generated by the company's windmill division is supplied to the grid, thereby indirectly using alternate source of energy.

iii) Capital investment on energy conservation equipments :

44KVA Solar Panel have been installed at a cost of ₹ 2.56 million

Roll Grinder Mills (Running on roller bearing) panels have been installed, which operates with reactive power consumption and reduces energy usage by 20-25%.

a. G4X Mill Panel at a cost of USD 0.15 million

b. Refiner Mill Panel at a cost of INR 2.19 million

B. Technology absorption

i) Efforts made towards technology absorption

Steps are being taken for in-house development of technology and consequent absorption.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution

It is expected that proposed in-house technology development would result in product development.

iii) In case of imported technology (imported from the last three years reckoned from the beginning of the financial year)

a.	the details of technology imported	Nil
b.	the year of import	Nil
c.	whether the technology have been fully absorbed	N.A
d.	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A

iv) the expenditure incurred on research and development : Nil

C. Foreign exchange earnings & outgo during the year

Foreign exchange earned	: ₹ 688.10 million
Foreign exchange outgo	: ₹ 211.08 million

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

ANNEXURE-IV

Annual report on CSR activities of the company

1. **Brief outline on CSR Policy of the Company:**

   The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting mechanisms for CSR activities. As part of its initiatives under CSR, the company has undertaken projects in the areas of education, social development, medical relief, sports, women empowerment, animal welfare, cultural protection, conservation of natural resources etc. These projects are by and large in accordance with Schedule VII of the Companies Act, 2013. The CSR spending is predominantly directed through the registered trust(s). The trusts expend the sums contributed by the company towards educational activities and activities for conservation of natural resources. CSR policy of the company is also uploaded on the website of the company www.elgirubber.com .

2. **Composition of CSR committee**

   Pursuant to the provisions of Section 135 of the Companies Act, 2013 and all other applicable provisions, if any, the Corporate Social Responsibility Committee ("CSR Committee") was dissolved with effect from 10th November, 2021 and all the roles, responsibilities and functions of the Corporate Social Responsibility Committee, as provided under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) are being discharged by the Board of Directors of the Company in terms of the said provisions of the Act and its Rules with effect from the said date.

3. **The web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The web-link where the Composition of the CSR Committee is disclosed on the website of the Company – Not Applicable

   The web-link where the CSR policy is disclosed on the website of the Company - www.elgirubber.com

   The web-link where the CSR projects approved by the board are disclosed on the website of the Company - www.elgirubber.com

4. **Executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:**

   The Company has not carried out Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

₹ in million

5	(a) Average net profit of the company as per section 135(5)	38.12
	(b) Two percent of average net profit of the company as per section 135(5)	0.77
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	0.01
	(e) Total CSR obligation for the financial year (b + c – d).	0.76

₹ in million

6	(a) Amount spent on CSR Projects:		
		(i) On going Project	Nil
		(ii) Other than On going Project	1.84
	(b)	Amount spent in Administrative Overheads.	Nil
	(c)	Amount spent on Impact Assessment, if applicable.	Nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	1.84

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (₹ in million)	Date of transfer	Name of the Fund	Amount (₹ in million)	Date of transfer
1.84	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any

S. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the company as per section 135(5)	0.76*
(ii)	Total amount spent for the Financial Year	1.84
(iii)	Excess amount spent for the financial year ((ii)-(i))	1.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	1.08

*Amount of CSR obligation after set-off of excess amount spent in the previous financial year

7) Details of Unspent CSR amount for the preceding three financial years:

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in million)	Balance amount in unspent CSR amount under section 135(6) (₹ in million)	Amount spent in the Financial Year (₹ in million)	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (₹ in million)	Deficiency, if any
					Amount (₹ in million)	Date of transfer		
1	2021-22	Nil	Nil	Nil	Nil	NA	NA	NA
2	2022-23	Nil	Nil	Nil	Nil	NA	NA	NA
3	2023-24	Nil	Nil	Nil	Nil	NA	NA	NA
	Total	Nil	Nil	Nil	Nil	NA	NA	NA

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has spent the required amount on CSR activities as per section 135(5) and hence reporting under this clause does not arise.

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Industry Structure and Developments

The rubber industry in India experienced moderate growth during the financial year 2024-25, navigating through various global and domestic challenges. As a leading manufacturer of rubber products with specialization in retreading materials, Elgi Rubber Company Limited continued to adapt to evolving market dynamics.

Global rubber markets showed signs of stabilization after the volatility witnessed in previous years. Natural rubber prices demonstrated greater stability, with key producing nations implementing strategic production controls. Synthetic rubber markets benefited from relatively stable crude oil prices, though geopolitical tensions in certain regions created occasional supply disruptions.

The automotive sector, a major consumer of rubber products, showed resilience with commercial vehicle sales demonstrating steady growth. The retreading industry, our primary operational segment, gained further traction as commercial fleet operators increasingly prioritized cost efficiency and sustainability. The preference for quality retreading over new tire purchases continued to strengthen, particularly in the commercial vehicle segment, as operators looked to optimize operational costs amidst inflation pressures.

Opportunities and Threats

Emerging markets in Africa, Southeast Asia, and Latin America present significant export potential, particularly as these regions witness growth in transportation and industrial sectors. The gradual shift towards electric commercial vehicles creates opportunities for specialized rubber components tailored to the unique requirements of these vehicles. Additionally, the growing emphasis on circular economy principles presents promising opportunities for the retreading business, as it supports product lifecycle extension and waste reduction.

However, despite relative stability, rubber prices remain susceptible to fluctuations driven by global supply-demand dynamics and environmental factors affecting major producing countries. Ongoing vulnerabilities in global supply chains may impact the availability of raw materials and disrupt export logistics.

Segment-wise or Product-wise Performance

The company has only one business segment, that is, manufacture of Reclaimed rubber and allied activities, hence segment wise reporting is not required.

Outlook

Looking ahead, the company is positive outlook for FY 2025-26, supported by favorable industry trends and strategic initiatives. The Indian economy is projected to maintain its growth trajectory, creating a conducive environment for sectors that drive demand for our products.

The retreading industry is expected to strengthen further as sustainability and cost efficiency become increasingly important for fleet operators. The commercial vehicle segment, a key driver for our retreading business, is projected to grow steadily, supported by infrastructure development and expansion of logistics networks.

Risks and Concerns

The Company’s comprehensive risk management framework enabled the company to mitigate potential threats effectively. Key risks identified include fluctuations in raw material prices, supply chain disruptions, and regulatory changes. The company implemented strategic sourcing and supplier diversification to ensure stability and continuity.

Internal Control Systems and Their Adequacy

The Company has implemented comprehensive internal control systems to ensure operational efficiency, accuracy in financial reporting, and compliance with regulatory requirements. These systems are regularly reviewed and updated to address emerging risks and ensure adequacy. The internal audit team conducts periodic assessments to identify areas for improvement and enhance control mechanisms.

Discussion on Financial Performance with Respect to Operational Performance

The financial performance of the company during the financial year 2024-25 has been discussed in the Directors Report and the audited financial statements, which has been prepared in accordance with the requirement of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, discloses a true and fair view of the performance of the company during the said period.

Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed

The Company places significant emphasis on human capital development, recognizing it as a critical driver of growth. During the year, the company implemented several training and development programs to enhance employee skills and competencies. As of March 31, 2025, The Company employed approximately 451 individuals. Industrial relations remained harmonious, with ongoing dialogue and engagement between management and the workforce to address concerns and foster a collaborative environment.

Key Financial Ratios

Sl. No.	Description	31.03.2025	31.03.2024	% of change
1	Debtors Turnover	4.42	4.18	5.74%
2	Inventory Turnover	4.4	4.86	-9.47%
3	Current ratio	1.159	1.134	2.20%
4	Debt Equity ratio	0.55	0.52	-5.77%
5	Interest coverage ratio *	0.66	2.28	-78.04%
6	Operating profit margin *	10.79%	21.63%	-56.05%
7	Net profit margin *	1.87%	6.64%	-128.16%
8	Return on Net worth *	1.37%	5.12%	-126.76%

* The Change in value is attributed due to lower profit

Cautionary Statement

Management Discussion and Analysis forming part of the Directors Report is prepared in compliance with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such statements may be “forward looking” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the company’s business operations includes economic conditions affecting demand/supply and price conditions prevailing in the domestic and overseas markets in which the company operates, changes in the Government regulations, policies, fiscal laws and other statutes and other incidental factors.

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

ANNEXURE-V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,
Elgi Rubber Company Limited
CIN: L25119TZ2006PLC013144
Super A Unit,
Coimbatore Private Industrial Estate,
Kuruchi, Coimbatore-641 021,
Tamil Nadu, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Elgi Rubber Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Elgi Rubber Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
   e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management:-
   a) The Rubber Act, 1947

I have also examined compliance with the applicable clause(s) of the following:
   a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
   b) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above except that that the Company has reported certain events, which are covered under Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the stock exchange beyond the prescribed time specified thereunder.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:

a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour laws and environmental laws as applicable.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that the compliance by the Company of the applicable accounting standards in the preparation of financial statements has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in respect of one Board meeting, one Audit Committee meeting and one Nomination and Remuneration Committee meeting which were convened at shorter notice and conducted in the presence of requisite number of Independent Directors), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period under review, the Company has obtained necessary approval from its members.

(i) by way of passing a special resolution through postal ballot (remote e-voting) means on November 03, 2024 empowering the Board of Directors under Section 180(1)(a) of the Companies Act, 2013 and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (a) to sell or otherwise dispose of certain immovable properties comprising of land situated in S.F.No 1110, Thimmavaram Village, Land Mark Ashmitha gardens, Chengalpattu, Tamil Nadu aggregating to an extent of 5.20 acres together with all buildings and structures thereof, in one or more tranches, on an ‘as is where is’ basis to any prospective buyer(s), not being related parties and (b) to sell or otherwise dispose of the non-current investments of the Company (excluding those investments held by the Company in its subsidiaries), in one or more tranches, in open market through stock exchange platforms viz., BSE Limited (“BSE”) and/or National Stock Exchange of India Limited (“NSE”); and

(ii) by way of passing an ordinary resolution through postal ballot (remote e-voting) means on November 03, 2024 empowering the Board of Directors under Section 188 of the Companies Act, 2013 and Regulation 23(4) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enter into / continue to enter into material related party transactions viz., purchase of goods or materials of any kind / sale of goods or materials of any kind / availing of services of any kind / rendering of services of any kind / leasing of property of any kind, with LRG Technologies Limited, a related party of the Company, for an aggregate amount not exceeding Rs.500 million (Rupees Five Hundred million only).

Other than the above, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687
Peer Review No.3167/2023
UDIN: F004654G000446361

Place : Coimbatore
Date : May 29, 2025

This report is to be read with my letter of even date which is annexed as “Annexure-A” and forms an integral part of this report.

‘Annexure A’

ANNEXURE TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

To

The Members,
Elgi Rubber Company Limited
CIN: L25119TZ2006PLC013144
Super A Unit,
Coimbatore Private Industrial Estate,
Kuruchi, Coimbatore-641 021,
Tamil Nadu, India

My report of even date is to be read along with this letter;

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687
Peer Review No.3167/2023
UDIN : F004654G000446361

Place : Coimbatore
Date : May 29, 2025

ANNEXURE-VI

Statement pursuant to Section 197(12) of the Companies Act, 2013

read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the employee's median remuneration for the financial year

Name	Ratio
Sudarsan Varadaraj, Chairman & Managing Director	18 : 1
Harsha Varadaraj, Executive Director	7 : 1

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sudarsan Varadaraj	-	Chairman & Managing Director	:	Nil
Harsha Varadaraj	-	Executive Director	:	Nil
SR Venkatachalam	-	Chief Financial Officer	:	5.12%
Faizur Rehman Allaudeen	-	Company Secretary	:	6.46%

3. Percentage increase in the median remuneration of employees in the financial year : Nil

4. Number of permanent employees on the rolls of the Company : 451

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration

Average percentile increase in remuneration is Nil for employees.

It is affirmed that the remuneration is as per the remuneration policy of the company.

It is also affirmed that no persons were employed throughout the year or part of the year and were drawing remuneration in excess of the limits as stipulated under the rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

For and on behalf of the Board
For Elgi Rubber Company Limited

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

Report on Corporate Governance – Annexure to Directors' Report

ANNEXURE-VII

(In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Company's Philosophy on Corporate Governance

The company's philosophy on corporate governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value to all its stakeholders through sound and professional governance. The company has adopted a code of conduct for its directors and senior management personnel

2. Board of Directors

i. The board of directors of the company comprises of an Executive Chairman & Managing Director, a Whole-time Director (designated as "Executive Director") and four Non - Executive Directors [of which three (3) are Non-Executive Independent Directors including one (1) Woman Independent Director]. Accordingly, the composition of the board of directors meets the requirement of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

ii. The composition of the board of directors and their attendance in the board meetings held during the year and at the last annual general meeting held on August 14, 2024, and also the number of the other directorships as on 31st March, 2025 are as follows:

Name and DIN of the Director	Category of Directorship	Attendance Particulars			No. of other Directorship held in Public Companies *	No of committee positions held in all companies #	
		No. of Board meetings held	No. of Board meetings attended	AGM		Chairman	Member
Sudarsan Varadaraj (DIN: 00133533) $	Chairman & Managing Director - Promoter	5	5	Yes	3	2	2
Jairam Varadaraj (DIN: 00003361)	Non executive - Promoter Group	5	3	No	3	-	1
Harsha Varadaraj (DIN: 06856957) @	Executive Director - Promoter Group	5	4	Yes	2	-	2
Sarathraj S (DIN: 08904057) %	Non executive - Independent Director	5	3	Yes	-	1	2
Parvathi Srinivasan (DIN: 10646746) ^	Non executive - Independent Director	5	3	No	-	1	2
R Vidhya Shankar (DIN: 00002498) $	Non executive - Independent Director	5	3	No	2	2	5
MD Selvaraj (DIN: 00001608) &	Non executive - Independent Director	5	2	Yes	-	2	2
Vijayraghunath (DIN: 00002963) &	Non executive - Independent Director	5	2	No	4	2	8
V Bhuvaneshwari (DIN: 01628512) &	Non executive - Independent Director	5	2	Yes	4	-	3

& MD Selvaraj, Vijayraghunath and V Bhuvaneswari, ceased to be Independent Directors effective from the close of business hours on 26.09.2024 due to retirement upon completion of their second tenure.

$ Re-appointed as Chairman and Managing Director w.e.f January 01, 2024.

@ Re-appointed as Executive Director w.e.f November 06, 2023.

% Appointed as Independent Director for a first term of 5 consecutive years effective from August 14, 2024

^ Appointed as Independent Director for a first term of 5 consecutive years effective from September 1, 2024

$ Appointed as Independent Director for a first term of 5 consecutive years effective from September 27, 2024

* Directorships in companies incorporated outside India and private companies have not been considered.

Only Audit Committee and Stakeholders Relationship committee are considered.

Disclosure of Directorships in other Listed Entities (as on 31st March, 2025):

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the Listed Entity	**Designation**
Sudarsan Varadaraj (DIN: 00133533)	Elgi Equipments Limited	Non-Executive Promoter Director
	Magna Electro Casting Limited	Non-Executive Independent Director
Jairam Varadaraj (DIN: 00003361)	Elgi Equipments Limited	Promoter Managing Director
Harsha Varadaraj (DIN: 06856957)	Kovilpatti Lakshmi Roller Flour Mills Limited	Non-Executive Independent Director
Sarathraj Selvakumar (DIN: 08904057)	Nil	Not Applicable
Parvathi Srinivasan (DIN: 10646746)	Nil	Not Applicable
R. Vidhya Shankar (DIN: 00002498)	The Karur Vysya Bank Limited	Non-Executive Independent Director

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor they are the Chairman / Chairperson of more than 5 committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company activities and performances are periodically placed before the Board for effective decision making.

The company has held at least one board meeting in every quarter and the gap between two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Agenda papers were circulated to the directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the board from time to time. Accordingly, five board meetings were held during the year and the date on which the board meetings were held and the particulars of attendance are as follows:

Sl No	Date of board meeting	No of directors attended
1	30.05.2024	6
2	12.08.2024	5
3	27.09.2024	6
4	14.11.2024	5
5	13.02.2025	5

Shareholdings of non-executive directors

Name of director	No. of shares held (as on March 31, 2025)
Jairam Varadaraj	141,750
Sarathraj Selvakumar	10
Parvathi Srinivasan	-
R. Vidhya Shankar	-

The Company has not issued any type of convertible instruments to Non-Executive Directors.

None of the Directors were issued any stock options during the year under review.

Directors inter se relationship:

Sudarsan Varadaraj (DIN: 00133533), Chairman & Managing Director and Jairam Varadaraj (DIN: 00003361), Director are related to each other as brothers. Harsha Varadaraj (DIN: 06856957), Whole-time Director ("designated as Executive Director") is the son of Sudarsan Varadaraj (DIN: 00133533), Chairman & Managing Director. None of the other directors are related to each other.

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's business vertical(s) and those already available with the Board are as follows:

Core Skill/Expertise/ Competencies	Description
Industry skills	• Knowledge / experience in the manufacturing, sale and marketing of Retreaded Tyres and other technical products; • Knowledge of the tyre industry and the products, business model and the market; • Knowledge / experience in the area of Research and Development, in particular, in the technological fields that are relevant for the business of the Company; • Broad range of commercial / business experience;
Governance skills	• Knowledge / experience in the field of finance and accounting and audit and the ability to analyze and assess the key financial statements; • Knowledge / experience in the governance, legal and compliance areas and the ability to identify key risks in a wide range of areas including legal and compliance risks; • Knowledge / experience of the capital market and its developments; • Ability to constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders
Personal attributes / Qualities	• Ability to understand the role and fulfillment of the duties and responsibilities of a Director while being transparent in disclosing potential conflict of interest, continue to self-educate on legal responsibility and ability to maintain board confidentiality; • Ability to constructively contribute to board discussions and communicate effectively with management and other directors; • Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality;

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Name of the Director	Industry skills	Governance skills	Personal attributes / Qualities
Sudarsan Varadaraj	✓	✓	✓
Harsha Varadaraj	✓	✓	✓
Jairam Varadaraj	✓	✓	✓
Sarathraj Selvakumar	✓	✓	✓
Parvathi Srinivasan	✓	✓	✓
R. Vidhya Shankar	✓	✓	✓
MD Selvaraj%	✓	✓	✓
Vijayraghunath %	✓	✓	✓
V Bhuvaneshwari%	✓	✓	✓

% Cessation due to retirement as Independent Directors upon completion of second tenure of 5 consecutive years w.e.f close of business hours on 26.09.2024

a. **Familiarization program for Independent Directors**

The board members are regularly provided with documents / brochures, report, and other internal policies of the company to familiarize them with the company's policies, procedures and practices. Periodic presentations are made at the board/committee meetings on the company's business and developments. In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time ("Listing Regulations"), the Company familiarizes its Independent Directors about their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. These include orientation programmes as well as other initiatives to update the Independent Directors on a continuing basis. The Independent directors of the company are regularly briefed by the Chairman and Managing Director of the company about the foreign subsidiaries, processes followed by them and the results made. The directors are also updated about the various statutory compliances. The details of familiarization programmes imparted to independent directors during the financial year 2024-25 are disclosed on the company's website at www.elgirubber.com.

b. Separate meeting of independent directors

The separate meeting of independent directors of the company was held on February 13, 2025 without the presence of Non–Executive Director, Executive Directors and the management team and they inter-alia, reviewed the performance of the Non-Independent directors and the board as a whole, the performance of the Chairman and Managing Director / Executive Director and assessed the quality, quantity and timeliness of flow of information between the company management and the board in accordance with Schedule IV of the Companies Act, 2013 read with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Independent Directors have attended the meeting.

Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Directors before expiry of tenure:

None of the Independent Directors have resigned before the expiry of their tenure during the year under review.

3. Audit Committee

The company has constituted an Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The audit committee comprises of three Non-Executive Independent Directors and all such members of the committee possess knowledge in the fields of accounts, finance and allied areas.

The role, powers and functions of the committee are as per section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required by SEBI – under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information from within the company, the committee can obtain external professional advice whenever required.

The committee acts as a link between the statutory and internal auditors and the board of directors of the company. It is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet them to discuss their findings, suggestions and other related matters. The committee is empowered to recommend the appointment / re-appointment and remuneration payable to the statutory auditors, internal auditors and cost auditor of the Company.

During the year under review the committee has met 5 times on May 30, 2024, August 12, 2024, September 26, 2024, November 14, 2024 and February 13, 2025. The audit committee has three Non-Executive Independent Directors as its Members as on March 31, 2025. The necessary quorum was present at all the committee meetings. The composition of the audit committee and particulars of meetings attended by the members of the audit committee are given below:-

Name	Category	No of meetings during the year 2024 - 25	
		Held	Attended
MD Selvaraj (Chairman) %	Non-Executive Independent Director	5	3
Vijayraghunath (Member) %	Non-Executive Independent Director	5	3
V Bhuvaneshwari (Member) %	Non-Executive Independent Director	5	3
Parvathi Srinivasan (Chairperson)#	Non-Executive Independent Director	5	2
R.Vidhya Shankar (Member) #	Non-Executive Independent Director	5	2
Sarathraj Selvakumar (Member) #	Non-Executive Independent Director	5	2

% Cessation due to retirement as Independent Directors upon completion of second tenure of 5 consecutive years w.e.f close of business hours on 26.09.2024

Appointment due to re-constitution of the Committee with effect from 27.09.2024

MD Selvaraj, Chairman of the Audit Committee had attended the Annual General Meeting held on August 14, 2024. The representatives of both statutory and internal auditors of the company, the Chairman & Managing Director and the Chief Financial Officer of the company attended the committee meetings to provide inputs on issues relating to accounts, internal audit findings, internal financial controls etc.

Company Secretary acts as Secretary of the audit committee.

The minutes of the audit committee meetings are circulated to the board, where it is discussed and duly recorded. The committee considered and reviewed the annual financial statements for the financial year 2024-25 at their meeting held on May 29, 2025 before it was placed before the board.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors.

The role, powers and functions of the nomination and remuneration committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the committee has met 4 times on May 30, 2024, August 12, 2024, September 27, 2024 and February 13, 2025. The nomination and remuneration committee has three Non-Executive Independent Directors as its Members as on March 31, 2025. The necessary quorum was present at all the committee meetings. The composition of the nomination and remuneration committee and particulars of meetings attended by the members are given below:

Name	Category	No of Meetings during the year 2024 - 25	
		Held	Attended
MD Selvaraj (Chairman)%	Non-Executive Independent Director	4	2
Vijayraghunath (Member)%	Non-Executive Independent Director	4	2
V Bhuvaneshwari (Member)%	Non-Executive Independent Director	4	2
Parvathi Srinivasan (Chairperson)^ / (Member)#	Non-Executive Independent Director	4	2
Sudarsan Varadaraj (Member)@	Chairman & Managing Director	4	Nil
Sarathraj Selvakumar (Member)&	Non-Executive Independent Director	4	2
R Vidhya Shankar (Chairman)$	Non-Executive Independent Director	4	1

% Cessation due to retirement upon completion of second tenure of 5 consecutive years w.e.f close of business hours on 26.09.2024

^ Appointment as Chairperson due to re-constitution of the Committee with effect from 23.09.2024.

#Re-categorized as Member due to re-constitution of the Committee with effect from 27.09.2024.

@ Sudarsan Varadaraj (DIN:00133533), Chairman and Managing Director was appointed as Member due to re-constitution of the Committee with effect from 23.09.2024 and subsequently, he had ceased to be a Member due to re-constitution with effect from 27.09.2024.

&Appointed as Member due to re-constitution of the Committee with effect from 23.09.2024

$Appointed as Chairman due to re-constitution of the Committee with effect from 27.09.2024

MD Selvaraj, Chairman of the nomination and remuneration committee of the nomination and remuneration committee has attended the last annual general meeting held on August 14, 2024. The nomination and remuneration committee shall identify the persons, who are qualified to become directors of the company / who may be appointed as key managerial personnel / senior management personnel in accordance with the criteria laid down, shall recommend to the board their appointment, removal, and remuneration, in whatever form, payable to senior management, to specify the manner for effective evaluation of performance of board, its committees and individual directors and also, shall carry out evaluation of every director's performance and the performance of the key managerial personnel and the senior management personnel.

The committee has carried out the evaluation of performance of every individual directors, key managerial personnel and the senior management personnel.

While recommending the appointment of the directors, key managerial personnel and senior management personnel, the nomination and remuneration committee considers criteria / attributes like qualification, expertise and experience of them in their respective fields. The nomination and remuneration committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The board of directors has adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the directors, key managerial personnel and senior management personnel and their remuneration. The salient features of the nomination and remuneration policy is annexed to the board's report and the full policy can be accessed on the company's website at www.elgirubber.com

Performance evaluation criteria of non-executive and independent directors

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the evaluation of the performance of Independent Directors and Non-Independent Directors. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of the performance of the independent directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions/ roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity and ability to articulate independent views and judgment. Accordingly, the performance evaluation of independent directors has been conducted and the results have been communicated to the chairman of the board.

Pursuant to the provisions of the Companies Act, 2013 and as per Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the committees of the Board. They have also evaluated various aspects of the Board, such as adequacy of the composition of the Board and its committees, Board diversity, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee ("NRC") has evaluated the performance of every individual directors on the basis of the criteria approved by the Board.

5. Stakeholders Relationship Committee

The Board has constituted a Stakeholders Relationship Committee (SRC) pursuant to the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Committee deals in the matters as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 including the matters relating to transfer and transmission of shares, issue of duplicate shares certificates and looks into the grievances of shareholders/ Investor complaints, if any, on non-receipt of dividend, annual report etc. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement, if any, from time to time. The role of the Stakeholders' Relationship Committee covers all the areas specified in Section 178 of the Act and Part D of the Schedule II of the Listing Regulations.

The composition of stakeholders relationship committee and the attendance of the members in the meetings are given below

Name	Category	No of Meetings during the year 2024 - 25	
		Held	Attended
MD Selvaraj (Chairman)%	Non-Executive Independent Director	10	8
Sudarsan Varadaraj (Member) *	Chairman & Managing Director	10	6
Vijayraghunath (Member)%	Non-Executive Independent Director	10	8
Sarathraj Selvakumar (Chairman)#	Non-Executive Independent Director	10	2
R. Vidhya Shankar (Member)#	Non-Executive Independent Director	10	2
Parvathi Srinivasan (Member)#	Non-Executive Independent Director	10	2

% Cessation due to retirement upon completion of second tenure of 5 consecutive years w.e.f close of business hours 26.09.2024

Appointment due to re-constitution of the Committee with effect from 27.09.2024

* Cessation due to re-constitution of the Committee with effect from 26.09.2024.

MD Selvaraj, Chairman of the Stakeholders Relationship Committee has attended the last Annual General Meeting held on August 14, 2024. Faizur Rehman Allaudeen is the Company Secretary and Compliance Officer of the Company and he acts as the secretary of the Stakeholders Relationship Committee. The minutes of the Stakeholders Relationship Committee were placed before the subsequent board meetings.

The committee has met 10 times during the financial year 2024-25. The Committee ensures that the investors' grievances and correspondence are attended and resolved expeditiously within the time frame laid down under the Listing Regulations. During the year under review, 3 (three) complaints were received from the Shareholders and the same were resolved. Hence, no complaint/query is remaining unresolved & pending as on 31st March 2025.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Investors' complaints

The company has attended to the investors' grievances and correspondences within a maximum period of 15 days from the date of receipt of the same during the year 2024-25. There were no outstanding complaints as on March 31, 2025.

6. Risk Management Committee

The provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to constitution of the Risk Management Committee are not applicable to the Company.

Particulars of Senior Management and Changes therein since the close of previous year

K Thangamuthu, Vice President - Finance, has resigned from the Company effective from the close of business hours of April 04, 2025.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, vide circular resolution no. 02/2024-25 dated March 14, 2025, has appointed Jayasree NV as General Manager – Finance of the Company with effect from March 17, 2025.

Other than the above, there was no change in the Senior Management during the year under review. The following are the Senior Management of the Company as on March 31, 2025.

S No	Name of Senior Management Personnel	Designation	Department
1	SR Venkatachalam	Chief Financial Officer	Finance
2	K Thanigaivel	Vice President	Manufacturing
3	Satish Kumar	Vice President	Sales
4	Jayasree NV	General Manager – Finance	Finance
5	Faizur Rehman Allaudeen	Company Secretary	Secretarial

7. Corporate Social Responsibility (CSR) Committee

The Company had earlier constituted a Corporate Social Responsibility Committee in compliance with Section 135(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, Pursuant to Section 135(9) read with the Companies (Amendment) 2020 (effective from 22nd January, 2021), the requirement under sub-section (a) for constitution of the Corporate Social Responsibility Committee are not applicable to the Company and the functions of the Corporate Social Responsibility Committee provided under the said Section shall, in such cases, be discharged by the Board of Directors of the Company

8. Remuneration of Directors

Details of remuneration paid to the directors for the year ended March 31, 2025 are as follows:

a) Executive Directors

Remuneration paid to Executive Directors during the year is given below

Name	Service Contract	Salary (₹ in million)	Superannuation (₹ in million)	Perquisites (₹ in million)	Total Remuneration (₹ in million)
Sudarsan Varadaraj, Chairman & Managing Director	For a period of 3 years w.e.f 01.01.2024	6.75	0.90	0.24	7.89
Harsha Varadaraj, Whole-time Director	For a period of 3 years w.e.f 06.11.2023	2.48	0.17	0.21	2.86

Remuneration includes salary & company's contribution to provident fund.

All elements of remuneration package has been summarized under major groups viz., salary, superannuation & perquisites and there is no other benefits, bonuses, stock options, pension etc. other than the details disclosed in the above table.

The remuneration to the Key Managerial Personnels comprises of fixed components viz., salary and other perquisites and there are no performance linked incentives.

b) Non-Executive Directors

Sitting fees for attending board / committee meetings paid to non-executive directors are given below:

Name of the Directors	Sitting Fees Paid (₹ In million)
Jairam Varadaraj	0.03
MD Selvaraj%	0.05
Vijayraghunath%	0.05
V Bhuvaneshwari%	0.05
Sarathraj Selvakumar	0.05
Parvathi Srinivasan	0.05
Vidhya Shankar	0.05

% Cessation due to retirement as a Independent Directors upon completion of second tenure of 5 consecutive years w.e.f close of business hours of 26.09.2024

The company does not pay any remuneration to its non-executive directors barring sitting fees for attendance of the meetings during the year.

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the company. No commission has been paid to any Non-Executive Directors during the year 2024-25.

The remuneration policy of the Company along with the criteria of making payments to Non-Executive Directors can be accessed on the Company's website www.elgirubber.com.

The company does not have any employee stock option scheme and hence, the disclosure of the details of stock option, if any and whether issued at a discount as well as the period over which accrued and over which exercisable does not arise.

No commission has been paid to any Non-Executive Directors for the year 2024-25.

The Remuneration policy of the company along with the criteria of making payments to Non-Executive Directors can be accessed on the Company's website www.elgirubber.com.

9. **Management Discussion and Analysis Report**

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the Annual Report.

10. General Body Meetings

Location and time where the last three annual general meetings were held and details of the special resolutions passed

Details of meeting	Date of meeting	Time of meeting	Venue of meeting	Special Resolutions
16th Annual General Meeting for FY 2021-22	26.08.2022	10.00 AM (IST)	S F No. 164/2, Pollachi Road, Kurichi, Coimbatore - 641021 ("deemed venue") (held through video conferencing and other audio visual means)	Nil

Details of meeting	Date of meeting	Time of meeting	Venue of meeting	Special Resolutions
17th Annual General Meeting for FY 2022-23	18.08.2023	10.00 AM (IST)	Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore-641021 [held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)]	1. Re-appointment of Sudarsan Varadaraj (DIN:00133533) as Chairman & Managing Director for a further period of three (3) years w.e.f January 01,2024 2. Re-appointment of Harsha Varadaraj (DIN:06856957) as Whole-time Director (designated as "Executive Director") for a further period of three (3) years w.e.f November 06,2023
18th Annual General Meeting for FY 2023-24	14.08.2024	10.30 AM (IST)	Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore-641021 [held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)]	1. Approval for appointment of Sarathraj Selvakumar (DIN: 08904057) as a Non-Executive Independent Director for a first term of 5 (five) consecutive years effective from August 14, 2024 to August 13, 2029

No extra ordinary general meeting was held during the financial year 2024-25.

Postal ballots

During the year, the Company has conducted a Postal Ballot through remote e-voting process vide Notice dated, September 27, 2024 for obtaining the approval of the members and the Postal Ballot process was concluded on November 03, 2024 being the last date for receipt of votes under the respective Postal Ballot process.

The details of special resolutions passed through Postal Ballot and the voting pattern for the said resolution are disclosed as under.

Particulars of Resolution	Type of resolution	No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
1. To consider and to grant approval for the appointment of Parvathi Srinivasan (DIN: 10646746) as a Non-Executive Independent Director of the Company for a first term of five (5) consecutive years with effect from September 01, 2024	Special Resolution	3,34,57,231	3,34,57,229	100%	2	Negligible	0
2. To consider and to grant approval for the appointment of R Vidhya Shankar (DIN: 00002498) as a Non-Executive Independent Director of the Company for a first term of five (5) consecutive years with effect from September 27, 2024	Special Resolution	3,34,57,231	3,34,57,229	100%	2	Negligible	0
3.To consider and to grant approval to sell or otherwise dispose off certain immovable properties, comprising of land and buildings, of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Special Resolution	3,34,57,231	3,34,57,230	100%	1	Negligible	0

Particulars of Resolution	Type of resolution	No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
4. To consider and to grant approval to sell or otherwise dispose off the non-current investments (excluding those investments in the subsidiaries) of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Special Resolution	3,34,57,231	3,34,57,230	100%	1	Negligible	0
5. To consider and to grant approval to enter into material related party transactions with LRG Technologies Limited, a related party	Ordinary Resolution	3,34,57,221*	9,07,380	100%	2	Negligible	3,25,49,839*

*Votes cast by 11 Shareholders, being related parties, holding 3,25,49,839 equity shares have been considered as invalid pursuant to Section 188 of the Companies Act, 2013and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 1 shareholder, being a related party, holding 10 equity shares has abstained from remote e-voting. 1 shareholder holding 1,600 equity shares has abstained from remote e-voting.

Further, in pursuance of Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the special resolution(s) set out in Postal Ballot Notice dated September 27, 2024 shall be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution. Based on the report of the scrutinizer, the said special resolution(s) had received the requisite votes from the public shareholders and passed with requisite majority.

C N Paramasivam, ACA, FCS, Practicing Company Secretary, Coimbatore, was appointed as the scrutinizer for carrying on the above postal ballot dated September 27, 2024 to process in a fair and transparent manner.

Procedure for postal ballot:

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant MCA and SEBI Circulars, the special resolution as specified in the Notice of the Postal Ballot dated September 27, 2024 was transacted through remote e-voting process.

The Company had engaged the services of MUFG Intime India Private Limited (Formerly known as “Link Intime India Private Limited”) for providing e-voting facility to the members. In respect of Postal Ballot Notice dated September 27, 2024 The members holding shares (either in physical form or dematerialised form) as on the cut-off date of Monday, September 30, 2024, were provided the option of exercising their right to vote on the said resolution through remote e-voting process only during the period commencing from Saturday, October 5, 2024 at 09:00 AM (IST) to Sunday, November 03, 2024 at 05:00 PM (IST). Upon completion of the voting period, the scrutinizer completed the scrutiny of postal ballot (remote e-voting) process and submitted his report to the Director, duly authorized by the Chairman & Managing Director of the Company, on November 05, 2024 and the results of the remote e-voting were declared on Tuesday, November 05, 2024.

The above voting results along with the report(s) of the scrutinizer were submitted to the National Stock Exchange of India Limited (NSE) and placed the same on the website Company and MUFG Intime India Private Limited (formerly known as “Link Intime India Private Limited”) (e-voting agency) within the stipulated time.

Postal Ballot proposed to be conducted:

As on date of this report, the Company does not foresee the need for conducting postal ballot to pass any resolution. However, if required, the same shall be conducted in compliance with the procedure stipulated under Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and its relevant Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant MCA and SEBI Circulars.

11. Means of Communication

1) The quarterly /half yearly unaudited financial results and the annual audited financial results are normally published in Business Standard (English newspaper) and Malai Murasu (Tamil newspaper). The book closure and dividend declaration notices are published in the same newspapers. The financial results are also placed on the company's website – www.elgirubber.com

2) The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the Board for publication on their website. The company has a dedicated help desk with mail id info@in.elgirubber.com for providing necessary information to investors. Official news releases are made whenever it is considered necessary.

3) There were no specific presentations made to institutional investors or to the analysts during the year.

12. General Shareholder Information

Annual General Meeting

Date	:	August 11, 2025
Time	:	10:00 AM (IST)
Venue	:	19th Annual General Meeting will be held through Video Conferencing (VC) or other Audio Visual Means (OAVM) at "Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore - 641 021", the registered office of the Company (Deemed Venue)

Financial Year

Financial year ended	:	April 01, 2024 to March 31, 2025 For the quarter and year ended March 31, 2025, the financial results were announced on May 29, 2025
Date of Book Closure	:	August 05, 2025 to August 11, 2025 (both days inclusive)
Dividend payment date	:	Not applicable

Listing on Stock Exchange

The shares are listed in National stock exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. Annual Listing fees for the FY 2025-26 have been duly paid to National Stock Exchange of India Limited, Mumbai.

Type of Security	: Equity Shares
ISIN	: INE819L01012
Scrip / Stock Code	: ELGIRUBCO (NSE)

The Shares of the Company are regularly traded and in no point of time the Shares were suspended for trading in any of the Stock Exchanges wherein the Company's Shares are listed.

Registrar & Share Transfer Agent: (For both physical & demat segments)

During the year under review, the name of the Registrar and Share Transfer Agent ("RTA") has been changed from Link Intime India Private Limited to MUFG Intime India Private Limited. Required intimation was made to the stock exchanges in this regard.

M/s MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

Head Office

C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083.

Ph.: 022 – 49186260

Branch

Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028.

Ph: 0422 – 2314792, E mail: coimbatore@in.mpms.mufg.com

The shares of the company are regularly traded and in no point of time the shares were suspended for trading in the stock exchange.

Reconciliation of Share Capital Audit

A qualified Company Secretary in whole-time practice has carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

Share Transfer System

The company's shares are transferable only through the depository system (dematerialized form) including in case of requests received for transmission or transposition of shares in terms of Regulation 40(1) of SEBI Listing Regulations read with Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022. The requests, if any, for shares transmission, sub-division, consolidation, renewal, re-mat, issue of duplicate share certificate etc. are processed only through the depository system (dematerialized form) within the prescribed time period, subject to receipt of valid and complete documents by MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (RTA). All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee meets as necessary to approve share transmission and other related activities.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

Legal proceeding / disputes on share transfer against the company : Nil

Shares under lock - in : Nil

Shareholding Pattern

Category	No. of Shares	% of Shareholding
Promoters and Promoter Group	3,25,49,741	65.03
Directors and their relatives (Other than Promoters / Promoter Group)	10	0.00
Key Managerial Personnel	100	0.00
Mutual Funds	675	0.00
Insurance Companies	473107	0.95
Foreign Banks/ Investor	1297	0.00
State / Central Government	1179696	2.36
Bodies Corporate	1473573	2.94
Non-Resident Indians (NRIs)	201108	0.40
Resident Individuals/HUFs	11648742	23.27
IEPF	721125	1.44
Others	1801826	3.60
Total	**5,00,50,000**	**100**

Distribution of Shareholding

Range of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 500	13929	81.38	1435898	2.87
501 -- 1000	1348	7.88	1035842	2.07
1001 -- 2000	865	5.05	1278057	2.55
2001 -- 3000	332	1.94	851727	1.70
3001 -- 4000	183	1.07	643561	1.29
4001 -- 5000	115	0.67	541246	1.08
5001 -- 10000	174	1.02	1233178	2.46
100001 and above	169	0.99	43030491	85.98
Total	**17,115**	**100.00**	**5,00,50,000**	**100.00**

Number of Shareholders as on March 31, 2025 : 17,115

Dematerialization of shares and liquidity : 4,94,19,973 Equity shares accounting for nearly 98.74% of the paid up capital of the Company have been dematerialised as on March 31, 2025. The Company has entered into agreements with both NSDL (National Securities Depository Limited, Mumbai) & CDSL (Central Depository Services (India) Limited, Mumbai) whereby shareholders have an option to dematerialize their shares with any one of the two depositories.

Outstanding GDRs / ADRs / Warrants /any Convertible Instruments / conversion date and their likely impact on equity	:	There are no outstanding warrants or any convertible instruments. The company has not issued GDR/ADR.
Commodity price risk or foreign exchange risk and foreign exchange hedging activities	:	Not Applicable
Plant Locations	:	Kanjikode, Annur, Kuruchi, Kovilpalayam, Kottayi, Chengalpet, Sriperumbudur, Sri Lanka, Kenya, Brazil, USA and the Netherlands.

Address for Correspondence:

For annual report, transmission of shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to	:	MUFG Intime India Private Limited (formerly Link Intime India Private Limited) "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Coimbatore – 641028, Tamilnadu Ph: 91 - 0422 - 2314 792 E-Mail: coimbatore@in.mpms.mufg.com Contact Person: S. Dhanalakshmi
Contact address for Shareholders	:	Company Secretary & Compliance Officer Registered Office : Elgi Rubber Company Limited Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore-641021, Tamilnadu, India. Phone: (0422) - 432 1000 Email : info@in.elgirubber.com

Unclaimed Suspense Account

Pursuant to Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI of the said Regulations, the Company has transferred the unclaimed shares to the Elgi Rubber Company Limited Unclaimed Securities Suspense Account opened with SBICAP Securities Limited.

The details of the Unclaimed Securities Suspense Account are given below :

Particulars	Number of Shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	9	5548
Shares transferred to IEPF from unclaimed suspense account during the year	3	1155
Number of shareholders who approached the Company for transfer of shares from suspense account during of the year	0	0
Number of shareholders to whom shares were transferred from suspense account during of the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	6	4393

The voting rights of the shares lying in the Unclaimed Securities Suspense Account will remain frozen till the rightful owner claims the shares.

All corporate benefits on such shares shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

13. Disclosures

(1) Disclosures on materially significant related party transactions

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

There are no materially significant related party transactions made by the company with promoters, directors or key managerial personnel etc., which may have potential conflict with the interest of the company at large. The details of the transactions with related party are provided in the company's financial statements in accordance with the applicable Accounting Standards.

Pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, the Company had obtained the approval of the members by means of an ordinary resolution passed through postal ballot process on November 03, 2024 to enter into material related party transactions with LRG Technologies Limited, a related party.

All the related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all the related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction

The related party transaction policy as approved by the board is uploaded on the company's website viz. www.elgirubber.com.

(2) Details of non compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authorities, on any matter relating to capital markets, during the last three years

The company has complied with all the requirements of the Listing Agreement of the stock exchange as well as the regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, stock exchange or any other statutory authority on matters relating to capital markets during the last three years.

(3) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The company has adopted a whistle blower policy to provide a formal mechanism to the employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the chairman/chairperson of the audit committee. It is affirmed that no personnel of the company has been denied access to the audit committee. Your company hereby affirms that no complaints were received during the year under review.

(4) Details of compliance with mandatory requirements and adoption of the non mandatory requirements

The company has complied with all the mandatory requirements of corporate governance norms as enumerated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has adopted the non-mandatory requirement of reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted any other non- mandatory requirements.

(5) Policy for determining material subsidiaries and policy on Related Party Transactions

Policy for determining material subsidiaries and Policy on dealing with Related Party Transactions has been disclosed on the website of the company at www.elgirubber.com.

(6) Commodity price risk and commodity hedging activities

During the financial year ended March 31, 2025, the company did not engage in any commodity hedging activities.

(7) Accounting Treatment

In the preparation of the financial statements for the year ended March 31, 2025, the company has followed the applicable Indian accounting standards (Ind AS) as referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

(8) Risk Management

Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the board.

(9) Credit Rating:

The Company has obtained Credit Rating on the fixed deposits as "IVR BB+/INC with Negative Outlook" as assigned by Infomerics Valuation and Rating Pvt. Ltd.

Other than the above, the Company does not have any Debt instruments or any scheme involving mobilization of funds either in India or abroad that requires Credit Rating as on March 31, 2025.

(10) Disclosure of certain types of agreements binding listing entities

The Company does not have entered into any agreements specified under Regulation 30A read with Clause 5A of Para A of Part A of Schedule III of the listing regulations.

(11) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

(12) The Company has obtained a certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this report.

(13) During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

(14) The Company has paid a sum of ₹ 1.45 million as fees on consolidated basis to the Statutory auditor and all the entries in the network firm/ entity of which the Statutory Auditor is a part of the services rendered by them.

(15) As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

a. number of complaints filed during the financial year - Nil

b. number of complaints disposed of during the financial year - Nil

c. number of complaints pending as on end of the financial year - Nil

(16) Disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount’: Not applicable

(17) Details of material subsidiaries of the listed entity (based on the financials for the year ended March 31, 2025), including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

S.No.	Name of the material subsidiary	Date of Incorporation / Acquisition	Place of Incorporation	Name of the Statutory Auditors	Date of appointment of Statutory Auditors
1.	Elgi Rubber Company Holdings B.V	20.11.2015	Netherlands	Drs. S. Ramdas RA	10.10.2024
2.	Elgi Rubber Company LLC	08.04.2009	USA	Vivek Shah	21.02.2024

Material unlisted subsidiary

As per the provisions of Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company has appointed Parvathi Srinivasan (DIN: 10646746), Independent Director of the company, as a Director on the Board of Elgi Rubber Company Holdings B.V., The Netherlands, a material subsidiary, which has 2 subsidiaries namely Rubber Resources B.V., The Netherlands and Elgi Rubber Company B.V., The Netherlands.

14. There has been no instance of non-compliance of any requirement of corporate governance report as stated above in para 2 to 10 above

15. The Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations.

16. The company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. Certificate from CEO/CFO

The CEO and CFO certification on the financial statements for the year has been submitted to the Board of Directors in its meeting held on May 29, 2025, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. Code of Conduct

The Company has framed a 'Code of conduct to regulate, monitor and report trading by designated persons' based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated persons. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

The Company's Chairman & Managing Director's declaration to this effect forms part of this report.

Declaration

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2024-25.

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Place : Coimbatore
Date : May 29, 2025

CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2025

To

The Members of **Elgi Rubber Company Limited**

I have examined the compliance conditions of Corporate Governance by M/s. Elgi Rubber Company Limited ("the Company") for the financial year ended March 31, 2025 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2025.

I further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687
Peer Review No.3167/2023
UDIN: F004654G000446425

Place : Coimbatore
Date : May 29, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,
Elgi Rubber Company Limited
CIN: L25119TZ2006PLC013144
Super A Unit, Coimbatore Private Industrial Estate,
Kuruchi, Coimbatore-641 021,
Tamil Nadu, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Elgi Rubber Company Limited having CIN: L25119TZ2006PLC013144 and having registered office at Super A Unit, Coimbatore Private Industrial Estate, Kuruchi, Coimbatore-641 021, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended on 31st March, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of original appointment in Company
1.	Mr. Sudarsan Varadaraj, Chairman & Managing Director	00133533	16-10-2006
2.	Dr. Jairam Varadaraj	00003361	06-01-2011
3.	Mr. Harsha Varadaraj Executive Director	06856957	06-11-2020
4.	Mr. Sarathraj Selvakumar#	08904057	14-08-2024
5.	Mrs. Parvathi Srinivasan@	10646746	01-09-2024
6.	Mr. Ramani Vidhya Shankar$	00002498	27-09-2024

 # Appointed as Independent Director for a first term of 5 years effective from 14-08-2024
@ Appointed as Independent Director for a first term of 5 years effective from 01-09-2024
$ Appointed as Independent Director for a first term of 5 years effective from 27-09-2024

Ensuring the eligibility for the appointment / re-appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

C N PARAMASIVAM
FCS No.: 4654
C P No.: 3687
Peer Review No.3167/2023
UDIN : F004654G000446403

Place : Coimbatore
Date : May 29, 2025

Independent Auditor's Report

To the Members of M/s. Elgi Rubber Company Limited

Report on the audit of Standalone Financial Statements

Opinion

1. I have audited the accompanying standalone financial statements of Elgi Rubber Company Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2025, the standalone statement of Profit and Loss, the standalone statement of changes in equity, and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the financial statements/ information for the year ended on that date.

2. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the "Standalone 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 together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters:

4. Key audit matters are those matters that, in my professional judgment, were of the most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters:

S.No.	Key Audit Matter	Auditor's Response
1.	**Assessment of carrying value of investment and Loans & Advances given to the overseas subsidiaries (Refer Note 8 and 9 to the Standalone Financial Statements)** As at March 31, 2025, the Company has equity investments of Rs.859.55/- million in its subsidiaries and Loans & advances aggregating to Rs.1274.20/- million in the aforesaid subsidiaries. I considered the assessment of carrying value of investments and the recoverability of the Loans & Advances as a key audit matter, considering its significance to the Standalone Financial Statements, and where applicable, the judgement involved in estimating future cash flows, particularly with respect to factors such as discount rates, cash flow projections and terminal growth rates.	My audit procedures included the following: Understood and performed procedures to assess the design and tested the operating effectiveness of relevant controls related to the annual evaluation on assessment of the carrying value of investments and their recoverability of the Loans & Advances. Tested the Company's assessment with regard to key financial indicators including net worth of those respective subsidiaries with the carrying value of the investments made in those entities. Where future cash flow projections were prepared, evaluated the reasonableness of these projections by checking the mathematical accuracy, and discussing with the management to understand the assumptions involved and my knowledge and understanding of the current business conditions. Evaluated, the key assumptions such as discount rate and growth rate used in the preparation of the cash flow projections. Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, the management's assessment of the carrying value of investments in subsidiaries was reasonable and the management's assessment on recoverability of the Loans & advances for the aforesaid subsidiaries are considered to be reasonable.

S.No.	Key Audit Matter	Auditor's Response
2.	**Evaluation of uncertain tax positions** The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes (Refer note 46 to standalone financial statements). I considered the evaluation of uncertain tax positions as a key audit matter, considering its significance of its impact to the Standalone Financial Statements, and where applicable, the judgement involved in evaluating the uncertain tax positions.	My audit procedures included the following: Obtained details of completed tax assessments and demands received upto the end of the financial year and till the date of finalisation of our report, from management. Analysed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, I considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the standalone Financial Statements and Auditor's Report Thereon

5. The Company's Management and Board of Directors are responsible for the other information. The other information comprises the Board's Report and the Corporate Governance Report but does not include the standalone financial statements and my auditor's report thereon.

   My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

   In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with relevant rules issued thereunder.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of 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 financial statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

   Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

7. My objectives are to obtain reasonable assurance about whether the 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 financial statements.

   I give in "Annexure A" a detailed description of Auditors; responsibilities for the Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

9. As required by Section 143(3) of the Act, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

   (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

   (c) The standalone balance Sheet, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in “Annexure C”.

   (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion, and to the best of my information and according to the explanations given to me

   - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;
   - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (h) (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

   o directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or

   o provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.

   (B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

   - directly or indirectly lend or lender invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
   - provide any guarantee,security, or the like from or on behalf of the Ultimate Beneficiaries; and

   (C) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under subclause (i) (A) and (i) (B) contain any material misstatement.

   (i) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   (j) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility the same has operated throughout the year for all relevant transactions recorded, except in respect of maintenance of books of accounts of the retreading division of the company, wherein the accounting software did not have the audit trial feature enabled throughout the year.

   Further, during the course of my audit, I did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

(k) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In my opinion and according to the information and explanations given to me, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which is required to be commented upon by me.

for M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

Place : Coimbatore
Date : May 29, 2025

CA. A. Arun
Proprietor
Membership No. 227831
UDIN:25227831BMKUXV9625

Annexure - A to the Independent Auditor's Report

(Referred to in Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of my report to the members of Elgi Rubber Company Limited of even date)

Auditor's Responsibilities for the Audit of the Financial Statements:

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

I. Identify and assess the risks of material misstatement of the 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.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. 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 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 audit report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

VI. Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements. I am responsible for the direction, supervision, and performance of the audit of the financial statements of the Company of which I are the independent auditors. I remain solely responsible for my audit opinion.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

From the matters communicated with those charged with governance, I determine that mater that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that the matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXV9625

Place : Coimbatore
Date : May 29, 2025

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of Elgi Rubber Company Limited of even date)

1. (a) In my opinion and according to the information and explanations given to me, the Company is maintaining proper records showing full particulars, including quantitative details and the situation of property, plant and equipment and intangible assets.

   (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets.

   Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.

   (c) In my opinion and according to the information and explanations given to me and based on the examination of the conveyance deeds provided to me, I report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

   In respect of immovable properties given as collateral for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions, and based on the declaration from the company that the title deeds are in the name of the Company.

   (d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.

   (e) In my opinion and according to the information and explanations given to me, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.

2. (a) As explained to me, the inventories have been physically verified by the management during the year. In my opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

   (b) According to the information and explanations given to me, the Company has been sanctioned working capital limits in excess of five Crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In my opinion and according to the information and explanations given to me, the differences between quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks and unaudited books of account of the Company are as under:

For the Quarter	Nature of Current assets	Amount as per quarterly returns & statements (Rs in Millions)	Amount as per books of account (Rs in Millions)	Difference (Rs in Millions)	Remarks including subsequent rectification, if any
Jun-24	Inventory	513.29	512.56	0.73	Corrected due to production loss
Jun-24	Trade receivable	506.38	534.47	(28.09)	Exchange gain on reinstatement of Export debtors has not been considered in bank statement.
Sep-24	Inventory	533.08	544.18	(11.10)	Corrected due to production loss
Sep-24	Trade receivable	502.05	483.35	18.70	Exchange gain on reinstatement of Export debtors has not been considered in bank statement.
Dec-24	Inventory	565.42	565.00	0.42	Corrected due to production loss
Dec-24	Trade receivable	455.41	448.87	6.54	Exchange gain on reinstatement of Export debtors has not been considered in bank statement.

For the Quarter	Nature of Current assets	Amount as per quarterly returns & statements (Rs in Millions)	Amount as per books of account (Rs in Millions)	Difference (Rs in Millions)	Remarks including subsequent rectification, if any
Mar-25	Inventory	550.12	550.12	-	
Mar-25	Trade receivable	506.15	519.10	(12.95)	Exchange gain on reinstatement of Export debtors has not been considered in bank statement.

3. (a) In my opinion and according to information and explanation given to me, the Company has not made investments during the year, however provided loans to a subsidiary and guarantees to various subsidiaries, as under.

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries	18.30	-
Associates	-	-
Others	-	-
Balance outstanding as on the balance sheet date		
Subsidiaries	1298.82	1210.02
Associates	-	-
Others	-	-

(b) Considering the reversal of interest charged for the year 2024-25, the terms and conditions of the grant of all loans and guarantees provided are considered as, prima facie, prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated.

(d) There are no overdue amounts in respect of loans granted to such companies or other parties.

(e) The Company had granted loans which have fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.

4. In my opinion and according to the information and explanation given to me, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security, as applicable, subject to the following. During the year, the company had reversed Rs. 86.14 million relating to the financial year 2024-25 payable by the various overseas subsidiaries to the company.

5. In my opinion and according to the information and explanations given to me, the Company has complied with provisions of Section 73-76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended with regard to deposit accepted by the Company from the public.

6. I have broadly reviewed the cost records maintained by the company specified by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013, as applicable to the company, and are of the opinion that prima facie the specified cost records have been maintained. I have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In my opinion and according to the information and explanations given to me:

(a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

(b) No undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value-added tax, cess and other material statutory dues were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to me, the details of disputed statutory dues that have not been deposited on account of dispute are as under.

S.No	Name of the statute	Nature of Dues	Amount (₹ in million)	Financial year	Forum where the dispute is pending
1.	Excise Duty (Erstwhile Treadsdirect Ltd)	Differential Duty on Own Consumption	5.27	2006-07	CESTAT, Bangalore
2.	Excise Duty ((Erstwhile Treadsdirect Ltd))	Valuation dispute	0.41	2006-07 to 2009-10	CESTAT, CHENNAI
3.	Excise Duty (Erstwhile Treadsdirect Ltd)	Valuation dispute	4.14	2009-14	CESTAT -Bangalore
4.	Excise Duty (Erstwhile Treadsdirect Ltd)	Valuation dispute	1.26	2014-15	CESTAT -Bangalore
5.	Excise Duty (Erstwhile Treadsdirect Ltd)	Valuation dispute	0.54	2015-16	CESTAT -Bangalore
6.	Excise Duty (Erstwhile Treadsdirect Ltd)	Valuation dispute	0.15	2016-17	Commissioner (Appeals), Cochin.
7.	Service tax (Erstwhile Titan Tyre Care Products Ltd)	Service Tax on Know how	1.47	2008- 09	CESTAT – Chennai
8.	Vat (Erstwhile Treadsdirect Ltd)	Levy of Entry Tax on Rubber Products	0.08	2004-05	Deputy Commissioner, Bhopal.
9.	Vat (Erstwhile Treadsdirect Ltd)	Dispute on rate of tax	4.17	2008-09 to 2010-2011	Appellate Tribunal , Hyderabad
10.	Vat (Erstwhile Treadsdirect Ltd)	Dispute on rate of tax penalty levied	1.04	2008-2009 to 2010-11	Appellate Tribunal , Hyderabad
11.	Vat (Erstwhile Treadsdirect Ltd)	Non submission of documents	1.45	2009- 2010	Assistant Commissioner, Special Circle, Palakkad
12.	Vat (Erstwhile Treadsdirect Ltd)	Levy of Tax on Labor Charges on Works Contract	4.60	2010- 11 to 2012-13	High Court Chennai
13.	Vat (Erstwhile Treadsdirect Ltd)	Sales / Purchase effected after RC cancellation	20.54	2010-11	High Court -Kerala
14.	Vat (Erstwhile Treadsdirect Ltd)	Non submission of documents	2.34	2011-12	Sales Tax officer (STO) Kolkatta
15.	Cst (Erstwhile Treadsdirect Ltd)	Non submission of Forms	4.26	2015-16	Deputy Commissioner Appeals, Palakkad

8. In my opinion and according to the information and explanations given to me, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.

9. (a) In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) In my opinion and according to the information and explanations given to me, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.

(c) In my opinion and according to the information and explanations given to me, the term loans obtained during the year were applied for the purpose for which they were availed.

(d) In my opinion and according to the information and explanations given to me, funds raised on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that during the year the Company has not taken any funds from an entity or person, on account of or to meet the obligations of its subsidiaries or associate companies.

(f) According to the information and explanations given to me and procedures performed by me, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies.

10. (a) In my opinion and according to the information and explanations given to me, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.

(b) In my opinion and according to the information and explanations given to me, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.

11. (a) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.

(b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.

(c) To the best of my knowledge and according to the information and explanations given to me, no whistle-blower complaints, have been received by the Company during the year.

12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.

13. In my opinion and according to the information and explanations given to me, the transactions with the related parties are in compliance with sections 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. (a) In my opinion and according to the information and explanations given to me, the Company has an internal audit system, commensurate with the size and nature of its business.

(b) The reports of the internal auditors for the year under audit were considered by me, as part of my audit procedures.

15. In my opinion and according to the information and explanations given to me, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

16. (a) In my opinion and according to the information and explanations given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) In my opinion and according to the information and explanations given to me, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In my opinion and according to the information and explanations given to me, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.

(d) In my opinion and according to the information and explanations given to me, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.

17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.

19. In my opinion and according to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

    I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. In my opinion and according to the information and explanations given to me, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S
CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXV9625

Place : Coimbatore
Date : May 29, 2025

Annexure - C to the Independent Auditor's Report

(Referred to in paragraph 2 (f)under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Elgi Rubber Company Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Elgi Rubber Company Limited ("the Company") as of March 31, 2025, in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion and according to the information and explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

for M/s ARUN & CO
Chartered Accountants
Firm Registration No.014464S

CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXV9625

Place : Coimbatore
Date : May 29, 2025

Standalone Balance Sheet as at March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
I. ASSETS			
Non-current assets			
Property, plant and equipment	5	1,039.13	1,067.97
Capital work in progress	6	67.88	83.91
Investment Property	5A	36.61	36.61
Intangible Assets	5	5.00	1.03
Right-of-use assets	7	2.64	6.33
Financial assets			
i. Investments	8	783.86	863.17
ii. Loans	9	1,210.02	1,297.19
iii. Other financial asset	10	29.88	29.44
Deferred tax asset (Net)	11	131.88	87.68
Other non-current assets	12	150.58	206.84
Total non-current assets		**3,457.48**	**3,680.17**
Current assets			
Inventories	13	550.12	483.21
Financial assets			
i. Trade receivables	14	519.10	509.14
ii. Cash and cash equivalents	15	4.46	2.65
iii. Bank balances other than (ii) above	16	232.71	212.31
iv. Loans	17	2.87	2.55
v. Other financial assets	18	0.33	0.33
Other current assets	19	159.28	132.36
Total current assets		**1,468.87**	**1,342.55**
Properties held for sale	5B	24.26	22.17
TOTAL ASSETS		**4,950.61**	**5,044.89**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	50.05	50.05
Other equity	21	3,044.13	3,087.64
Total equity		**3,094.18**	**3,137.69**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	22	587.46	719.99
ii. Lease Liability	23	1.15	3.64
Total non-current liabilities		**588.61**	**723.63**
Current liabilities			
Financial liabilities			
i. Borrowings	24	961.50	923.66
ii. Lease Liability	25	2.56	3.42
iii. Trade payables	26		
a. Total Outstanding dues of micro & small enterprises		34.24	26.21
b. Total Outstanding dues other than (a) above		124.36	87.42
Provisions	27	11.68	11.31
Other current liabilities	28	133.48	131.55
Total current liabilities		**1,267.82**	**1,183.57**
Total liabilities		**1,856.43**	**1,907.20**
TOTAL EQUITY AND LIABILITIES		**4,950.61**	**5,044.89**

Material Accounting policies 3

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Standalone Statement of profit and loss for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
Income			
Revenue from operations	29	2,272.28	2,119.31
Other income	30	106.37	183.95
TOTAL INCOME		**2,378.65**	**2,303.26**
Expenses			
Cost of materials consumed	31	1,141.87	1,121.03
Purchase of stock in trade	32	56.95	50.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(27.36)	(18.45)
Employee benefits expense	34	261.04	243.23
Depreciation and amortisation expense	35	151.45	121.60
Finance costs	36	142.78	147.69
Other expenses	37	700.91	557.80
TOTAL EXPENSES		**2,427.64**	**2,223.65**
Profit before exceptional items and tax		**(48.99)**	**79.61**
Exceptional items	38	-	109.72
Profit before tax from continuing operations		**(48.99)**	**189.33**
Income tax expense	39		
Current tax		2.10	5.00
Deferred tax		(8.52)	5.05
Profit after tax for the year		**(42.57)**	**179.28**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(1.26)	(7.72)
Income tax relating to these items		0.32	1.94
Other comprehensive income for the year, net of tax		**(0.94)**	**(5.78)**
Total comprehensive income for the year		**(43.51)**	**173.50**
Earnings per equity share	40		
Basic (in ₹)		(0.85)	3.58
Diluted (in ₹)		(0.85)	3.58

Material Accounting policies 3

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

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Chairman & Managing Director
DIN: 00133533

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SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

(A) Equity Share Capital

1) For the year ended 31st March 2025

Balance as at 1st April 2024	Changes in equity share capital due to prior period errors	Restated balance as at 1st April 2024	Changes in equity share capital during the year	Balance as at 31st March 2025
50.05	-	50.05	-	50.05

2) For the year ended 31st March 2024

Balance as at 1st April 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1st April 2023	Changes in equity share capital during the year	Balance as at 31st March 2024
50.05	-	50.05	-	50.05

(B) Other Equity For the year ended 31st March 2025

Particulars	Reserves and surplus					
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income	Total
Balance as at March 31, 2023	**173.28**	**1.90**	**1,266.42**	**1,480.37**	**(7.83)**	**2,914.14**
Profit for the year		-		179.28		179.28
Other Comprehensive income						
Remeasurement of post employment defined benefit obligations		-			(5.78)	(5.78)
Appropriations		-				-
Balance as at March 31, 2024	**173.28**	**1.90**	**1,266.42**	**1,659.65**	**(13.61)**	**3,087.64**
Profit for the year		-		(42.57)		(42.57)
Other Comprehensive income						
Remeasurement of post employment defined benefit obligations		-			(0.94)	(0.94)
Appropriations		-				-
Balance as at March 31, 2025	**173.28**	**1.90**	**1,266.42**	**1,617.08**	**(14.55)**	**3,044.13**

Material Accounting policies 3

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

As per my report of even date

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

A ARUN
Proprietor
Membership No. 227831

Coimbatore
May 29, 2025

Standalone Statement of Cash Flows for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
A. Cash Flow From Operating Activities		
Profit before income tax	(48.99)	189.32
Adjustments for		
Depreciation and amortisation expense	147.76	117.80
(Profit)/ Loss on sale of fixed asset	(19.87)	(111.90)
Provision for doubtful debts and advances	1.78	1.03
Provision for doubtful debts and advances written back	(2.71)	(0.18)
Fair Value changes of investments considered to profit and loss	79.31	(109.07)
Net Unrealised Exchange translation differences	(34.44)	(17.48)
Interest received	(17.62)	(15.87)
Finance costs	142.77	147.69
Dividend Income	(1.33)	(1.33)
Operating profit before working capital changes	**246.66**	**200.01**
Change in operating assets and liabilities		
(Increase)/ decrease in Current financial assets	(0.31)	(0.08)
(Increase)/ decrease in Non current - Other financial assets	(0.45)	(10.90)
(Increase)/ decrease in inventories	(66.91)	(31.20)
(Increase)/ decrease in trade receivables	(11.39)	12.25
(Increase)/ decrease in Other Non Current assets	(8.98)	(10.33)
(Increase)/ decrease in Other Current assets	(21.70)	(52.13)
Increase/ (decrease) in provisions and other liabilities	8.37	(73.83)
Increase/ (decrease) in trade payables	44.72	20.67
Cash generated from operations	**190.01**	**54.46**
Income taxes paid (net of refunds)	(7.47)	(6.47)
Net cash from operating activities (A)	**182.54**	**47.99**
B. Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment (including movements in CWIP and capital advances)	(74.13)	(220.28)
Sale proceeds of Property, Plant and Equipment	22.50	119.05
(Investments in)/ Maturity of fixed deposits with banks	(20.40)	(33.76)
Loans to Subsidiaries	108.30	-
Interest income	15.37	16.14
Dividend Income	1.33	1.33
Net cash used in investing activities (B)	**52.97**	**(117.52)**

Standalone Statement of Cash Flows for the year ended Mar 31, 2025 (Contd....)

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
C. Cash Flows From Financing Activities		
Proceeds from long term borrowings	(132.53)	24.71
Proceeds from/ (repayment of) short term borrowings	37.84	189.77
Finance costs	(142.21)	(151.83)
Dividend transferred to Investor Education & Protection Fund	(0.16)	(0.31)
Movement of lease liabilities	3.36	4.34
Net cash from/ (used in) financing activities (C)	**(233.70)**	**66.68**
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	**1.81**	**(2.86)**
Cash and cash equivalents at the beginning of the year	**2.65**	**5.52**
Cash and cash equivalents at end of the year	**4.46**	**2.66**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

Balances with banks- in current accounts	3.27	2.03
Cash on hand	1.19	0.62
Total cash and cash equivalents	**4.46**	**2.65**

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

1 Company Overview

Elgi Rubber Company Limited ('Company' or 'ERCL') was incorporated on 16th October 2006. ERCL is leading Company providing solutions to Rubber Industry and engaged in the business of manufacture of Reclaimed rubber, Retreading machinery, and Retread rubber.

2 Basis of preparation of financial statements

Statement of compliance

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 provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest millions (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on May 29, 2025.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Material Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) 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.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. 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.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

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 cost exceeds ₹ 10,000 and 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.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities e.g. the design and production of prototypes is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably, the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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.

Impairment of assets

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried, had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) 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 is provided on Written Down Value method, over the useful lives specified in Schedule II to the Companies Act, 2013.

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.

f) 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. Costs are determined on weighted average method as follows:

(i) Raw materials, packing materials, stores and spares: At purchase cost including other cost incurred in bringing materials/ consumables to their present location and condition.

(ii) Work-in-progress: At material cost, conversion costs and appropriate share of production overheads

(iii) Finished goods: At material cost, conversion costs, appropriate share of production overheads.

(iv) Stock-in-trade and goods in transit: At purchase cost including other cost incurred in bringing materials/consumables 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.

g) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Financial instruments other than equity instruments at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	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.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Business Combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

n) Leases

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

o) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

p) 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.

q) 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, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

4 RECENT ACCOUNTING PRONOUNCEMENTS

A New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

B Changes in material accounting policies

Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Recent IND-AS pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in ₹ , unless otherwise stated)

5 Property, plant and equipment and intangible assets

Particulars	Tangible Assets						Intangible Assets	Total of Tangible and Intangible Assets
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Total		
Cost as at March 31, 2023	**244.31**	**504.30**	**1,372.43**	**11.36**	**14.04**	**2,146.44**	**96.05**	**2,242.49**
Additions	2.72	18.57	328.37	-	5.33	354.99	-	354.99
Disposals/ Adjustments	(2.85)	(42.26)	(7.88)	-	-	(52.98)	-	(52.98)
Trf to Property held for sale	(22.17)					(22.17)		(22.17)
Cost as at March 31, 2024	**222.01**	**480.61**	**1,692.92**	**11.36**	**19.37**	**2,426.28**	**96.05**	**2,522.32**
Additions	-	9.81	183.59	1.84	1.20	196.44		196.44
Disposals/ Reclassification			(31.07)			(31.07)		(31.07)
Transfer to property held for sale	(2.09)	-				(2.09)		(2.09)
Cost as at March 31, 2025	**219.92**	**490.42**	**1,845.44**	**13.20**	**20.57**	**2,589.56**	**96.05**	**2,685.60**
Depreciation/Amortisation								
As at March 31, 2023	**-**	**335.07**	**965.21**	**9.41**	**13.31**	**1,323.00**	**90.59**	**1,413.59**
Charge for the year	-	17.41	99.03	0.39	0.97	117.80	-	117.80
Disposals/ Reclassification	-	(2.21)	(7.02)	-	-	(9.23)	-	(9.23)
As at March 31, 2024	**-**	**350.27**	**1,057.22**	**9.80**	**14.28**	**1,431.57**	**90.59**	**1,522.16**
Additions		15.55	129.72	0.40	1.63	147.30	0.46	147.76
Disposals/ Reclassification			(28.44)			(28.44)	-	(28.44)
Cost as at March 31, 2024	**-**	**365.82**	**1,158.50**	**10.20**	**15.91**	**1,550.43**	**91.05**	**1,641.48**
Net Block								
As at March 31, 2024	**222.01**	**130.34**	**635.70**	**1.56**	**5.09**	**994.71**	**5.46**	**1,000.16**
As at March 31, 2025	**219.92**	**124.60**	**686.94**	**3.00**	**4.66**	**1,039.13**	**5.00**	**1,044.12**

i) Property, plant and equipment pledged as security

Refer notes 52 & 53 for information on property, plant and equipment pledged as security by the company.

ii) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.

5A Investment Property

Particulars	Amount
Balance as at April 01, 2024	36.61
Reclassification from Property, plant and equipment	-

5B During the year ended March 31, 2025 free hold lands of the company aggregating to ₹ 24.26 Million had been reclassified as property held for sale has led to reductions in non current assets and increase in the current asset of the balance sheet of the company.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
6	**Capital work-in-progress**		
	Opening Balance	83.91	207.35
	Additions during the year	180.42	123.44
	Capitalised	(196.45)	(246.88)
	Closing Balance	**67.88**	**83.91**

Capital Work-in-progress ageing schedule

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25						
Projects in progress	67.88	-	-	-	**67.88**	
Projects temporarily suspended	-	-	-	-	**-**	
For FY 23-24						
Projects in progress	83.91	-	-	-		**83.91**
Projects temporarily suspended	-	-	-	-		**-**

Capital Work-in-progress is overdue or exceeded its original plan cost

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years
For FY 24-25				
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
For FY 23-24				
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

	Particulars	March 31, 2025	March 31, 2024
7	**Right of use assets**		
	Right of use Lease hold assets	2.64	6.33
		2.64	**6.33**
8	**Non-current financial assets - Investments**		
	Unquoted - At Cost		
	Investment in Subsidiaries *	859.55	859.55
	Provision for impairment	(397.04)	(397.04)
		462.51	**462.51**
	Quoted - At Fair Value Through Profit or Loss		
	Investment in Equity instruments *	321.35	400.66
	Unquoted - At Fair Value Through Profit or Loss		
	Investment in mutual fund *	0.58	0.58
	Provision for impairment	(0.58)	(0.58)
		783.86	**863.17**
	Aggregate amount of		
	Quoted investments and market value thereof	321.35	400.66
	Unquoted investments	860.13	860.13
	Provision for impairment	(397.62)	(397.62)

*Refer note 49 for information on the above.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
9	**Non-current assets - Financial Assets: Loans**		
	(Unsecured, considered good)		
	Loans and Advances to Related parties* (Refer Note No. 51.c.9)	1,274.20	1,361.37
	Less:Provision for impairment	(64.18)	(64.18)
		1,210.02	**1,297.19**

* Disclosure required as per section 186

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
For FY 24-25		
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	1,274.20*	100%
For FY 23-24		
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	1,361.37*	100%

	Particulars	March 31, 2025	March 31, 2024
10	**Non-current - Other financial assets**		
	(Unsecured, considered good)		
	Security deposits	21.64	19.09
	Pre-Operative Expenses	6.12	8.16
	Rent advance	2.12	2.19
		29.88	**29.44**
11	**Non-current - Deferred tax asset (Net)**		
	Expenses allowable for tax purposes when paid	3.87	4.62
	Expenses disallowed on provisions	12.30	11.85
	Voluntary retirement scheme payment to be allowed	3.97	3.97
	Differential Tax on Capital gains	119.19	88.49
	On Property, Plant and Equipment	(6.79)	(19.66)
	Right of use of asset	(0.66)	(1.59)
		131.88	**87.68**
12	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances	4.96	70.20
	Disputed income tax payments	6.22	13.98
	Other disputed statutory payments/deposits	11.33	13.04
	Due from related parties	126.83	108.36
	Advance recoverable in cash or in kind or for value to be received	1.24	1.26
		150.58	**206.84**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
13	**Inventories**		
	Raw materials	184.63	152.29
	Work-in-progress	36.23	46.95
	Finished goods	224.50	182.70
	Stock-in-trade	10.01	11.32
	Packing materials	22.12	24.08
	Stores and spares	66.40	57.23
	Scrap	6.23	8.64
		550.12	**483.21**
14	**Current financial assets - Trade receivables**		
	Unsecured		
	Undisputed - considered good	519.10	509.14
	Undisputed - considered doubtful	37.19	35.41
	Disputed - considered good	-	-
	Disputed - considered Doubtful	11.68	11.68
		567.97	556.23
	Allowance for expected credit losses	(48.87)	(47.09)
		519.10	**509.14**

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25							
i) Undisputed Trade receivables							
a.considered good	388.91	53.72	22.72	37.92	15.83	519.10	
b.considered doubtful	-	-	2.87	2.36	31.96	37.19	
ii) Disputed Trade receivables							
b.considered doubtful	-	-	-	1.14	10.54	11.68	
Less: Allowance for expected credit losses	-	-	(2.87)	(3.50)	(42.50)	(48.87)	
Total	**388.91**	**53.72**	**22.72**	**37.92**	**15.83**	**519.10**	
For FY 23-24							
i) Undisputed Trade receivables							
a.considered good	315.21	23.35	146.61	11.11	12.86		509.14
b.considered doubtful	-	-	23.22	2.89	9.30		35.41
ii) Disputed Trade receivables							-
a.considered good	-	-	-	-	-		-
b.considered doubtful	0	-	0.01	0.31	11.36		11.68
Less: Allowance for expected credit losses	-	-	(23.23)	(3.20)	(20.65)		(47.09)
Total	**315.21**	**23.35**	**146.61**	**11.11**	**12.87**		**509.14**

	Particulars	March 31, 2025	March 31, 2024
15	**Cash and cash equivalents**		
	Cash on hand	1.19	0.62
	Balances with banks in current accounts	3.27	2.03
		4.46	**2.65**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
16	**Other Bank balances**		
	In margin money deposits*	216.83	189.62
	In deposits accounts **	15.70	22.35
	In earmarked accounts		
	Unpaid Dividend Account	0.18	0.34
		232.71	**212.31**
	* lien on bank guarantees and letter of credits		
	** lien on bank term loan and overdraft		
17	**Current financial assets - Loans** (Unsecured, considered good)		
	Loans to employees	2.87	2.55
		2.87	**2.55**
18	**Current financial assets - Others** (Unsecured, considered good)		
	Other receivable	0.33	0.33
		0.33	**0.33**
19	**Other current assets** (Unsecured, considered good)		
	Interest accrued	8.14	5.88
	Prepaid expenses	10.91	10.05
	Lease receivable-Machinery	12.89	5.58
	Advance income-tax	13.37	8.00
	Balance with govt authorities	59.30	55.94
	Export incentives receivable	4.53	4.25
	Others	50.14	42.66
		159.28	**132.36**
20	**Equity share capital**		
	Authorised share capital		
	380,300,000 Equity shares of ₹ 1/- each	380.30	380.30
		380.30	**380.30**
	Issued Share Capital		
	50,050,000 Equity shares of ₹ 1/- each	50.05	50.05
		50.05	**50.05**
	Subscribed and fully paid up share capital		
	50,050,000 Equity shares of ₹ 1/- each	50.05	50.05
		50.05	**50.05**
Notes:			
1)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	5,00,50,000	5,00,50,000
	Adjustments during the year	-	-
	Balance at the end of the year	**5,00,50,000**	**5,00,50,000**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

2) There are no bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

3) 49,550,000 equity shares of ₹ 1/- each were allotted in accordance with the scheme of amalgamation and arrangement during the year 2010-11.

4) The Company has no holding Company.

5) Rights, preferences and restrictions in respect of equity shares issued by the Company.

a. The company has only one class of equity shares having a par value of ₹ 1/- each. The equity shares of the company having par value of ₹ 1/- rank pari-passu in all respects including voting rights and entitlement to dividend.

b. The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. During the year the company has not declared any dividend. (Previous year dividend : Nil)

c. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

6) Shareholders holding more than 5% of the total share capital

Name of the share holder	March 31, 2025		March 31, 2024	
	No of shares	% of Holding	No of shares	% of Holding
Sudarsan Varadaraj	23,567,500	47.09%	23,567,500	47.09%
LRG Technologies Limited	3,541,475	7.08%	3,541,475	7.08%

7) Shares held by promoters at the end of the year

Promoter name	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Sudarsan Varadaraj	23,567,500	47.09%	23,567,500	47.09%	-
Harsha Varadaraj	2,252,637	4.50%	2,252,637	4.50%	-
Varshini Varadaraj	2,252,635	4.50%	2,252,635	4.50%	-
Jairam Varadaraj	141,750	0.28%	141,750	0.28%	-

	Particulars	March 31, 2025	March 31, 2024
21	**Other equity**		
	Capital Reserve	173.28	173.28
	Securities Premium Account	1.90	1.90
	General Reserve	1,266.42	1,266.42
	Other Comprehensive Income	(14.55)	(13.61)
	Retained earnings	1,617.08	1,659.65
		3,044.13	**3,087.64**
	a) Capital Reserve		
	Balance at the beginning and end of the year	**173.28**	**173.28**
	b) Securities Premium Account		
	Balance at the beginning and end of the year	**1.90**	**1.90**
	c) General Reserve		
	Balance at the beginning of the year	1,266.42	1,266.42
	Additions/ (deductions) during the year	-	-
	Balance at the end of the year	**1,266.42**	**1,266.42**
	d) Other comprehensive income		
	Balance at the beginning of the year	(13.61)	(7.83)
	Additions during the year	(0.94)	(5.78)
	Balance at the end of the year	**(14.55)**	**(13.61)**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars		March 31, 2025	March 31, 2024
	e) Retained earnings			
	Balance at the beginning of the year		1,659.65	1,480.37
	Net profit for the period		(42.57)	179.28
	Balance at the end of the year		**1,617.08**	**1,659.65**
22	**Non current financial liabilities - Borrowings**			
	Term loans			
	a) Secured			
	From Banks		701.28	772.58
	From NBFC		139.97	204.53
			841.25	**977.11**
	Less: Current Maturities due within 1 year (Refer Note 24.g)		302.04	323.87
		Total (A)	**539.21**	**653.24**
	b) Unsecured			
	Deposit From Member (including related party)		70.50	82.50
			70.50	**82.50**
	Less: Current Maturities due within 1 year (Refer Note 24.h)		22.25	15.75
		Total (B)	**48.25**	**66.75**
		Total (A+B)	**587.46**	**719.99**

Details of Borrowings and Assets pledged as Security, and terms and conditions of loans taken from banks and Non Banking financial institutions - Refer note 52

Note:

a) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

b) There are no defaults in the repayments of above borrowings during the year.

c) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

	Particulars	March 31, 2025	March 31, 2024
23	**Non current financial liabilities - Lease**		
	Lease Liability	1.15	3.64
		1.15	**3.64**
24	**Current liabilities - Financial Liabilities: Borrowings**		
	a) Cash Credit loans		
	Secured		
	From Banks	206.50	146.17
		206.50	**146.17**
	b) Packing Credit loans		
	Secured		
	From Banks	-	50.00
		-	**50.00**
	c) Demand loan		
	Secured		
	From Banks	298.00	280.00
	From NBFC	-	30.00
		298.00	**310.00**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
d) Buyers Credit loans		
Secured		
From Banks	81.73	36.17
	81.73	**36.17**
e) Overdraft		
Secured		
From Banks	0.18	-
	0.18	-
f) Unsecured		
Loan from related parties	50.80	41.70
	50.80	**41.70**
g) Current Maturities of Long-term debt	302.04	323.87
h) Current Maturities of Deposit from Members (including related party)	22.25	15.75
	961.50	**923.66**

Details of Borrowings and Assets pledged as Security, and terms and conditions of loans taken from banks and Non Banking financial institutions - Refer note 53.

Note:

a) The Company has not been declared as a wilful defaulter by any bank or financial institutions or government or any government authority.

b) The Company's borrowings from banks or financial instituitions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

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

d) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken

Particulars	March 31, 2025	March 31, 2024
25 Current liabilities - Financial Liabilities: Lease		
Current maturities of lease liability	2.56	3.42
	2.56	**3.42**
26 Current liabilities - Financial Liabilities: Trade payables		
a. Outstanding dues of micro & small enterprises	34.24	26.21
b. Outstanding dues other than (a) above	124.36	87.42
	158.60	**113.63**

Trade Payables ageing schedule

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25						
(i) MSME	34.16	-	0.08	-	34.24	-
(ii) Others	116.60	-	-	7.76	124.36	-
(iii) Disputed dues - MSME						-
(iv) Disputed dues - Others						-
Total	**150.76**	**-**	**0.08**	**7.76**	**158.60**	**-**
For FY 23-24						
(i) MSME	26.13	0.08				26.21
(ii) Others	77.59	0.47	0.10	9.26		87.42
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						
Total	**103.72**	**0.55**	**0.10**	**9.26**		**113.63**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
27	**Current liabilities - Provisions**		
	Provision for compensated absence	11.68	11.31
		11.68	**11.31**
28	**Other current liabilities**		
	Interest accrued but not due on secured loans	3.85	3.28
	Unpaid Dividends	0.18	0.34
	Statutory Dues Payable	9.85	13.61
	Employee benefits payable	6.44	11.52
	Employee recoveries payable	0.30	0.25
	Payable to related party	0.05	0.05
	Other payables	66.10	56.19
	Advance and deposits from customers etc.,	46.71	46.31
		133.48	**131.55**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
29	**Revenue from operations**		
	Sale of Products	2,197.66	2,104.54
	Sale of Service	54.29	0.77
	Other Operating Revenue	20.33	14.00
		2,272.28	**2,119.31**
	Sale of products comprise of		
	Finished goods	2,148.03	2,052.58
	Traded goods	49.63	51.96
		2,197.66	**2,104.54**
	Other operating revenue		
	Scrap sales	**20.33**	**14.00**
30	**Other income**		
	Interest Income (Refer 30A)	17.62	15.87
	Other non operating income (Refer 30B)	88.75	168.08
		106.37	**183.95**
30 A	**Interest Income**		
	Banks	15.94	11.85
	Others	1.68	4.02
		17.62	**15.87**
30 B	**Other non operating Income**		
	Dividend Income from		
	Subsidiaries	-	-
	Others	1.33	1.33
	Profit on disposal of property, plant and equipment (net)	19.87	2.19
	Rent received	7.13	20.03
	Increase in Fair Valuation on equity instruments	-	109.07
	Foreign exchange gain / loss (net)	55.47	24.08
	Claims received from Insurance Company	0.93	9.46
	Duty drawback/rebate of excise duty	1.22	1.70
	Liabilities no longer required written back	2.71	0.18
	Miscellaneous income	0.09	0.04
		88.75	**168.08**
31	**Cost of materials consumed**		
	Opening stock	152.29	135.76
	Add:Purchase	1,174.21	1,137.56
	Less:Closing stock	(184.63)	(152.29)
		1,141.87	**1,121.03**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
32	**Purchase of stock in trade**		
	Curing bag	24.28	33.60
	Others	32.67	17.15
		56.95	**50.75**
33	**Changes in inventories of finished goods, work-in-progress and stock in trade**		
	Opening balance		
	Work-in-progress	46.95	62.82
	Finished goods	182.70	159.78
	Stock-in-trade	11.32	5.70
	Scrap	8.64	2.86
		249.61	**231.16**
	Closing balance		
	Work-in-progress	36.23	46.95
	Finished goods	224.50	182.70
	Stock-in-trade	10.01	11.32
	Scrap	6.23	8.64
		276.97	**249.61**
		(27.36)	**(18.45)**
34	**Employee benefits expense (Refer Note No. 54)**		
	Salaries, wages and bonus	219.33	205.00
	Managerial remuneration	10.61	11.29
	Contribution to provident and other funds	17.87	16.77
	Gratuity paid (net of reversals)	4.51	3.51
	Staff welfare expenses	8.72	6.66
		261.04	**243.23**
35	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	147.31	117.80
	Amortisation of Intangible assets	0.45	-
	Depreciation Expenses on Right to use of Assets	3.69	3.80
		151.45	**121.60**
36	**Finance Cost**		
	Interest on borrowings		
	Banks	103.85	87.54
	Non banking financial Institutions	20.91	30.89
	Related party	4.35	5.49
	Fixed Deposits	7.23	8.19
	Others	0.78	1.09
	Financial charges on borrowings	5.66	14.49
		142.78	**147.69**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
37	**Other expenses**		
	Consumption of stores and spare parts	37.61	38.70
	Packing materials consumed	47.66	46.30
	Power and fuel	154.05	142.24
	Rent	1.07	0.84
	Labour charges/Processing Charges	80.04	80.76
	Repairs and Maintenance		
	a. Plant and machinery	46.31	35.61
	b. Building	2.54	5.19
	c. Others	31.61	40.77
	Decrease in Fair Valuation of Equity Instruments	79.31	-
	Insurance	9.21	6.94
	Rates and taxes	6.89	4.97
	Travelling and conveyance	24.15	23.36
	Directors' sitting fees	0.33	0.35
	Auditor Remuneration	1.45	1.41
	Professional fees	28.07	22.00
	Advertisement and other selling expenses	48.65	18.38
	Freight charges	60.38	49.14
	Van Hire Charges	7.01	6.37
	CSR Expenditure	1.77	0.50
	Bad Debts	0.10	1.97
	Allowance for expected credit losses	1.78	1.03
	Miscellaneous expenses	30.92	30.97
		700.91	**557.80**
	Auditors' remuneration		
	Audit fees	1.45	1.35
	Other services	0.05	0.04
	Reimbursement of expenses	0.02	0.02
		1.52	**1.41**
38	**Exceptional items**		
	Gain on sale of Land & Building	-	109.72
		-	**109.72**
39	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	2.10	5.00
	Total current tax expense	**2.10**	**5.00**
	Deferred tax		
	Deferred tax adjustments	(8.52)	5.05
	Total deferred tax expense/(benefit)	**(8.52)**	**5.05**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
Income tax related to earlier year	-	-
Income tax expense	**(6.42)**	**10.05**
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	(48.99)	189.33
Income tax expense	0.00	47.65
Effect of expenses that are not deductible in determining taxable profit	5.00	5.00
Income tax expense	**5.00**	**52.65**
Income Tax Rate		
Tax rate under section 115BAA is adopted and effective rate is 25.1680%.		
c) Income tax recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.32	1.94
Total Income tax recognised in other comprehensive income	**0.32**	**1.94**

d) Movement of deferred tax expense during the year ended March 31, 2025

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(29.45)	12.87	-	(16.58)
Expenses allowable on payment basis under the Income Tax Act	112.11	29.63	0.32	142.06
Other temporary differences	5.52	0.45	-	5.97
Lease Liability	(0.50)	0.93	-	0.43
	87.68	**43.88**	**0.32**	**131.88**

e) Movement of deferred tax expense during the year ended March 31, 2024

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(25.83)	(3.62)	-	(29.45)
Expenses allowable on payment basis under the Income Tax Act	110.87	(0.70)	1.94	112.11
Other temporary differences	5.26	0.26	-	5.52
Lease Liability	0.49	(0.99)	-	(0.50)
	90.79	**(5.05)**	**1.94**	**87.68**

Particulars	March 31, 2025	March 31, 2024
40 Earnings per share		
Profit for the year attributable to owners of the company	(42.57)	179.28
Weighted average number of ordinary shares outstanding	5,00,50,000	5,00,50,000

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
	Basic earnings per share (in ₹)	(0.85)	3.58
	Diluted earnings per share (in ₹)	(0.85)	3.58
41	**Earnings in foreign currency**		
	Revenue from exports on FOB basis	674.09	568.98
	Other income	14.01	11.93
		688.10	**580.91**
42	**Expenditure in foreign currency**		
	Professional and consultation charges	0.28	2.39
	Interest / bank charges	5.67	10.81
	Travelling expenses	0.29	0.22
	Advertisement	3.43	0.53
	Others	14.01	17.16
		23.68	**31.11**
43	**Value of Imports (on C.I.F basis)**		
	Raw materials	151.63	124.66
	Components and spare parts	9.65	16.78
	Capital goods	26.10	19.86
		187.38	**161.30**

44 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption

Particulars	March 31, 2025		March 31, 2024	
	Amount	(%)	Amount	(%)
Raw Materials				
Imported	136.84	11.98	126.67	11.30
Indigenous	1,005.03	88.02	994.36	88.70
	1,141.87	**100.00**	**1,121.03**	**100.00**
Packing Materials				
Imported	-	-	-	-
Indigenous	47.66	100.00	46.30	100.00
	47.66	**100.00**	**46.30**	**100.00**
Stores and Spares consumed				
Imported	0.91	2.42	2.18	5.63
Indigenous	36.70	97.58	36.52	94.37
	37.61	**100.00**	**38.70**	**100.00**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
45	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under**		
	(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	34.24	26.21
	(b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
	(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
	(e) 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 to the small enterprise	-	-

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

46	**Contingent liability**		
	Claims against the Company not acknowledged as debts		
	a. Income tax matters	-	39.51
	b. Excise and service tax matters	13.25	18.55
	c. Sales tax	38.49	63.16
	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	1.70	59.20

Other commitments

A. Standby letter of credit (guarantee) and Corporate Guarantee

SBLC facilities were extended by banks in India to their foreign counterparts based on the counter guarantee given by the company. These counterpart banks who in turn had granted credit facilities to the following subsidiary companies including step down-subsidiaries. The Company has also extended the Corporate Guarantees against the credit facilities granted to its subsidiary companies including step down-subsidiaries.

Outstanding amounts against credit facilities granted to	Currency	Year ended March 31, 2025	Year ended March 31, 2024
1. Rubber Resources B.V., The Netherlands	EUR	3.57	4.94
2. Elgi Rubber Company Holdings B.V., The Netherlands	EUR	8.20	8.00
3. Elgi Rubber Company LLC, USA	USD	1.90	2.50

Secured borrowings and assets pledged as security: (SBLC)

The SBLC facilities granted by Banks are secured by way of:

a. Charge on specific immovable properties including land and buildings (all present and future buildings constructed thereon) including plant and machinery of the Company other than those exclusively charged to other term lenders.

b. Hypothecation of all the stocks in trade (both present and future) and book debts of the Company on paripassu basis.

c. Cash margin - Lien on fixed deposits

B. Others

	March 31, 2025	March 31, 2024
a. Guarantee on account of security deposits with various electricity boards, state road transport corporations and other statutory authorities	8.22	7.84
b. Letter of credit on account of import of goods	-	4.95

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
47	**Operating Segments**		
	The Company's business operation comprises of single operating segment viz.,		
	"Rubber Industry". Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.		
	(a) Revenue from external customers		
	India	1,605.28	1,536.05
	Other Countries	667.00	583.26
	Total	**2,272.28**	**2,119.31**
	(b) Non current assets		
	The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India.		
	(c) Information about major customers		
	Number of external customers each contributing more than 10% of total revenue	-	-
	Total revenue from the above customers	-	-
48	**Operating lease arrangements**		
	As Lessor		
	The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
	Lease income recognised in the Statement of Profit and Loss	7.13	20.03
	As Lessee		
	The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
	Lease payments recognised in the Statement of Profit and Loss	1.07	0.84

49 Non-current financial assets - Investments

Particulars	No. of shares / units (as on March 31, 2025)	Face value per share / units (in respective currency)	March 31, 2025	March 31, 2024
Investment in equity instruments (fully paid up) (Unquoted) At cost*				
Investment in subsidiaries				
Elgi Rubber Company LLC,USA (Share 100%)	-	-	171.24	171.24
Less : Provision for impairment			(87.17)	(87.17)
			84.07	**84.07**
Elgi Rubber Company Limited, Kenya (Share 99.99%)	23,999	KES 100	**2.01**	**2.01**
Elgi Rubber Company Limited, Sri Lanka (Share 99.99%)	1,000,000	LKR 10	**6.95**	**6.95**
Treadsdirect Limited, Bangladesh (Share 100%)	51,700	BDT 100	**4.42**	**4.42**
Pincott International Pty. Limited, Australia (Share 100%)	100	AUD 1	34.29	34.29
Less : Provision for impairment			(34.29)	(34.29)
			-	-
Borrachas e Equipamentos Elgi Ltda., Brazil (Share 99.99%)	16,133,738	BRL 1	272.58	272.58
Less : Provision for impairment			(272.58)	(272.58)
			-	-
Elgi Rubber Company Holdings B.V., The Netherlands (Share 100%)	3,433,541	EUR 1	**365.06**	**365.06**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	No. of shares / units (as on March 31, 2025)	Face value per share / units (in respective currency)	March 31, 2025	March 31, 2024
Investment in Equity Investments (Fully paid up) (Quoted)				
Fair value through profit or loss				
Elgi Equipments Limited	664,160	₹ 1	319.93	399.62
Precot Limited	3,225	₹ 10	1.42	1.04
			321.35	**400.66**
			783.86	**863.17**

50 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	March 31, 2025	March 31, 2024
Gearing Ratio :		
Debt	911.75	1,059.61
Less: Cash and bank balances	237.17	214.96
Net debt	**674.58**	**844.65**
Total equity	3,094.18	3,137.69
Net debt to equity ratio (%)	21.80%	26.92%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Non-current financial assets - Loans	1,274.20	1,361.37
Non-current - Other financial assets	29.88	29.44
Current financial assets - Trade receivables	519.10	509.14
Current financial assets - Cash and cash equivalents	4.46	2.65
Current financial assets - Bank balances other than above	232.71	212.31
Current financial assets - Loans	2.87	2.55
Current - Other financial assets	0.33	0.33
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Non-current financial assets - Investments	783.86	863.17
Financial liabilities		
Measured at amortised cost		
Non-current financials liabilities - Borrowings	911.75	1,059.61
Current financials liabilities - Borrowings	961.50	923.66
Current financials liabilities - Trade payables	158.60	113.63

Financial risk management objectives

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2025							
USD	1.25	-	1.25	13.65	-	13.65	12.40
EUR	0.04	-	0.04	4.41	-	4.41	4.37
in ₹	110.74	-	110.74	1,575.35	-	1,575.35	1,464.61
As on March 31, 2024							
USD	0.58	-	0.58	13.74	-	13.74	13.16
EUR	0.61	-	0.61	4.43	-	4.43	3.82
in ₹	104.00	-	104.00	1,544.91	-	1,544.91	1,440.91

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating

(All amounts are in Millions in INR, unless otherwise stated)

interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year, a 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 3.99 million for the year (Previous INR 3.84 million)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the derivative contracts with the reputed Banks.

There is no major Investments made by the Company and accordingly is not prone to any major investment risk.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2025				
Trade payables	158.60	-	-	158.60
Borrowings (including interest accrued thereon upto the reporting date)	414.11	501.49	-	915.60
	572.71	**501.49**	**-**	**1,074.20**
March 31, 2024				
Trade payables	113.63	-	-	113.63
Borrowings (including interest accrued thereon upto the reporting date)	342.90	719.99	-	1,062.89
	456.53	**719.99**	**-**	**1,176.52**

51 Related party disclosure

a) Name of related party and nature of relationship

Subsidiaries	Elgi Rubber Company LLC, USA
	Elgi Rubber Company Limited, Kenya
	Elgi Rubber Company Limited, Sri Lanka
	Treadsdirect Limited, Bangladesh
	Borrachas e Equipamentos Elgi Ltda, Brasil
	Elgi Rubber Company Holdings B.V., The Netherlands
	- Rubber Resources B.V., The Netherlands
	- Elgi Rubber Company B.V., The Netherlands
	Pincott International Pty Limited, Australia
Other related parties	Elgi Equipments Limited
	LRG Technologies Limited
	Elgi Ultra Industries Private Limited
	Elgi Ultra Private Limited
	ATS Elgi Limited
	Festo India Private Limited
	Tyre Point Private Limited (converted into LLP wef 24.06.2024)
	Tyre Point LLP
	Industrial Air Solutions LLP
Key management personnel	
Sudarsan Varadaraj	Chairman and Managing Director
Harsha Varadaraj	Executive Director
Jairam Varadaraj	Non Executive Director
MD Selvaraj (upto 26.09.2024)	Non Executive Director
Vijayraghunath (upto 26.09.2024)	Non Executive Director
V Bhuvaneshwari (upto 26.09.2024)	Non Executive Director
Sarathraj Selvakumar (from 14.08.2024)	Non Executive Director
Parvathi Srinivasan (from 01.09.2024)	Non Executive Director
R. Vidhya Shankar (from 27.09.2024)	Non Executive Director
SR Venkatachalam	Chief Financial Officer
Faizur Rehman Allaudeen	Company Secretary
Relative of Key management personnel	
Bharathi Varadaraj	
Varshini Varadaraj	

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

b) Transactions during the year

S.No.	Nature of transactions	2024-25	2023-24
1	**Income from sale of goods**		
	Elgi Rubber Company LLC, USA	52.48	29.05
	Elgi Rubber Company Limited, Sri Lanka	3.94	2.94
	Borrachas e Equipamentos Elgi Ltda, Brasil	56.81	99.00
	Rubber Resources B.V., The Netherlands	20.23	-
	Elgi Equipments Limited	-	0.32
	LRG Technologies Limited	12.41	9.12
	ATS Elgi Limited		0.16
2	**Purchase of goods / capital goods**		
	Elgi Rubber Company LLC, USA	6.38	-
	Rubber Resources B.V., The Netherlands	0.05	-
	Elgi Rubber Company B.V., The Netherlands	-	12.76
	Borrachas e Equipamentos Elgi Ltda, Brasil	-	2.62
	Elgi Ultra Private Limited	0.60	0.47
	ATS Elgi Limited	-	0.01
	LRG Technologies Limited	0.85	-
	Festo India Private Limited	1.80	0.61
	Industrial Air Solutions LLP	0.97	1.04
3	**Rendering of services**		
	Elgi Rubber Company LLC, USA	1.63	-
	Elgi Rubber Company Holdings BV,The Netherlands	14.04	-
	Elgi Equipments Limited	1.60	0.28
	LRG Technologies Limited	0.06	9.15
	ATS Elgi Limited	0.03	-
4	**Receiving of services**		
	LRG Technologies Limited	1.00	0.27
	Vijayraghunath	-	0.25
5	**Commission paid**		
	Elgi Rubber Company LLC, USA	33.79	15.56
	Elgi Rubber Company Limited, Kenya	0.90	0.55
6	**Managerial remuneration**		
	Sudarsan Varadaraj	7.89	8.30
	Harsha Varadaraj	2.86	3.43
7	**Salary to other key managerial personnal**		
	SR Venkatachalam	4.40	4.58
	G Sasikumar	-	0.30
	Faizur Rehman Allaudeen	0.75	0.53
8	**Sitting fee paid**		
	Jairam Varadaraj	0.03	0.03
	M D Selvaraj	0.05	0.12
	Vijayraghunath	0.05	0.12
	V Bhuvaneswari	0.05	0.08
	Paravathi Srinivasan	0.05	-
	R. Vidhya Shankar	0.05	-
	Sarathraj Selvakumar	0.05	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

S.No.	Nature of transactions	2024-25	2023-24
9	**Dividend received**		
	Elgi Equipments Limited	1.33	1.33
10	**Interest paid**		
	Sudarsan Varadaraj	3.30	4.49
	Harsha Varadaraj	1.04	1.00
	Bharathi Varadaraj	3.41	4.26
	Varshini Varadaraj	3.82	3.93
11	**Loan given**		
	Elgi Rubber Company Holdings B.V., The Netherlands	-	178.31
12	**Loan repaid**		
	Elgi Rubber Company LLC, USA	117.36	-
	Elgi Rubber Company Holdings B.V., The Netherlands	-	178.31
13	**Guarantees extended (+) / Reduced (-)**		
	Elgi Rubber Company LLC, USA	USD (0.60)	USD 1.29
	Elgi Rubber Company Holdings B.V., The Netherlands	EUR 0.20	EUR (0.62)
	Rubber Resources B.V., The Netherlands	EUR (4.00)	EUR 2.64
14	**Sudarsan Varadaraj**		
	Loans taken	11.80	8.60
	Loans repaid	3.50	28.30
15	**Harsha Varadaraj**		
	Loans taken	4.00	10.00
	Loans repaid	3.20	-
16	**Deposit taken**		
	Bharathi Varadaraj	11.00	-
	Varshini Varadaraj	1.00	-
17	**Reversal of Interest charged during the period**		
	Elgi Rubber Company LLC, USA	9.40	16.53
	Borrachas e Equipamentos Elgi Ltda, Brazil	55.19	46.15
	Elgi Rubber Company Holdings B.V., The Netherlands	21.55	22.12

c) Balances at the end of the year

S.No.	Nature of transactions	2024-25	2023-24
1	**Guarantees outstanding**		
	Elgi Rubber Company LLC, USA	USD 2.40	USD 3.00
	Elgi Rubber Company Holdings B.V., The Netherlands	EUR 8.20	EUR 8.00
	Rubber Resources B.V., The Netherlands	EUR 3.64	EUR 7.64
2	**Loan payables**		
	Sudarsan Varadaraj	40.00	31.70
	Harsha Varadaraj	10.80	10.00
3	**Trade receivables**		
	Elgi Rubber Company LLC, USA	12.30	51.62
	Elgi Rubber Company Limited, Sri Lanka	1.03	-
	Borrachas e Equipamentos Elgi Ltda, Brazil	71.44	79.86
	Rubber Resources B.V., The Netherlands	22.33	1.73
	Elgi Rubber Company B.V., The Netherlands	6.30	7.07
	Elgi Equipments Limited	0.71	0.42
	ATS Elgi Limited	0.19	0.23
	LRG Technologies Limited	-	1.49
4	**Other receivables**		
	Elgi Rubber Company LLC, USA	28.34	29.22

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

S.No.	Nature of transactions	2024-25	2023-24
	Elgi Rubber Company Holdings B.V., The Netherlands	71.72	60.39
	Rubber Resources B.V., The Netherlands	17.26	21.33
	Tyre Point Private Limited	0.05	0.05
5	**Security Deposit received**		
	LRG Technologies Limited	0.05	0.05
6	**Advance paid for purchase of Goods (including Capital Goods)**		
	Elgi Rubber Company LLC, USA	-	18.16
	Rubber Resources B.V., The Netherlands	-	16.07
7	**Trade and other Payables**		
	Elgi Rubber Company LLC, USA	0.01	-
	Borrachas e Equipamentos Elgi Ltda, Brasil	0.11	0.13
	Pincott International Pty Limited, Australia	2.97	3.47
	Elgi Rubber Company Limited, Kenya	4.92	5.50
	LRG Technologies Limited	(1.78)	4.00
	Elgi Ultra Private Limited	0.35	0.01
	Festo India Private Limited	0.45	0.10
	Industrial Air Solutions LLP	-	0.15
8	**Dividend receivable**		
	Treadsdirect Limited, Bangladesh	0.33	0.33
9	**Amount receivable**		
	Elgi Rubber Company LLC, USA	115.04	229.54
	Borrachas e Equipamentos Elgi Ltda, Brazil	786.10	765.83
	Elgi Rubber Company Holdings B.V., The Netherlands	308.88	301.82
10	**Deposit from members**		
	Bharathi Varadaraj	31.50	42.50
	Varshini Varadaraj	39.00	40.00

52 Details of Borrowings and Assets pledged as Security: Non-current financial liabilities – Borrowings

Terms and conditions of loans taken from banks and Non-Banking financial institutions

(I) Rupee term loan availed from Axis Bank Ltd: (Total Outstanding: ₹ 61.83 million)

a) Working Capital Term Loan, I carries interest @ 9.25% pa., The loan is repayable in 31 months. The loan matures in February, 2026. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank) on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties and Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis other working capital lenders

b) Working Capital Term Loan, II carries interest @ 9.25% pa., The loan is repayable in 62 months. The loan matures in October, 2028. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties and Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis with other working capital lenders

c) Term loan carries interest @ 9.25% pa., The loan is repayable in 23 monthly instalments. The loan matures in July, 2025. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties.

(II) Foreign Currency term loan availed from Axis Bank Ltd: (Total Outstanding: ₹ 3.57 million)

a) Foreign Currency Term loan carries interest @ 5.18% pa., The loan is repayable on 20 monthly instalments. The loan matures in April, 2025. This term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties.

(III) Rupee term loan availed from HDFC Bank Ltd: (Total Outstanding: ₹ 48.94 million)

a) Working Capital Term Loan under Guaranteed Emergency Credit Line (GECL) carries interest @ 9.25% pa., The loan is repayable in 60 months. The loan matures in November, 2026. This loan under GECL is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank.

b) Working Capital Term Loan under Guaranteed Emergency Credit Line (GECL) carries interest @ 9.25% pa., The loan is repayable in 48 months. The loan matures in July, 2028. This loan under GECL is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank.

c) Commercial vehicle loan carries interest @ 9.00% pa., The loan is repayable in 60 months. The loan matures in March, 2029. This loan is secured by hypothecation of vehicle.

(IV) Rupee term loan availed from CSB Bank Ltd: (Total Outstanding: ₹ 300.00 million)

a) Carries interest @ 10.35% pa., The loan is repayable on 60 monthly instalments. The loan matures in March,2028. The term loan availed is secured by way of exclusive hypothecation charge on fixed assets (both present and future) of the Company acquired out of bank's finance for the specific project (reclaim). Further it is also secured by exclusive charge over specific immovable properties of the Company

(V) Rupee term loan availed from Federal Bank Ltd: (Total Outstanding: ₹ 286.94 million)

a) Working capital term loan carries interest @ 9.00% pa., The loan is repayable on 48 months instalments. The loan matures in July, 2028. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL.

b) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 31 months instalments. The loan matures in February, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL.

c) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 16 months instalments. The loan matures in December, 2025. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

d) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 40 months instalments. The loan matures in March, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

e) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 38 months instalments. The loan matures in May, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

f) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 21 months instalments. The loan matures in June, 2026. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

g) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 28 months instalments. The loan matures in November, 2026. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

(All amounts are in Millions in INR, unless otherwise stated)

(VI) Rupee term loan availed from Tata Capital Ltd: (Total Outstanding: ₹ 139.97 million)

a) Term loan facility under Guaranteed Emergency Credit (GECL) carries interest @ 10.30% pa. The loan is repayable in 60 months. This loan is secured by way of second charge on specific immovable properties of the Company. The loan originally matures in February, 2026 but foreclosed during April 25.

b) Term loan facility under Guaranteed Emergency Credit (GECL) carries interest @ 10.30% pa. The loan is repayable in 72 months. This loan is secured by way of second charge on specific immovable properties of the Company. The loan originally matures in February, 2028 but foreclosed during April 25.

c) Term loan carries interest @ 10.30% pa., The loan is repayable on 60 monthly instalments. This loan is secured by way of exclusive charge by way of equitable mortgage on specific immovable properties of the Company. The loan originally matures in April, 2027 but foreclosed during May 25.

d) Term loan carries interest @ 10.30% pa., The loan is repayable on 36 monthly instalments. This loan is secured by extension of mortgage over existing specific immovable properties of the Company. The loan originally matures in June, 2026 but foreclosed during April 25.

e) Term loan carries interest @ 10.30% pa., The loan is repayable on 36 monthly instalments. This loan is secured by extension of mortgage over existing specific immovable properties of the Company. The loan originally matures in February, 2027 but foreclosed during April 25.

f) Term loan carries interest @ 10.30% pa., The loan is repayable on 60 monthly instalments. The loan matures in September, 2029. This loan is secured by extension of mortgage over existing specific immovable properties of the Company.

Details of Borrowings and Assets pledged as Security: Current liabilities - Financial Liabilities: Borrowings

Terms and conditions of loans taken from banks and Non-Banking financial institutions

(I) HDFC Bank Ltd: (Total Outstanding: ₹ 344.85 million)

a) Cash Credit loan from HDFC Bank Ltd carries an interest rate @ 8.75 % p.a and is repayable on demand.

b) The packing credit loans from HDFC Bank Ltd are repayable within 180 days from the date of borrowing. The borrowings carry an interest rate linked to Repo rate/T-bills plus agreed spread after reduction of eligible interest subsidy under Interest Equalization Scheme of Reserve Bank of India.

c) Demand loan from HDFC Bank Ltd carries an interest rate @ 8.75% p.a. and is repayable on demand.

d) Buyers Credit Foreign Currency loan from HDFC Bank Ltd carries an interest rate linked to TERM SOFR/EURIBOR plus agreed spread. These loans are repayable within 180 days from the date of borrowing.

e) The above credit facilities are secured by exclusive charge over specific immovable properties of the Company and also charge by way of hypothecation of all stock in trade and book debts on Pari passu basis with other working capital lenders. It has also secured by first charge over plant and machinery other than those exclusively charged for other term loan lenders.

(II) Federal Bank Ltd: (Total Outstanding: ₹ 98.18 million)

a) Working capital demand loan from Federal Bank Ltd carries an interest rate @ 9.25% p.a. and is repayable on demand and secured by way of Pari passu charge on the entire current assets of the Company with other working capital lenders. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd.

b) The overdraft facility is secured with cash margin placed by way of fixed deposit.

(III) Axis Bank Ltd: (Total Outstanding: ₹ 96.77 million)

a) The cash credit facility from Axis Bank Ltd carries an interest rate @ 9.25 % p.a. The facility is repayable on demand and is secured by Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis with other working capital lenders. Further it is also secured by exclusive charge over specific immovable properties of the Company.

(IV) CSB Bank Ltd: (Total Outstanding: ₹ 46.61 million)

a) The cash credit facility from CSB Bank Ltd carries an interest rate @ 10.05 % p.a. The facility is repayable on demand and is secured by Pari passu first charge on the entire current assets of the Company, both present and future along with the other existing lenders under MBA. Further it is also secured by exclusive charge over specific immovable properties of the Company.

(All amounts are in Millions in INR, unless otherwise stated)

54. Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total (income) / expense recognised in profit or loss of Rs.5.77 million (for the year ended March 31, 2024: Rs.11.24 million) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Leave obligations

The leave obligations cover the company's liability for earned leave.

(b) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used in the valuation are shown in the table below :

Particulars	March 31, 2025	March 31, 2024
Discount Rate (per annum)	6.70%	7.15%
Salary Growth Rate (per annum)	5.44%	5.31%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yield / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Expenses Recognised in the Income Statement :		
Current Service Cost	4.82	3.95
Interest Expense or Cost	4.76	5.01
Investment Income	(5.07)	(5.44)
Expenses Recognised in the Income Statement	**4.51**	**3.52**
Other Comprehensive Income :		
Actuarial (gains)/losses		
- change in demographic assumptions	(0.31)	0.90
- change in financial assumptions	2.56	4.89

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
- experience variance (i.e.Actual experience vs assumptions)	(1.13)	0.60
Return on plan assets, excluding amount recognised in net interest expense	0.14	1.33
Components of defined benefit costs recognised in other comprehensive income	**1.26**	**7.72**
The current service cost and the net interest expense for the year are included in the ‘employee benefits expense’ in profit or loss.		
The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The principal assumptions used in the valuation are shown in the table below :		
Present value of defined benefit obligation	(69.65)	(66.52)
Fair value of plan assets	73.31	70.95
Net (liability) / asset arising from defined benefit obligation	**3.66**	**4.43**
Excess of fair value of plan assets over present value of obligation is reflected under ‘Others’ (other current assets) [Refer note 19].		
Changes in the Present Value of Obligation :		
Present Value of Obligation as at the beginning	**66.52**	**66.62**
Current Service Cost	4.82	3.95
Interest Expense or Cost	4.76	5.01
Re-measurement (or Actuarial) (Gain)/Loss arising from :		
- change in demographic assumptions	(0.31)	0.90
- change in financial assumptions	2.56	4.89
- experience variance (i.e.Actual experience vs assumptions)	(1.13)	0.60
Benefits paid	(7.57)	(15.45)
Present Value of Obligation as at the end	**69.65**	**66.52**
Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013 :		
Current Liability (Short Term)	5.82	24.94
Non-current Liability (Long Term)	63.83	41.58
Present Value of Obligation	**69.65**	**66.52**
Changes in the Fair Value of Plan Assets :		
Fair Value of Plan Assets as at the beginning	**70.95**	**72.38**
Investment Income	5.07	5.44
Employer's Contribution	5.00	9.91
Benefits paid	(7.57)	(15.45)
Return on plan assets, excluding amount recognised in net interest expense	(0.14)	(1.33)
Fair Value of Plan Assets as at the end	**73.31**	**70.95**

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Defined Benefit Obligation (Base)	69.65	66.52

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025		March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	74.76	65.15	70.31	63.17
(% change compared to base due to sensitivity)	7.3%	-6.5%	5.7%	-5.0%
Salary Growth Rate (- / + 1%)	65.06	74.77	63.09	70.34
(% change compared to base due to sensitivity)	-6.6%	7.4%	-5.2%	5.7%
Attrition Rate (- / + 50% of attrition rates)	68.80	70.29	65.29	67.40
(% change compared to base due to sensitivity)	-1.2%	0.9%	-1.9%	1.3%
Mortality Rate (- / + 10% of mortality rates)	69.63	69.66	66.51	66.53
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

55. Disclosure of ratios as per Schedule III of the Companies Act, 2013

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% of variance	Reasons for variance
			Ratio	Ratio		
(a) Current Ratio	Current Assets	Current Liabilities	1.159	1.134	2.20%	-
(b) Debt-Equity Ratio	Total Debt (Including lease liabilities)	Shareholders Equity	0.55	0.52	5.77%	-
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.23	0.28	-17.86%	-
(d) Return on Equity Ratio	Net Profit after taxes - Preference dividend	Average Shareholder's equity	-1.37%	5.12%	-126.76%	change in fair value of investment
(e) Inventory turnover ratio	Sales of goods	Average Inventory	4.40	4.86	-9.47%	-
(f) Trade Receivables turnover ratio	Credit Sales	Average Trade Receivables	4.42	4.18	5.74%	-
(g) Trade payables turnover ratio	Credit Purchases	Avearge Trade Payables	9.07	11.84	-23.40%	-
(h) Net capital turnover ratio	Net Sales	Working Capital	11.30	11.87	-4.80%	-
(i) Net profit ratio	Net Profit after taxes	Net Sales	-1.87%	6.64%	-128.16%	change in fair value of investment
(j) Return on Capital employed	Earnings before Interest & Tax	Capital Employed	1.96%	7.91%	-75.22%	change in fair value of investment
(k) Return on investment.	"Income generated from investments"	Time Weighted average investments	0.16%	0.16%	0.00%	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

56. OTHER STATUTORY INFORMATION

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company has not traded or invested in Crypto currency or virtual currency during the financial year
3. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
4. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
7. The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
8. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

57. Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Performance and financial indicators

(₹ In million)

Performance

Sl. No.	Particulars	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
1	Sales and other income	2,378.65	2,303.26	2,472.15	2,164.10	1,694.66
2	Profit before depreciation and tax	102.46	201.21	301.26	175.64	178.01
3	Profit before tax	-48.99	189.33	180.82	90.34	118.81
4	Profit after tax	-42.57	179.28	148.19	83.28	100.38
5	Dividend %	-	-	-	-	-
6	Net fixed assets	1,114.65	1,069.01	1,107.66	925.88	750.99
7	Investments	783.86	863.17	754.10	649.20	589.55
8	Net working capital	225.31	181.14	187.89	265.17	502.82
9	Total Capital employed	4,950.61	5,044.91	4,710.07	4,326.65	3,876.18
10	Share holders funds	3,094.18	3,137.69	2,964.19	2,823.10	2,743.91

Financial indicators

Sl. No.	Particulars	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
1	Earning per share	-0.85	3.58	2.96	1.66	2.01
2	Cash earnings per share	2.05	4.02	6.02	3.51	3.56
3	Gross sales per share	45.40	42.34	44.56	39.63	30.18
4	Book value per share	61.82	62.69	59.22	56.41	54.82
5	EBITDA/SALES%	10.79	21.64	19.34	14.81	18.60
6	Net profit margin %	-1.87	8.46	6.64	4.20	6.65
7	ROCE%	7.93	14.62	14.55	10.41	10.24

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date
For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S
A ARUN
Proprietor
Membership No. 227831

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

S No.	Name of the subsidiary company	Date of in-corporation/ acquistion	Reporting period, if different from the holding company's reporting period	Reporting currency	Exchange rate on the last date of the financial year	Share capital	Reserves & Surplus	Total assets	Total Liabilities	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of share holding
1	Borrachas e Equipamentos Elgi Ltda, Brazil	17.04.2001	1st Jan 24 to 31 Dec 24	Real	14.87	272.57	-621.94	680.32	1,029.69	197.84	15.76	0.00	15.76	-	99.99
2	Pincott International Pty Limited, Australia	01.08.2006	1st Jan 24 to 31 Dec 24	AUD	53.47	106.63	-156.91	5.37	55.65	0.00	-0.35	0.00	-0.35	-	100.00
3	Elgi Rubber Company Limited, Kenya	14.03.1991	1st Jan 24 to 31 Dec 24	Shilling	0.66	2.01	5.17	7.39	0.21	0.00	-0.02	0.00	-0.02	-	99.99
4	Elgi Rubber Company Limited, Sri Lanka	21.02.1992	1st Jan 24 to 31 Dec 24	Sri Lankan Rupee	0.29	6.96	57.71	69.44	4.77	43.88	9.97	1.17	8.80	-	99.99
5	Treadsdirect Limited, Bangladesh	17.12.2000	1st Jan 24 to 31 Dec 24	Taka	0.70	4.42	2.32	7.10	0.36	0.00	0.00	0.00	0.00	-	100.00
6	Elgi Rubber Company LLC, USA	08.04.2009	1st Jan 24 to 31 Dec 24	USD	85.58	171.25	-122.60	417.36	368.71	434.52	253.13	3.79	249.34	-	100.00
7	Elgi Rubber Company Holdings B.V, The Netherlands	20.11.2015	1st Jan 24 to 31 Dec 24	Euro	92.32	365.06	-2,026.91	894.71	2,556.56	1,017.97	-273.61	0.00	-273.61	-	100.00

Notes

1. The figures of Elgi Rubber Company Holdings B.V, The Netherlands are as per their consolidated financial statements which also includes its wholly owned subsidiaries namely Elgi Rubber Company B.V, The Netherlands and Rubber Resources B.V, The Netherlands
2. Names of subsidiaries which are yet to commence operations: NIL
3. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B" : Associates and Joint Ventures

The Company does not have Associates or Joint Ventures during the year 2024-25.

For and on behalf of the Board of Directors

	Sudarsan Varadaraj	**Parvathi Srinivasasn**	**SR Venkatachalam**	**Faizur Rehman Allaudeen**
Coimbatore	Chairman & Managing Director	Director	Chief Financial Officer	Company Secretary
May 29, 2025	DIN: 00133533	DIN: 10646746		Membership No. A70055

Independent Auditor's Report

To the Members of M/s. Elgi Rubber Company Limited

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

1. I have audited the accompanying consolidated financial statements of ELGI Rubber Company Limited ("hereinafter referred to as the "Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

2. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Companies Act ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2025, the consolidated Loss and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

3. I conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. My responsibilities under those Standards are further described in the "Auditors' responsibilities for the audit of the Consolidated Financial Statements" section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 [ASA1.1]of the Other Matters section below, is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

4. Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of my audit of the Consolidated Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

S.No.	Key Audit Matter	Auditor's Response
1.	**Evaluation of uncertain tax positions** The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes (Refer note 46 to standalone financial statements). I considered the evaluation of uncertain tax positions as a key audit matter, considering its significance of its impact to the Standalone Financial Statements, and where applicable, the judgement involved in evaluating the uncertain tax positions.	My audit procedures included the following: Obtained details of completed tax assessments and demands received upto the end of the financial year and till the date of finalisation of our report, from management. Analysed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, I considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, and Report on Corporate Governance, but does not include the Consolidated Financial Statements and my auditors' report thereon.

   My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

   In connection with my audit of the Consolidated Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed and the reports of the other auditor as furnished to me (Refer to paragraph 8 below), I conclude that there is a material misstatement of this other information, I am required to report that fact.

   I have nothing to report in this regard.

Management's Responsibility and those charged with governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows, and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

   The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

   In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

   The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. My objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 Consolidated Financial Statements.

   I give in "Annexure A" a detailed description of Auditor's responsibilities for the Audit of the Consolidated Financial Statements.

Other Matter

8. I did not audit the financial information of 7 foreign subsidiaries (including their relevant step-down subsidiaries), whose financial information reflect total assets of Rs.2,081.68/- million and total revenue of Rs.1,786.87 million, total net loss of Rs.0.11 million and net cash flows amounting to Rs.68.71 million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss after tax of Rs.0.11 million for the year ended March 31, 2025, as considered in the Consolidated Financial Statements, these financial information have been audited by other auditors whose reports have been furnished to me by the other auditor/Management, and my opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and my report in terms of sub-section (3) of Section 143 of the Act including a report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of other auditor.

   My opinion on the Consolidated Financial Statements, and my report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to my reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, I report, to the extent applicable, that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief was necessary for the purposes of my audit of the aforesaid Consolidated Financial Statements.

   (b) In my opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from my examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In my opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, and the operating effectiveness of such controls, refer to my separate report in “Annexure B”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion, and to the best of my information and according to the explanations given to me:

- The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group. – Refer Note 40 to the financial statements;
- The Group did not have any long-term contracts including derivative contracts as at March 31, 2025 for which there were any material foreseeable losses.
- There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, during the year.

(h) (A) The respective Managements of the Company and its subsidiaries which are companies incorporated outside India whose financial statements have been audited under the Act have represented to me that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(B) The respective Managements of the Company, its subsidiaries which are companies incorporated outside India whose financial statements have been audited under the Act have represented to me that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(C) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by me and those performed by the auditor of the subsidiaries which are companies incorporated outside India whose financial statements have been audited under the Act, nothing has come to me or other auditors’ notice that has caused me or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(i) The Holding Company has not declared or paid any dividend during the year and has not proposed a final dividend for the year.

(j) In case of the Holding Company, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility the same has operated throughout the year for all relevant transactions recorded, except in respect of maintenance of books of accounts of the retreading division of the company, wherein the accounting software did not have the audit trial feature enabled throughout the year.

Further, during the course of my audit of the holding company, I did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

(k) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In my opinion and according to the information and explanations given to me, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which is required to be commented upon by me.

For M/s. ARUN & CO
Chartered Accountants
Firm Registration No.014464S
CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXW3053

Place : Coimbatore
Date : May 29, 2025

Annexure “A” to the Independent Auditor’s Report

(Referred to in Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of my report to the members of Elgi Rubber Company Limited of even date)

Auditor’s Responsibilities for the Audit of the Financial Statements:

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

I. Identify and assess the risks of material misstatement of the consolidated 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.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the holding company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. 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 consolidated 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 audit report. However, future events or conditions may cause the group to cease to continue as a going concern.

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

VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. I am responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which I am the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by him. I remain solely responsible for my audit opinion.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements

I communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which I am the independent auditors 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. I describe these matters in my auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M/s. ARUN & CO
Chartered Accountants
Firm Registration No.014464S

CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXW3053

Place : Coimbatore
Date : May 29, 2025

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of ELGI Rubber Company Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

In conjunction with my audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2025, I have audited the internal financial controls with reference to the financial statements of Elgi Rubber Company Limited (hereinafter referred to as "the Holding Company") as of that date. The Holding company does not have any subsidiary company which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statement.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M/s. ARUN & CO
Chartered Accountants
Firm Registration No.014464S

Place : Coimbatore
Date : May 29, 2025

CA. A. Arun
Proprietor
Membership No. 227831
UDIN: 25227831BMKUXW3053

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Consolidated Balance Sheet as at March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
I. ASSETS			
Non-current assets			
Property, plant and equipment	5	1,313.77	2,157.07
Capital work in progress	6	84.98	164.48
Investment Property	5A	36.61	36.61
Goodwill on consolidation		130.35	130.35
Intangible Assets	5	135.46	121.26
Right-of-use assets	7	2.64	6.33
Financial assets			
i. Investments	8	321.35	400.66
ii. Other financial asset	9	52.09	39.15
Deferred tax asset (Net)	10	276.40	267.88
Other non-current assets	11	26.25	71.77
Total non-current assets		**2,379.90**	**3,395.56**
Current assets			
Inventories	12	1,214.65	1,104.56
Financial assets			
i. Trade receivables	13	692.99	619.24
ii. Cash and cash equivalents	14	108.93	38.40
iii. Bank balances other than (ii) above	15	290.76	219.57
iv. Loans	16	4.48	3.49
Other current assets	17	486.45	256.96
Total current assets		**2,798.26**	**2242.21**
Properties held for Sale	5B	24.26	22.14
TOTAL ASSETS		**5,202.42**	**5,659.92**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	50.05	50.05
Other equity	19	1,740.86	1,847.35
Total equity		**1,790.91**	**1,897.40**
Liabilities			
Non-current liabilities			
Financial liabilities			
i Borrowings	20	846.58	1,026.90
ii Lease liability	21	1.15	3.64
Total non-current liabilities		**847.73**	**1,030.54**
Current liabilities			
Financial liabilities			
i Borrowings	22	1,847.71	2,035.39
ii Lease liability	23	2.56	3.42
iii Trade payables	24		
a. Total Outstanding dues of micro & small enterprises		34.24	26.21
b. Total Outstanding dues other than (a) above		414.51	424.72
Provisions	25	25.55	36.90
Other current liabilities	26	239.21	205.34
Total current liabilities		**2,563.78**	**2,731.97**
Total liabilities		**3,411.51**	**3,762.52**
TOTAL EQUITY AND LIABILITIES		**5,202.42**	**5,659.92**

Material Accounting policies 3

The accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors

As per my report of even date

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Coimbatore
May 29, 2025

Consolidated Statement of profit and loss for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
Income			
Revenue from operations	27	3,839.22	3,864.45
Other income	28	160.33	224.16
TOTAL INCOME		**3,999.55**	**4,088.61**
Expenses			
Cost of materials consumed	29	1,649.35	1,668.77
Purchase of stock in trade	30	136.09	120.75
Changes in inventories of finished goods, work in progress and stock in trade	31	34.01	(3.43)
Employee benefits expense	32	627.58	578.97
Depreciation and amortisation expense	33	183.05	191.08
Finance costs	34	256.46	254.42
Other expenses	35	1,327.23	1,250.67
TOTAL EXPENSES		**4,213.77**	**4,061.23**
Profit before exceptional items and tax		**(214.22)**	**27.37**
Exceptional items	36	169.17	109.73
Profit before tax from continuing operations		**(45.05)**	**137.10**
Income tax expense	37		
Current tax		7.07	10.60
Deferred tax charge		(8.52)	9.89
Profit after tax for the year		**(43.60)**	**116.61**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(1.26)	(7.72)
Income tax relating to these items		0.32	1.94
Other comprehensive income for the year, net of tax		**(0.94)**	**(5.78)**
Total comprehensive income for the year		**(44.54)**	**110.83**
Earnings per equity share	38		
Basic (in ₹)		(0.87)	2.33
Diluted (in ₹)		(0.87)	2.33

Material Accounting policies 3

The accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors

As per my report of even date

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

For M/s ARUN & CO
Chartered Accountants
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A ARUN
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Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Statement of Changes in Equity for the year ended March 31, 2025

(A) Equity Share Capital

1) For the year ended 31st March 2025				
Balance as at 1st April 2024	Changes in equity share capital due to prior period errors	Restated balance as at 1st April 2024	Changes in equity share capital during the year	Balance as at 31st March 2025
50.05	-	50.05	-	50.05
2) For the year ended 31st March 2024				
Balance as at 1st April 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1st April 2023	Changes in equity share capital during the year	Balance as at 31st March 2024
50.05	-	50.05	-	50.05

(B) Other Equity for the year ended 31st March 2025

Particulars	Reserves and surplus							
	Capital Reserve	Securities Premium	General Reserve	Foreign Currency Translation Reserve	Investment Reserve	Retained Earnings	Other comprehensive income	Total
Balance as at March 31, 2023	**318.20**	**1.90**	**1,254.67**	**147.09**	**394.05**	**(317.67)**	**(7.83)**	**1,790.40**
Profit for the year		-				116.61		116.61
Other Comprehensive income								-
Remeasurement of post employment defined benefit obligations		-					(5.78)	(5.78)
Foreign Currency Translation Reserve				(53.88)				(53.88)
Appropriations		-						-
Balance as at March 31, 2024	**318.20**	**1.90**	**1,254.67**	**93.21**	**394.05**	**(201.06)**	**(13.61)**	**1,847.35**
Profit for the year	-	-	-			(43.60)		(43.60)
Other Comprehensive income	-	-	-					-
Remeasurement of post employment defined benefit obligations	-	-	-				(0.94)	(0.94)
Foreign Currency Translation Reserve	-	-	-	(61.93)				(61.93)
Appropriations	-	-	-					-
Balance as at March 31, 2025	**318.20**	**1.90**	**1,254.67**	**31.28**	**394.05**	**(244.66)**	**(14.55)**	**1,740.87**

Material Accounting policies 3

The accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors

As per my report of even date

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

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Membership No. A70055

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Coimbatore
May 29, 2025

Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Statement of cash flows for the year ended March 31, 2025

Particulars	March 31, 2025	March 31, 2024
Cash Flow from Operating Activities		
Profit before income tax	**(45.05)**	**137.10**
Adjustments for		
Depreciation and amortisation expense	183.05	191.08
(Profit)/ Loss on sale of fixed asset	(189.04)	(115.69)
Provision for doubtful debts and advances	1.78	-
Provision for doubtful debts and advances written back	(2.71)	(0.18)
Fair Value changes of investments considered to profit and loss	79.31	(109.07)
Net Unrealised Exchange differences	40.24	(105.11)
Interest received	(21.30)	(16.58)
Finance costs	256.46	254.41
Dividend Income	(1.33)	(6.62)
Operating profit before working capital changes	**301.41**	**229.34**
Change in operating assets and liabilities		
(Increase)/ decrease in Current financial assets	(0.99)	(0.37)
(Increase)/ decrease in Non current - Other financial assets	(12.95)	(20.60)
(Increase)/ decrease in inventories	(110.08)	(10.84)
(Increase)/ decrease in trade receivables	(71.04)	55.10
(Increase)/ decrease in Other Non Current assets	8.27	(6.15)
(Increase)/ decrease in Other Current assets	(220.78)	(109.88)
Increase/ (decrease) in provisions and other liabilities	22.11	(82.93)
Increase/ (decrease) in trade payables	(2.68)	4.12
Cash generated from operations	**(86.73)**	**57.78**
Less : Income taxes paid (net of refunds)	5.86	2.44
Net cash from operating activities (A)	**(80.87)**	**60.22**
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment (including movements in CWIP, including capital advances)	(224.41)	(247.77)
Sale proceeds of Property, Plant and Equipment	1,050.47	107.99
(Investments in)/ Maturity of fixed deposits with banks	(71.20)	(40.94)
Interest income	15.90	14.43
Dividend Income	1.33	6.62
Net cash used in investing activities (B)	**772.09**	**(159.68)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(180.32)	264.30
Proceeds from/ (repayment of) short term borrowings	(187.68)	87.70

Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Statement of cash flows for the year ended March 31, 2025 (Contd....)

Particulars	March 31, 2025	March 31, 2024
Finance costs	(255.90)	(258.55)
Dividend transferred to Investor Education & Protection Fund	(0.16)	(0.31)
Payment of lease liabilities	3.36	4.34
Net cash from/ (used in) financing activities (C)	**(620.70)**	**97.48**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**70.52**	**(1.97)**
Cash and cash equivalents at the beginning of the financial year	**38.41**	**40.37**
Cash and cash equivalents at end of the year	**108.93**	**38.40**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statement of Cash Flow Statements".
2. Components of cash and cash equivalents

Balances with banks in current accounts	107.65	37.61
Cash on hand	1.28	0.79
Total cash and cash equivalents	**108.93**	**38.40**

The accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

1 Company Overview

Elgi Rubber Company Limited ('Company' or 'ERCL') was incorporated on 16th October 2006. ERCL is leading Company providing solutions to Rubber Industry and engaged in the business of manufacture of Reclaimed rubber, Retreading machinery, and Retread rubber.

2 Basis of preparation of financial statements

Statement of compliance

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 provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Basis of Consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest millions (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on May 29, 2025.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Material Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) 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.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. 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.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

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 cost exceeds ₹ 10,000 and 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.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities e.g. the design and production of prototypes is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably, the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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.

Impairment of assets

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried, had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) 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 is provided on Written Down Value method, over the useful lives specified in Schedule II to the Companies Act, 2013.

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.

f) 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. Costs are determined on weighted average method as follows:

(i) Raw materials, packing materials, stores and spares: At purchase cost including other cost incurred in bringing materials/ consumables to their present location and condition.

(ii) Work-in-progress: At material cost, conversion costs and appropriate share of production overheads

(iii) Finished goods: At material cost, conversion costs, appropriate share of production overheads.

(iv) Stock-in-trade and goods in transit: At purchase cost including other cost incurred in bringing materials/consumables 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.

g) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments other than equity instruments at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Name of the financial asset	Impairment Testing Methodology
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under “Other operating revenue” or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under “Other Financial Assets”. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under “Other Financial Assets”.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Business Combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

n) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and an appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

o) Leases

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

p) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

q) 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.

r) 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, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

s) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate."

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

4 RECENT ACCOUNTING PRONOUNCEMENTS

A New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

B Changes in material accounting policies

Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Recent IND-AS pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

5 Property, plant and equipment and intangible assets

Particulars	Tangible Assets						Intangible Assets	Total Assets
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Total		
Cost as at March 31, 2023	452.45	1,313.90	1,914.24	6.18	11.21	3,697.96	212.65	3,910.62
Additions	2.72	18.57	329.34	0.04	5.33	356.01	-	356.01
Disposals/ Adjustments	(0.99)	(36.94)	(149.62)	-	(2.36)	(189.91)	(43.92)	(233.83)
Transfer to property held for sale	(22.17)	-	-	-	-	(22.17)	-	(22.17)
Exchange difference (FCTR)	(80.80)	96.65	(12.50)	-	1.03	4.38	130.28	134.66
Cost as at March 31, 2024	**351.21**	**1,392.18**	**2,081.46**	**6.22**	**15.21**	**3,846.27**	**299.01**	**4,145.29**
Additions	46.59	38.44	185.30	2.00	1.20	273.53	2.87	276.40
Disposals/ Adjustments	(201.90)	(973.24)	(31.11)	-	-	(1,206.25)	-	(1,206.25)
Transfer to property held for sale	(2.09)	-	-	-	-	(2.09)	-	(2.09)
Exchange difference (FCTR)	(21.90)	(45.97)	43.76	(0.28)	0.10	(24.28)	0.61	(23.68)
Cost as at March 31, 2025	**171.91**	**411.41**	**2,279.41**	**7.94**	**16.51**	**2,887.18**	**302.49**	**3,189.67**
Depreciation/Amortisation								-
As at March 31, 2023	-	355.11	1,307.60	5.79	9.42	1,677.92	88.26	1,766.17
Charge for the year	-	47.84	113.14	0.72	1.13	162.83	5.02	167.85
Disposals	-	(2.21)	(156.44)	-	(2.36)	(161.00)	(43.91)	(204.91)
Exchange difference (FCTR)	-	0.93	8.73	(0.28)	0.11	9.49	128.38	137.87
As at March 31, 2024	**-**	**401.67**	**1,273.03**	**6.22**	**8.30**	**1,689.24**	**177.75**	**1,866.98**
Charge for the year	-	16.13	160.42	0.48	1.70	178.73	0.62	179.35
Disposals	-	(316.38)	(28.44)	-	-	(344.82)	-	(344.82)
Exchange difference (FCTR)	-	3.49	(14.01)	(0.22)	0.13	(10.62)	(11.34)	(21.94)
As at March 31, 2025	**-**	**104.91**	**1,391.00**	**6.48**	**10.13**	**1,512.53**	**167.03**	**1,679.57**
Net Block								-
As at March 31, 2024	**351.21**	**990.51**	**808.43**	**-**	**6.91**	**2,157.07**	**121.26**	**2,278.31**
As at March 31, 2025	**171.91**	**306.50**	**888.41**	**1.46**	**6.37**	**1,374.64**	**135.46**	**1,510.10**

i) Property, plant and equipment pledged as security

Refer notes 46 & 47 for information on property, plant and equipment pledged as security by the company.

ii) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.

5A Investment Property

Particulars	Amount
Balance as at April 01, 2024	36.61
Reclassification from Property, plant and equipment	-

5B During the year ended March 31,2025 free hold lands of the company aggregating to ₹ 24.26 Million had been reclassified as property held for sale has led to reductions in non current asset and increase in Current asset of the balance sheet of the company.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
6	**Capital Work-in-progress**		
	Opening Balance	164.48	215.23
	Additions during the year	197.52	196.13
	Capitilisation	(277.02)	(246.88)
	Closing Balance	**84.98**	**164.48**

Capital Work-in-progress ageing schedule

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25						
Projects in progress	84.98	-	-	-	**84.98**	-
Projects temporarily suspended		-	-	-	-	-
For FY 23-24						
Projects in progress	164.48	-	-	-	-	164.48
Projects temporarily suspended	-	-	-	-	-	-

Capital Work-in-progress is overdue or exceeded its original plan cost

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25						
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-
For FY 23-24						
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-

		March 31, 2025	March 31, 2024
7	**Right-of-use assets**		
	Right-of-use Lease hold assets	2.64	6.33
		2.64	**6.33**
8	**Non-current financial assets - Investment**		
	Quoted - At Fair Value Through Profit or Loss		
	Investment in Equity Instruments *	321.35	400.66
	Unquoted - At Fair Value Through Profit or Loss		
	Investment in mutual fund *	0.58	0.58
	Provision for impairment	(0.58)	(0.58)
		321.35	**400.66**
	Aggregate amount of		
	Quoted investments and market value thereof	321.35	400.66
	Unquoted investments	0.58	0.58
	Provision for Impairment	(0.58)	(0.58)
	* Refer note 42 for information on the above		
9	**Non-current - other financial asset**		
	(Unsecured, considered good)		
	Security deposits	21.64	19.09
	Rent and other advances	30.45	20.06
		52.09	**39.15**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
10	**Non-current - Deferred tax asset (Net)**		
	Expenses allowable for tax purposes when paid	148.39	184.81
	Voluntary retirement scheme payment to be allowed	3.97	3.97
	Expenses disallowed on provisions	12.30	11.85
	Differential Tax on Capital gains	88.37	88.49
	Other Comprehensive Income	30.82	-
	On Property, Plant and Equipment	(6.79)	(19.66)
	Right of use of asset	(0.66)	(1.59)
		276.40	**267.88**
11	**Other Non Current Assets**		
	(Unsecured, considered good)		
	Capital advances	4.96	34.42
	Disputed income tax payments	6.22	13.98
	Other receivables	-	2.67
	Other disputed statutory payments/deposits	11.33	13.04
	Statutory payments	2.45	6.35
	Advance recoverable in cash or in kind or for value to be received	1.29	1.31
		26.25	**71.77**
12	**Inventories**		
	Raw materials	422.26	368.22
	Work-in-progress	68.02	57.29
	Finished goods	324.36	377.44
	Stock-in-trade	70.04	11.32
	Stock-in-transit	17.83	23.57
	Packing materials	23.68	32.81
	Stores and spares	282.23	225.26
	Scrap	6.23	8.65
		1,214.65	**1,104.56**
13	**Current financial assets - Trade receivables**		
	Unsecured		
	Undisputed - considered good	692.99	619.31
	Undisputed - considered doubtful	56.90	58.89
	Disputed - considered good	-	-
	Disputed - considered Doubtful	13.14	11.72
		763.03	**689.91**
	Allowance for expected credit losses	(70.04)	(70.67)
		692.99	**619.24**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25							
i) Undisputed Trade receivables							
a.considered good	549.47	15.84	43.77	59.77	24.14	692.99	-
b.considered doubtful	-	-	2.87	22.07	31.96	56.90	-
ii) Disputed Trade receivables							
a.considered good	-	-	-	-	-	-	-
b.considered doubtful	-	-		2.60	10.54	13.14	-
Less: Allowance for expected credit losses	-	-	(2.87)	(3.92)	(63.25)	(70.04)	-
Total	**549.47**	**15.84**	**43.77**	**80.52**	**3.39**	**692.99**	**-**
For FY 23-24							
i) Undisputed Trade receivables							
a.considered good	475.36	27.15	71.95	14.71	30.13		619.31
b.considered doubtful	-	-	23.22	2.89	32.78		58.89
ii) Disputed Trade receivables							
a.considered good			-	-	-		-
b.considered doubtful		-	0.01	0.31	11.40		11.72
Less: Allowance for expected credit losses		-	(23.23)	(3.20)	(44.24)		(70.67)
Total	**475.36**	**27.15**	**71.95**	**14.71**	**30.08**	**-**	**619.24**

		March 31, 2025	March 31, 2024
14	**Cash and cash equivalents**		
	Cash on hand	1.28	0.79
	Balances with banks		
	In current accounts	107.65	37.61
		108.93	**38.40**
15	**Other Bank Balances**		
	In Margin money deposits*	249.80	189.62
	In deposits accounts **	15.70	22.35
	Fixed deposit	25.08	7.26
	In Earmarked Accounts		
	Unpaid Dividend Account	0.18	0.34
		290.76	**219.57**
	*lien on bank guarantees and letter of credits		
	** lien on bank term loan and overdraft		
16	**Current financial asset - Loans**		
	(Unsecured, considered good)		
	Loans to employees	4.48	3.49
		4.48	**3.49**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
17	**Other current assets**		
	(Unsecured, considered good)		
	Income and claims receivable	21.72	12.41
	Interest accrued on Deposits	9.12	5.88
	Prepaid expenses	209.35	57.47
	Lease receivable-Machinery	12.89	5.59
	Advance income-tax	14.68	9.25
	Balance with govt authorities:	99.07	91.36
	Export incentives receivable	4.53	6.11
	Vat credit receivable	0.27	4.25
	Advance recoverable in cash or in kind or for value to be received	89.75	24.04
	Advance payment of income tax	2.00	1.62
	Others	23.07	38.98
		486.45	**256.96**
18	**Equity Capital**		
	Authorised Share Capital		
	380,300,000 Equity shares of ₹ 1 each	380.30	380.30
		380.30	**380.30**
	Issued Share Capital		
	50,050,000 Equity shares of ₹ 1 each	50.05	50.05
		50.05	**50.05**
	Subscribed and fully paid up share capital		
	50,050,000 Equity shares of ₹ 1 each	50.05	50.05
		50.05	**50.05**
Notes:			
1)	**Reconciliation of number of equity shares subscribed**		
	Balance at the beginning of the year	50,050,000	50,050,000
	Adjustment during the year	-	-
	Balance at the end of the year	**50,050,000**	**50,050,000**

2) There are no bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

3) 49,550,000 equity shares of ₹ 1/- each were allotted in accordance with the scheme of amalgamation and arrangement during the year 2010-11

4) The Company has no holding company

5) Rights, preferences and restrictions in respect of equity shares issued by the Company

   a. The Company has only one class of equity shares having a par value of ₹ 1 each. The equity shares of the Company having par value of ₹ 1/- rank pari-passu in all respects including voting rights and entitlement to dividend.

   b. The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. During the year the company has not declared any dividend. (Previous year dividend : Nil)

   c. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

6) Shareholders holding more than 5% of the total share capital

Name of the share holder	March 31, 2025		March 31, 2024	
	No of shares	% of Holding	No of shares	% of Holding
Sudarsan Varadaraj	23,567,500	47.09%	23,567,500	47.09%
LRG Technologies Limited	3,541,475	7.08%	3,541,475	7.08%

7) Shares held by promoters at the end of the year

Promoter name	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Sudarsan Varadaraj	23,567,500	47.09%	23,567,500	47.09%	-
Harsha Varadaraj	2,252,637	4.50%	2,252,637	4.50%	-
Varshini Varadaraj	2,252,635	4.50%	2,252,635	4.50%	-
Jairam Varadaraj	141,750	0.28%	141,750	0.28%	-

	Particulars	March 31, 2025	March 31, 2024
19	**Other Equity**		
	Capital Reserve	318.20	318.20
	Securities Premium Account	1.90	1.90
	General Reserve	1,254.67	1254.67
	Other Comprehensive Income	(14.55)	(13.61)
	Foreign Currency Translation Reserve	31.26	93.20
	Investment Reserve	394.04	394.04
	Retained earnings	(244.66)	(201.05)
		1,740.86	**1,847.35**
	a) Capital reserve		
	Balance at the beginning and end of the year	**318.20**	**318.20**
	b) Securities premium account		
	Balance at the beginning and end of the year	**1.90**	**1.90**
	c) General reserve		
	Balance at the beginning of the year	1,254.67	1,254.67
	Additions/ (deductions) during the year	-	-
	Balance at the end of the year	**1,254.67**	**1,254.67**
	d) Other comprehensive income		
	Balance at the beginning of the year	(13.61)	(7.83)
	Additions during the year	(0.94)	(5.78)
	Transfer to retained earnings		
	Balance at the end of the year	**(14.55)**	**(13.61)**
	e) Foreign currency translation reserve		
	Balance at the beginning of the year	93.21	147.09
	Additions/ (deductions) during the year	(61.95)	(53.88)
	Balance at the end of the year	**31.26**	**93.21**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
f) Investment reserve		
Balance at the beginning of the year	394.04	394.04
Additions/ (deductions) during the year	-	-
Balance at the end of the year	**394.04**	**394.04**
g) Retained earnings		
Balance at the beginning of the year	(201.05)	(317.66)
Net profit/(loss) for the period	(43.60)	116.61
Balance at the end of the year	**(244.65)**	**(201.05)**
20 Non-current financial liabilities - Borrowings		
Term loans		
a) Secured		
From Banks	1,064.01	1,203.21
From NBFC	139.97	204.53
	1,203.98	**1,407.74**
Less: Current Maturities due within 1 year (Refer Note 22.g)	405.65	447.59
Total (A)	**798.33**	**960.15**
b) Unsecured		
Deposit From Members (including related party)	70.50	82.50
	70.50	**82.50**
Less: Current Maturities due within 1 year (Refer Note 22.h)	22.25	15.75
Total (B)	**48.25**	**66.75**
Total (A+B)	**846.58**	**1,026.90**

Details of Borrowings and Assets pledged as Security, and terms and conditions of loans taken from Banks and Non Banking Financials institutions - Refer note 47

Note:

a) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority

b) There are no defaults in the repayments of above borrowings.

c) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken

Particulars	March 31, 2025	March 31, 2024
21 Non-current financial liabilities - Lease		
Lease liability	1.15	3.64
	1.15	**3.64**
22 Current liabilities - Financial Liabilities: Borrowings		
a) Cash Credit loans		
Secured		
From Banks	206.07	141.94
	206.07	**141.94**
b) Packing Credit loans		
Secured		
From Banks	-	50.00
	-	**50.00**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
c) Demand loan		
Secured		
From Banks	1,081.04	1001.58
From NBFC	-	300.66
	1,081.04	**1,302.24**
d) Buyers Credit loans		
Secured		
From Banks	81.73	36.17
	81.73	**36.17**
e) Overdraft		
Secured		
From Banks	0.18	-
	0.18	**-**
f) Unsecured		
Loan from related parties	50.80	41.70
	50.80	**41.70**
g) Current Maturities of Long-term debt	405.65	447.59
h) Current Maturities of Deposit from Members (including related party)	22.25	15.75
	1,847.71	**2,035.39**

Details of Borrowings and Assets pledged as Security, and terms and conditions of loans taken from banks and Non Banking financial institutions - Refer note 48

Note:

a) The Company has not been declared as a wilful defaulter by any bank or financial institutions or government or any government authority.

b) The Company's borrowings from banks or financial instituitions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts except exchange fluctuation gain or loss considered in books

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

d) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken

Particulars	March 31, 2025	March 31, 2024
23 Current liabilities - Financial Liabilities: Lease		
Current maturities of lease liability	2.56	3.42
	2.56	**3.42**
24 Current liabilities - Financial Liabilities: Trade payables		
a. Outstanding dues of micro & small enterprises	34.24	26.21
b. Outstanding dues other than (a) above	414.51	424.72
	448.75	**450.93**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024

Trade Payables ageing schedule

Particulars	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	March 31, 2025	March 31, 2024
For FY 24-25						
(i) MSME	34.16	-	0.08	-	34.24	-
(ii) Others	414.51	-	-	-	414.51	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**448.67**	**-**	**0.08**	**-**	**448.75**	**-**
For FY 23-24						
(i) MSME	26.13	0.08	-	-	-	26.21
(ii) Others	325.21	3.63	26.62	69.26	-	424.72
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**351.34**	**3.71**	**26.62**	**69.26**	**-**	**450.93**

		March 31, 2025	March 31, 2024
25	**Current liabilities - Provisions**		
	Provision for compensated absence	11.68	11.31
	Provision - others	13.87	25.59
		25.55	**36.90**
26	**Other current liabilities**		
	Interest accrued but not due on secured loans	3.85	3.28
	Unpaid Dividends	0.18	0.34
	Statutory Dues Payable	14.91	15.48
	Employee benefits payable	60.14	60.72
	Employee recoveries payable	0.30	0.25
	Other payables to related party	0.05	-
	Other payables	111.99	77.92
	Advance and deposits from customers etc.,	47.79	47.35
		239.21	**205.34**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
27	**Revenue from operations**		
	Sale of products	3,757.65	3,821.04
	Sale of service	57.42	19.69
	Other operating revenue	24.15	23.72
		3,839.22	**3,864.45**
	Sale of products comprise of		
	Finished goods	3,574.73	3,739.60
	Traded goods	182.92	124.85
		3,757.65	**3,864.45**
	Other operating revenue		
	Scrap sales	**20.33**	**14.00**
28	**Other income**		
	Interest Income (Refer 28A)	21.30	16.57
	Other non-operating income (Refer 28B)	139.03	207.59
		160.33	**224.16**
28 A	**Interest Income from**		
	Banks	19.62	12.55
	Others	1.68	4.02
		21.30	**16.57**
28 B	**Other non-operating income**		
	Dividend Income	1.33	1.33
	Profit on disposal of propert,plant and equipment	19.87	5.97
	Rent received	7.13	20.03
	Foreign currency gain/loss	55.23	22.23
	Claims received from Insurance Company	0.93	9.46
	Duty drawback/rebate of excise duty	1.22	1.70
	Increase in Fair Valuation on equity instruments	-	109.07
	Liabilities no longer required written back	2.71	0.18
	Miscellaneous income	50.61	37.62
		139.03	**207.59**
29	**Cost of materials consumed**		
	Opening stock	494.08	496.52
	Add: Purchase	1,577.53	1,666.33
	Less: Closing stock	(422.26)	(494.08)
		1,649.35	**1,668.77**
30	**Purchase of stock in trade**		
	Purchase of stock in trade	136.09	120.75
		136.09	**120.75**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	March 31, 2025	March 31, 2024
31	**Changes in inventories of finished goods, work-in-progress and stock in trade**		
	Opening Balance		
	Work-in-Progress	69.09	115.06
	Finished goods	348.30	301.43
	Stock-in-trade	76.61	79.88
	Scrap	8.64	2.86
		502.66	**499.23**
	Closing Balance		
	Work-in-Progress	68.02	69.09
	Finished goods	324.36	348.30
	Stock-in-trade	70.04	76.61
	Scrap	6.23	8.64
		468.65	**502.66**
		34.01	**(3.43)**
32	**Employee benefits expense (Refer Note No. 49)**		
	Salaries, wages and bonus	446.21	377.19
	Managerial remuneration	100.72	127.63
	Contribution to provident and other funds	53.36	51.41
	Gratuity paid (net of reversals)	5.14	4.00
	Staff welfare expenses	22.15	18.74
		627.58	**578.97**
33	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	178.91	187.28
	Amortisation on intangible assets	0.45	-
	Depreciation Expenses on Right to use of Assets	3.69	3.80
		183.05	**191.08**
34	**Finance Cost**		
	Interest on Borrowings		
	Banks	187.59	152.24
	Non banking financial Institutions	44.49	58.53
	Related party	4.35	5.49
	Fixed Deposits	7.23	8.19
	Others	5.83	1.10
	Financial charges on borrowings	6.97	28.87
		256.46	**254.42**
35	**Other expenses**		
	Consumption of stores and spare parts	39.68	44.00
	Packing materials consumed	52.59	51.98
	Power and fuel	367.60	394.37
	Rent	44.01	1.88

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
Labour charges	86.81	107.31
Repairs and Maintenance		
a.Plant and machinery	56.57	76.21
b.Building	23.81	11.32
c.Others	59.39	62.10
Insurance	60.94	48.32
Rates and taxes	10.55	20.62
Exchange fluctuation expenses (Net)	(0.14)	3.81
Travelling and conveyance	29.83	29.86
Directors' sitting fees	0.33	0.35
Auditor Remuneration (see note below)	6.09	9.59
Professional fees	55.00	43.11
Advertisement and other selling expenses	58.75	57.83
Decrease in Fair Valuation of Equity Instruments	79.31	-
Carriage Inward	3.76	19.70
Freight charges	179.78	156.95
CSR Expenditure (Refer Directors Report Annexure III)	1.77	0.50
Bad Debts	3.95	13.44
Allowances for expected credit losses	1.78	1.03
Miscellaneous expenses	105.07	96.39
	1,327.23	**1,250.67**
Auditors' Remuneration		
Audit fees	5.93	7.46
Other services	0.12	2.06
Reimbursement of expenses	0.04	0.07
	6.09	**9.59**
36 Exceptional items		
Gain on sale of Land & Building	169.17	109.73
	169.17	**109.73**
37 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	7.07	10.60
Tax for earlier years based on assessment	-	-
Total current tax expense	**7.07**	**10.60**
Deferred tax		
Deferred tax adjustments	(8.52)	9.89
Total deferred tax expense/(benefit)	**(8.52)**	**9.89**
Income tax expense	**(1.45)**	**20.49**
b) Income tax recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.32	1.94
Total income tax recognised in other comprehensive income	**0.32**	**1.94**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

c) Movement of deferred tax expense during the year ended March 31, 2025

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(19.66)	12.88	-	(6.79)
Expenses allowable on payment basis under the Income Tax Act	184.77	(36.74)	0.32	148.35
Lease liability	1.59	(0.93)	-	0.66
Other temporary differences	101.18	2.18	30.82	134.18
Total	**267.88**	**(22.61)**	**31.14**	**276.40**

d) Movement of deferred tax expense during the year ended March 31, 2024

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(16.04)	(3.62)	-	(19.66)
Expenses allowable on payment basis under the Income Tax Act	35.23	147.60	1.94	184.77
Lease liability	0.49	1.10	-	1.59
Other temporary differences	258.09	(156.91)	-	101.18
Total	**277.77**	**(11.83)**	**1.94**	**267.88**

	Particulars	March 31, 2025	March 31, 2024
38	**Earnings per share**		
	Profit for the year attributable to owners of the Company	(43.60)	116.61
	Weighted average number of ordinary shares outstanding	5,00,50,000.00	5,00,50,000.00
	Basic earnings per share (₹)	(0.87)	2.33
	Diluted earnings per share (₹)	(0.87)	2.33
39	**Disclosures required under Section 22 the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under**		
	(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	34.24	26.21
	(b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
	(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
	(e) 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 to the small enterprise	-	-
	* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
40	**Contingent liability**		
	Claims against the Company not acknowledged as debts		
	a. Income tax matters	-	39.51
	b. Excise and service tax matters	13.25	18.55
	c. Sales tax	38.49	63.16

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.70	59.20

Other commitments

A. Standby letter of credit (guarantee) and Corporate Guarantee

SBLC facilities were extended by banks in India to their foreign counterparts based on the counter guarantee given by the company. These counterpart banks who in turn had granted credit facilities to the following subsidiary companies including step down subsdiary. The Company has also extended the Corporate Guarantees against the credit facilities granted to its subsidiary companies including step down subsdiary subsidiaries.

Outstanding amounts against credit facilities granted to	Currency	Year ended March 31, 2025	Year ended March 31, 2024
1. Rubber Resources B.V., The Netherlands	EUR	3.57	4.94
2. Elgi Rubber Company Holdings B.V., The Netherlands	EUR	8.20	8.00
3. Elgi Rubber Company LLC, USA	USD	1.90	2.50

Secured borrowings and assets pledged as security: (SBLC)

The SBLC facilities granted by Banks are secured by way of:

a. Charge on specific immovable properties including land and buildings (all present and future buildings constructed thereon) including plant and machinery of the Company other than those exclusively charged to other term lenders.

b. Hypothecation of all the stocks in trade (both present and future) and book debts of the Company on paripassu basis.

c. Cash margin - Lien on fixed deposits

B. Others

	March 31, 2025	March 31, 2024
a. Guarantee on account of security deposits with various electricity boards, state road transport corporations and other statutory authorities	8.22	7.84
b. Letter of credit on account of import of goods	-	4.95

41 Operating Segments

The Company's business operation comprises of single operating segment viz., "Rubber Industry". Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

42 Non-current financial assets - Investments

Particulars	No. of shares / units (as on March 31, 2025)	Face value per share / units (in respective currency)	March 31, 2025	March 31, 2024
Investment in Equity Investments (Fully paid up) (Quoted)				
Fair value through profit or loss				
Elgi Equipments Limited	664,160	₹ 1	319.93	399.62
Precot Limited	3,225	₹ 10	1.42	1.04
			321.35	**400.66**

43 Basis of Consolidation

The Consolidated Financial Statements relate to Elgi Rubber Company Limited (the Parent Company) and its subsidiaries (the Parent Company and its subsidiaries together constitute the Group).

Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IND AS110) "Consolidated Financial Statements", Indian Accounting Standard 28 (IND AS 28) "Investments in Associates and Joint Ventures prescribed under Section 133 of the Companies Act, 2013.

(All amounts are in Millions in INR, unless otherwise stated)

The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the Consolidated Financial Statements as Goodwill.

The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised as profit or loss on disposal of investments in the subsidiary in the Consolidated Statement of Profit and Loss.

Non-controlling interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Parent Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

44 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	March 31, 2025	March 31, 2024
Gearing Ratio		
Debt	846.58	1,026.90
Less: Cash and bank balances	399.69	257.97
Net debt	**446.89**	**768.93**
Total equity	1,790.92	1,897.41
Net debt to equity ratio (%)	24.95%	40.53%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Non-current - Other financial assets	52.09	39.15
Current financial assets - Trade receivables	692.99	619.24
Current financial assets - Cash and cash equivalents	108.93	38.40
Current financial assets - Bank balances other than above	290.76	219.57
Current financial assets - Loans	4.48	3.49
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Non-current financial assets - Investments	321.35	400.66
Financial liabilities		
Measured at amortised cost		
Non-current financials liabilities - Borrowings	846.58	1,026.90
Current financials liabilities - Borrowings	1,847.71	2,035.39
Current financials liabilities - Trade payables	448.75	450.93

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by ₹ 7.20 million for the year (Previous ₹ 7.22 million)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the derivative contracts with the reputed Banks.

There is no major Investments made by the Company and accordingly is not prone to any major investment risk.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2025				
Trade payables	448.75	-	-	448.75
Borrowings (including interest accrued thereon upto the reporting date)	517.72	760.61	-	1,278.33
	966.47	760.61	-	1,727.08
March 31, 2024				
Trade payables	450.93	-	-	450.93
Borrowings (including interest accrued thereon upto the reporting date)	466.62	1,026.90	-	1,493.52
	917.55	**1,026.90**	**-**	**1,944.45**

45 Related party disclosure

a) Name of related party and nature of relationship

Other related parties	Elgi Equipments Limited LRG Technologies Limited Elgi Ultra Industries Private Limited Elgi Ultra Private Limited ATS Elgi Limited Festo India Private Limited Tyre Point Private Limited (converted into LLP wef 24.06.2024) Tyre Point LLP Industrial Air Solutions LLP

(All amounts are in Millions in INR, unless otherwise stated)

Key management personnel	
Sudarsan Varadaraj	Chairman and Managing Director
Harsha Varadaraj	Executive Director
Jairam Varadaraj	Non Executive Director
MD Selvaraj (upto 26.09.2024)	Non Executive Director
Vijayraghunath (upto 26.09.2024)	Non Executive Director
V Bhuvaneshwari (upto 26.09.2024)	Non Executive Director
Sarathraj Selvakumar (from 14.08.2024)	Non Executive Director
Parvathi Srinivasan (from 01.09.2024)	Non Executive Director
R. Vidhya Shankar (from 27.09.2024)	Non Executive Director
SR Venkatachalam	Chief Financial Officer
Faizur Rehman Allaudeen	Company Secretary
Relative of Key management personnel	
Bharathi Varadaraj	
Varshini Varadaraj	

b) Transactions during the year

	Nature of transactions	2024-25	2023-24
1	**Income from sale of goods**		
	Elgi Equipments Limited	-	0.32
	LRG Technologies Limited	12.41	9.12
	ATS Elgi Limited	-	0.16
2	**Purchase of goods**		
	Elgi Ultra Private Limited	0.60	0.47
	ATS Elgi Limited	-	0.01
	LRG Technologies Limited	0.85	-
	Festo India Private Limited	1.80	0.61
	Industrial Air Solutions LLP	0.97	1.04
3	**Rendering of services**		
	Elgi Equipments Limited	1.60	0.28
	LRG Technologies Limited	0.06	9.15
	ATS Elgi Limited	0.03	-
4	**Receiving of services**		
	LRG Technologies Limited	1.00	0.27
	Vijayraghunath	-	0.25
5	**Managerial remuneration**		
	Sudarsan Varadaraj	7.89	8.30
	Harsha Varadaraj	2.86	3.43
6	**Salary to other key managerial personnel**		
	SR Venkatachalam	4.40	4.58
	G Sasikumar	-	0.30
	Faizurrehman A	0.75	0.53
7	**Sitting fee paid**		
	Jairam Varadaraj	0.03	0.03
	M D Selvaraj	0.05	0.12
	Vijayraghunath	0.05	0.12
	V Bhuvaneswari	0.05	0.08
	Paravathi Srinivasan	0.05	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

	Nature of transactions	2024-25	2023-24
	R. Vidhya Shankar	0.05	-
	Sarathraj Selvakumar	0.05	-
8	**Dividend received**		
	Elgi Equipments Limited	1.33	1.33
9	**Interest paid**		
	Sudarsan Varadaraj	3.30	4.49
	Harsha Varadaraj	1.04	1.00
	Bharathi Varadaraj	3.41	4.26
	Varshini Varadaraj	3.82	3.93
10	**Sudarsan Varadaraj**		
	Loans taken	11.80	8.60
	Loans repaid	3.50	28.30
11	**Harsha Varadaraj**		
	Loans taken	4.00	10.00
	Loans repaid	3.20	-
12	**Deposit taken**		
	Bharathi Varadaraj	11.00	-
	Varshini Varadaraj	1.00	-
c)	**Balances at the end of the year**		
1	**Loan payables**		
	Sudarsan Varadaraj	40.00	31.70
	Harsha Varadaraj	10.80	10.00
2	**Trade receivables**		
	Elgi Equipments Limited	0.71	0.42
	ATS Elgi Limited	0.19	0.23
	LRG Technologies Limited	-	1.49
3	**Other receivables**		
	Tyre Point Private Limited	0.05	0.05
4	**Security Deposit Received**		
	LRG Technologies Limited	0.05	0.05
5	**Trade and other Payables**		
	LRG Technologies Limited	(1.78)	4.00
	Elgi Ultra Private Limited	0.35	0.01
	Festo India Private Limited	0.45	0.10
	Industrial Air Solutions LLP	-	0.15
6	**Deposit from members**		
	Bharathi Varadaraj	31.50	42.50
	Varshini Varadaraj	39.00	40.00

(All amounts are in Millions in INR, unless otherwise stated)

46 Information relating to Subsidiaries

Details of the Group's subsidiaries are as follows

Sl. No.	Name of the subsidiary	Principal activity	Place of incorporation	% of shares held
1	Borrachas e Equipamentos Elgi Ltda	Manufacturing and trading of Tyre Retreading goods	Brazil	99.99
2	Pincott International Pty Limited	Trading of Tyre Retreading goods	Australia	100.00
3	Elgi Rubber Company Limited	Trading of Tyre Retreading goods	Kenya	99.99
4	Elgi Rubber Company Limited	Manufacturing and trading of Tyre Retreading goods	Sri Lanka	99.99
5	Treadsdirect Limited	Trading of Tyre Retreading goods	Bangladesh	100.00
6	Elgi Rubber Company LLC	Manufacturing and trading of Tyre Retreading goods	USA	100.00
7	Elgi Rubber Company Holdings B.V.	Holding Company having two operative subsidiaries.Rubber Resources B.V Elgi Rubber Company B.V	The Netherlands	100.00

47 Details of Borrowings and Assets pledged as Security: Non-current financial liabilities – Borrowings

Terms and conditions of loans taken from banks and Non-Banking financial institutions

(I) Rupee term loan availed from Axis Bank Ltd: (Total Outstanding: ₹ 61.83 million)

a) Working Capital Term Loan, I carries interest @ 9.25% pa., The loan is repayable in 31 months. The loan matures in February, 2026. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank) on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties and Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis other working capital lenders

b) Working Capital Term Loan, II carries interest @ 9.25% pa., The loan is repayable in 62 months. The loan matures in October, 2028. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties and Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis with other working capital lenders

c) Term loan carries interest @ 9.25% pa., The loan is repayable in 23 monthly instalments. The loan matures in July, 2025. The Rupee term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties.

(II) Foreign Currency term loan availed from Axis Bank Ltd: (Total Outstanding: ₹ 3.57 million)

a) Foreign Currency Term loan carries interest @ 5.18% pa., The loan is repayable on 20 monthly instalments. The loan matures in April, 2025. This term loan is secured by Hypothecation on entire movable fixed assets of the borrower pertaining to the specific reclaim project (acquired out of EXIM Bank finance and taken over by Axis Bank), on exclusive basis. Further this loan is secured by way of exclusive charge basis on the Company's specific immovable properties.

(III) Rupee term loan availed from HDFC Bank Ltd: (Total Outstanding: ₹ 48.94 million)

a) Working Capital Term Loan under Guaranteed Emergency Credit Line (GECL) carries interest @ 9.25% pa., The loan is repayable in 60 months. The loan matures in November, 2026. This loan under GECL is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank.

b) Working Capital Term Loan under Guaranteed Emergency Credit Line (GECL) carries interest @ 9.25% pa., The loan is repayable in 48 months. The loan matures in July, 2028. This loan under GECL is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank.

c) Commercial vehicle loan carries interest @ 9.00% pa., The loan is repayable in 60 months. The loan matures in March, 2029. This loan is secured by hypothecation of vehicle.

(IV) Rupee term loan availed from CSB Bank Ltd: (Total Outstanding: ₹ 300.00 million)

a) Carries interest @ 10.35% pa., The loan is repayable on 60 monthly instalments. The loan matures in March,2028. The term loan availed is secured by way of exclusive hypothecation charge on fixed assets (both present and future) of the Company acquired out of bank's finance for the specific project (reclaim). Further it is also secured by exclusive charge over specific immovable properties of the Company

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

(V) Rupee term loan availed from Federal Bank Ltd: (Total Outstanding: ₹ 286.94 million)

a) Working capital term loan carries interest @ 9.00% pa., The loan is repayable on 48 months instalments. The loan matures in July, 2028. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL.

b) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 31 months instalments. The loan matures in February, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL.

c) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 16 months instalments. The loan matures in December, 2025. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

d) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 40 months instalments. The loan matures in March, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

e) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 38 months instalments. The loan matures in May, 2027. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

f) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 21 months instalments. The loan matures in June, 2026. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

g) Working capital term loans carries interest @ 8.75% pa. The loan is repayable on 28 months instalments. The loan matures in November, 2026. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd. Also, secured by second charge on the primary securities on all movable and immovable assets created out of the WCTL

(VI) Rupee term loan availed from Tata Capital Ltd: (Total Outstanding: ₹ 139.97 million)

a) Term loan facility under Guaranteed Emergency Credit (GECL) carries interest @ 10.30% pa. The loan is repayable in 60 months. This loan is secured by way of second charge on specific immovable properties of the Company. The loan originally matures in February, 2026 but foreclosed during April 25.

b) Term loan facility under Guaranteed Emergency Credit (GECL) carries interest @ 10.30% pa. The loan is repayable in 72 months. This loan is secured by way of second charge on specific immovable properties of the Company. The loan originally matures in February, 2028 but foreclosed during April 25.

c) Term loan carries interest @ 10.30% pa., The loan is repayable on 60 monthly instalments. This loan is secured by way of exclusive charge by way of equitable mortgage on specific immovable properties of the Company. The loan originally matures in April, 2027 but foreclosed during May 25.

d) Term loan carries interest @ 10.30% pa., The loan is repayable on 36 monthly instalments. This loan is secured by extension of mortgage over existing specific immovable properties of the Company. The loan originally matures in June, 2026 but foreclosed during April 25.

e) Term loan carries interest @ 10.30% pa., The loan is repayable on 36 monthly instalments. This loan is secured by extension of mortgage over existing specific immovable properties of the Company. The loan originally matures in February, 2027 but foreclosed during April 25.

f) Term loan carries interest @ 10.30% pa., The loan is repayable on 60 monthly instalments. The loan matures in September, 2029. This loan is secured by extension of mortgage over existing specific immovable properties of the Company.

(VII) ITAU UNIBANCO S/A, Brazil – (Borrachas e Equipamentos Elgi Ltda, Brazil): (Total Outstanding: ₹ 48.50 million)

Term Loan carries interest @ 18.02 % pa. The loan is repayable on 45 monthly instalments and matures in Feb 2029. The term loan is secured by mortgage on land and building of the Company.

(VIII) RBL Bank Ltd, GIFT City Branch, India – (Elgi Rubber Company LLC, USA): (Total Outstanding: ₹ 162.60 million)

Term Loan carries interest @ SOFR plus 3.25 % pa. The loan is repayable on 60 monthly instalments and matures in May 2028. The term loan is secured by Standby letter of credit.

(IX) Cross River Bank, USA - (Elgi Rubber Company LLC, USA): (Total Outstanding: ₹ 6.53 million)

The Working capital term loan facility carries interest @ 24.00 % pa. The loan is repayable on 36 monthly instalments and matures in April 2026.

(X) RBL Bank Ltd, GIFT City Branch, India – (Rubber Resources BV, The Netherlands): (Total Outstanding: ₹ 145.10 million)

Term Loan carries interest @ Euribor plus 2.75 % pa. The loan is repayable on 48 monthly instalments and matures in January 2029. The term loan is secured by Standby letter of credit.

48 Details of Borrowings and Assets pledged as Security: Current liabilities - Financial Liabilities: Borrowings

Terms and conditions of loans taken from banks and Non-Banking financial institutions

(I) HDFC Bank Ltd: (Total Outstanding: ₹ 344.85 million)

a) Cash Credit loan from HDFC Bank Ltd carries an interest rate @ 8.75 % p.a and is repayable on demand.

b) The packing credit loans from HDFC Bank Ltd are repayable within 180 days from the date of borrowing. The borrowings carry an interest rate linked to Repo rate/T-bills plus agreed spread after reduction of eligible interest subsidy under Interest Equalization Scheme of Reserve Bank of India.

c) Demand loan from HDFC Bank Ltd carries an interest rate @ 8.75% p.a. and is repayable on demand.

d) Buyers Credit Foreign Currency loan from HDFC Bank Ltd carries an interest rate linked to TERM SOFR/EURIBOR plus agreed spread. These loans are repayable within 180 days from the date of borrowing.

e) The above credit facilities are secured by exclusive charge over specific immovable properties of the Company and also charge by way of hypothecation of all stock in trade and book debts on Pari passu basis with other working capital lenders. It has also secured by first charge over plant and machinery other than those exclusively charged for other term loan lenders.

(II) Federal Bank Ltd: (Total Outstanding: ₹ 98.18 million)

a) Working capital demand loan from Federal Bank Ltd carries an interest rate @ 9.25% p.a. and is repayable on demand and secured by way of Pari passu charge on the entire current assets of the Company with other working capital lenders. The loan is secured by exclusive charge on pledge of specific investments (equity shares) of the Company. Further, it is secured by Pari passu charge on the company's specific immovable property along with RBL Bank Ltd.

b) The overdraft facility is secured with cash margin placed by way of fixed deposit.

(III) Axis Bank Ltd: (Total Outstanding: ₹ 96.77 million)

a) The cash credit facility from Axis Bank Ltd carries an interest rate @ 9.25 % p.a. The facility is repayable on demand and is secured by Hypothecation of entire current assets of the borrower, both present and future on first Pari passu basis with other working capital lenders. Further it is also secured by exclusive charge over specific immovable properties of the Company.

(IV) CSB Bank Ltd: (Total Outstanding: ₹ 46.61 million)

a) The cash credit facility from CSB Bank Ltd carries an interest rate @ 10.05 % p.a. The facility is repayable on demand and is secured by Pari passu first charge on the entire current assets of the Company, both present and future along with the other existing lenders under MBA. Further it is also secured by exclusive charge over specific immovable properties of the Company.

(V) State Bank of India, Colombo (Elgi Rubber Company Limited, Sri Lanka) : (Total Outstanding: ₹ 0.43 million – Credit Balance)

The cash credit facilities from State Bank of India, Colombo carries interest @ 9.44% pa. The said facility is repayable on demand. The facilities are secured by primary mortgage on stock in trade, book debts and movable plant and machinery of the Company. Also, primary mortgage on leasehold land and premises of the Company.

(VI) AXIS Bank Ltd, GIFT City Branch, India (Elgi Rubber Company Holdings BV, The Netherlands): (Total Outstanding: ₹ 203.58 million)

The working capital demand loan carries interest @ Euribor plus 2.10 % pa. The loan is repayable on demand. The loan is secured by Standby letter of credit.

(All amounts are in Millions in INR, unless otherwise stated)

(VII) HDFC Bank Ltd, GIFT City Branch, India (Elgi Rubber Company Holdings BV, The Netherlands): (Total Outstanding: ₹ 553.79 million)

The working capital facility carries interest @ Euribor plus 2.25 % pa. The loan is repayable on demand. The loan is secured by Standby letter of credit.

(VIII) BANCO DAYCOVAL S/A, Brazil – (Borrachas e Equipamentos Elgi Ltda, Brazil): (Total Outstanding: ₹ 25.67 million)

Loans carries the interest @ 9.65 % pa. The loan is repayable during September 2025.

49 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total (income) / expense recognised in profit or loss of ₹ 5.77 million (for the year ended March 31, 2024: ₹ 11.24 million) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Leave obligations

The leave obligations cover the company's liability for earned leave.

(b) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used in the valuation are shown in the table below :

Particulars	March 31, 2025	March 31, 2024
Discount Rate (per annum)	6.70%	7.15%
Salary Growth Rate (per annum)	5.44%	5.31%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yield / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
Expenses Recognised in the Income Statement :		
Current Service Cost	4.82	3.95
Interest Expense or Cost	4.76	5.01
Investment Income	(5.07)	(5.44)
Expenses Recognised in the Income Statement	**4.51**	**3.52**
Other Comprehensive Income :		
Actuarial (gains)/losses		
- change in demographic assumptions	(0.31)	0.90
- change in financial assumptions	2.56	4.89
- experience variance (i.e.Actual experience vs assumptions)	(1.13)	0.60
Return on plan assets, excluding amount recognised in net interest expense	0.14	1.33
Components of defined benefit costs recognised in other comprehensive income	**1.26**	**7.72**

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Particulars	March 31, 2025	March 31, 2024
The principal assumptions used in the valuation are shown in the table below :		
Present value of defined benefit obligation	(69.65)	(66.52)
Fair value of plan assets	73.31	70.95
Net (liability) / asset arising from defined benefit obligation	**3.66**	**4.43**

Excess of fair value of plan assets over present value of obligation is reflected under 'Others' (other current assets) [Refer note 17].

Particulars	March 31, 2025	March 31, 2024
Changes in the Present Value of Obligation :		
Present Value of Obligation as at the beginning	**66.52**	**66.62**
Current Service Cost	4.82	3.95
Interest Expense or Cost	4.76	5.01
Re-measurement (or Actuarial) (Gain)/Loss arising from :		
- change in demographic assumptions	(0.31)	0.90
- change in financial assumptions	2.56	4.89
- experience variance (i.e.Actual experience vs assumptions)	(1.13)	0.60
Benefits paid	(7.57)	(15.45)
Present Value of Obligation as at the end	**69.65**	**66.52**
Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013 :		
Current Liability (Short Term)	5.82	24.94
Non-current Liability (Long Term)	63.83	41.58
Present Value of Obligation	**69.65**	**66.52**
Changes in the Fair Value of Plan Assets :		
Fair Value of Plan Assets as at the beginning	**70.95**	**72.38**
Investment Income	5.07	5.44
Employer's Contribution	5.00	9.91
Benefits paid	(7.57)	(15.45)
Return on plan assets, excluding amount recognised in net interest expense	(0.14)	(1.33)
Fair Value of Plan Assets as at the end	**73.31**	**70.95**

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Defined Benefit Obligation (Base)	69.65	66.52

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

Particulars	March 31, 2025		March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	74.76	65.15	70.31	63.17
(% change compared to base due to sensitivity)	7.3%	(6.5%)	5.7%	(5.0%)
Salary Growth Rate (- / + 1%)	65.06	74.77	63.09	70.34
(% change compared to base due to sensitivity)	(6.6%)	7.4%	(5.2%)	5.7%
Attrition Rate (- / + 50% of attrition rates)	68.80	70.29	65.29	67.40
(% change compared to base due to sensitivity)	(1.2%)	0.9%	(1.9%)	1.3%
Mortality Rate (- / + 10% of mortality rates)	69.63	69.66	66.51	66.53
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

50. Disclosure of ratios as per Schedule III of the Companies Act, 2013

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% of variance	Reasons for variance
			Ratio	Ratio		
(a) Current Ratio	Current Assets	Current Liabilities	1.09	0.82	32.93 %	Increase in bank balance and other current assets
(b) Debt-Equity Ratio	Total Debt (Including lease liabilities)	Shareholders Equity	1.51	1.62	-6.79 %	-
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.48	0.58	-17.24 %	-
(d) Return on Equity Ratio	Net Profit after taxes - Preference dividend	Average Shareholder's equity	-2.36%	6.24%	-137.82 %	change in fair value of investment
(e) Inventory turnover ratio	Sales of goods	Average Inventory	3.31	3.52	-5.97 %	-
(f) Trade Receivables turnover ratio	Credit Sales	Average Trade Receivables	5.85	5.98	-2.17 %	-
(g) Trade payables turnover ratio	Credit Purchases	Average Trade Payables	3.81	3.98	-4.27 %	-
(h) Net capital turnover ratio	Net Sales	Working Capital	16.37	(7.89)	-307.48 %	increase in working capital
(i) Net profit ratio	Net Profit after taxes	Net Sales	-1.14 %	3.02 %	-137.75 %	change in fair value of investment
(j) Return on Capital employed	Earnings before Interest & Tax	Capital Employed	4.86 %	8.08 %	-39.85 %	change in fair value of investment
(k) Return on investment.	Income generated from investments	Time Weighted average investments	0.38 %	0.38 %	0.00 %	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

51. OTHER STATUTORY INFORMATION

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company has not traded or invested in Crypto currency or virtual currency during the financial year
3. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
4. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
7. The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
8. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

The accompanying notes form an integral part of the consolidation financial statements.

For and on behalf of the Board of Directors

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

Coimbatore
May 29, 2025

As per my report of even date

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A ARUN
Proprietor
Membership No. 227831

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025

(All amounts are in Millions in INR, unless otherwise stated)

52. Additional information required by Schedule III

Net asset i.e. Total assets minus Total liabilities

Name of the entity	March 31, 2025		March 31, 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent Company				
Elgi Rubber Company Limited	173%	3,094.18	165%	3,137.69
Foreign Subsidiaries				
Pincott International Pty Limited - Australia	(3%)	(50.27)	(3%)	(47.46)
Elgi Rubber Company Limited – Sri Lanka	4%	64.66	3%	48.19
Elgi Rubber Company Limited - Kenya	0%	7.18	0%	6.72
Treadsdirect Limited - Bangladesh	0%	6.73	0%	7.20
Borrachas e Equipamentos Elgi Ltda - Brazil	(20%)	(349.37)	(6%)	(110.62)
Elgi Rubber Company, LLC – USA	12%	218.86	(2%)	(33.08)
Elgi Rubber Company Holdings B.V – The Netherlands	(93%)	(1,661.8)	(69%)	(1,304.33)
Sub Total	**74%**	**1,330.13**	**90%**	**1,704.31**
Add/Less: Intragroup elimination / adjustments	26%	460.82	10%	193.09
Total	**100%**	**1,790.95**	**100%**	**1,897.40**

Share in profit or loss

Name of the entity	March 31, 2025		March 31, 2024	
	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Profit or Loss	Amount
Parent Company				
Elgi Rubber Company Limited	98%	(42.57)	154%	179.28
Foreign Subsidiaries				
Pincott International Pty Limited - Australia	1%	(0.35)	0%	(0.21)
Elgi Rubber Company Limited - Sri Lanka	(20%)	8.80	8%	8.99
Elgi Rubber Company Limited - Kenya	0%	(0.02)	0%	(0.03)
Treadsdirect Limited - Bangladesh	0%	(0.00)	0%	(0.00)
Borrachas e Equipamentos Elgi Ltda - Brazil	(36%)	15.76	9%	10.93
Elgi Rubber Company, LLC - USA	(572%)	249.33	35%	40.24
Elgi Rubber Company Holdings B.V - The Netherlands	628%	(273.61)	(94%)	(109.94)
Sub Total	**98%**	**(42.68)**	**111%**	**129.25**
Add/Less: Intragroup elimination / adjustments	2%	(0.92)	(11%)	(12.63)
Total	**100%**	**(43.59)**	**100%**	**116.62**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2025
(All amounts are in Millions in INR, unless otherwise stated)

Share in other comprehensive income

Name of the entity	March 31, 2025		March 31, 2024	
	As a % of consolidated OCI	Amount	As a % of consolidated OCI	Amount
Parent Company				
Elgi Rubber Company Limited	100%	(0.94)	100%	(5.78)
Foreign Subsidiaries				
Pincott International Pty Limited - Australia	0%	-	0%	-
Elgi Rubber Company Limited – Sri Lanka	0%	-	0%	-
Elgi Rubber Company Limited - Kenya	0%	-	0%	-
Treadsdirect Limited - Bangladesh	0%	-	0%	-
Borrachas e Equipamentos Elgi Ltda - Brazil	0%	-	0%	-
Elgi Rubber Company, LLC – USA	0%	-	0%	-
Elgi Rubber Company Holdings B.V – The Netherlands	0%	-	0%	-
Sub Total	**100%**	**(0.94)**	**100%**	**(5.78)**
Add/Less: Intragroup elimination / adjustments	0%	-	0%	-
Total	**100%**	**(0.94)**	**100%**	**(5.78)**

Share in total comprehensive income

Name of the entity	March 31, 2025		March 31, 2024	
	As a % of Total Comprehensive Income	Amount	As a % of Total Comprehensive Income	Amount
Parent Company				
Elgi Rubber Company Limited	98%	(43.51)	157%	173.50
Foreign Subsidiaries				
Pincott International Pty Limited - Australia	1%	(0.35)	0%	(0.21)
Elgi Rubber Company Limited – Sri Lanka	(20%)	8.80	8%	8.99
Elgi Rubber Company Limited - Kenya	0%	(0.02)	0%	(0.03)
Treadsdirect Limited - Bangladesh	0%	(0.00)	0%	(0.00)
Borrachas e Equipamentos Elgi Ltda - Brazil	(35%)	15.76	10%	10.93
Elgi Rubber Company, LLC – USA	(560%)	249.33	36%	40.24
Elgi Rubber Company Holdings B.V – The Netherlands	614%	(273.61)	(99%	(109.94)
Sub Total	**98%**	**(43.62)**	**111%**	**123.47**
Add/Less: Intragroup elimination / adjustments	2%	(0.92)	(11%	(12.64)
Total	**100%**	**(44.54)**	**100%**	**110.83**

53. Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

The accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors

As per my report of even date

Sudarsan Varadaraj
Chairman & Managing Director
DIN: 00133533

Parvathi Srinivasasn
Director
DIN: 10646746

SR Venkatachalam
Chief Financial Officer

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

Faizur Rehman Allaudeen
Company Secretary
Membership No. A70055

A ARUN
Proprietor
Membership No. 227831

Coimbatore
May 29, 2025

Elgi Rubber Company Limited

CIN : L25119TZ2006PLC013144

Super A Unit | Coimbatore Private Industrial Estate | Kuruchi

Coimbatore - 641 021 | India

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