



Statement of Consolidated Annual Financial Results for the quarter and year ended March 31, 2020

(Rs. in Millions, except share and per equity share data)

S. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited (Refer note 8)	(Unaudited)	Audited (Refer note 8)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	4,547.06	4,633.02	5,280.31	18,293.92	18,634.69
	(b) Other income	7.21	76.52	32.82	132.14	96.55
	Total income	4,554.27	4,709.54	5,313.13	18,426.06	18,731.24
2	Expenses					
	(a) Cost of materials consumed	1,854.45	1,810.71	2,320.00	7,571.66	7,820.73
	(b) Purchases of stock-in-trade	467.25	639.92	564.95	2,531.23	2,464.15
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	153.80	12.19	92.29	(296.57)	26.27
	(e) Employee benefits expense	1,020.63	1,052.22	908.12	4,045.64	3,408.30
	(f) Finance costs	41.08	38.87	19.48	155.47	89.85
	(g) Depreciation and amortisation expense	175.11	168.98	142.66	652.32	511.07
	(h) Other expenses	780.52	795.18	779.83	3,083.10	2,997.70
	Total expenses	4,492.84	4,518.07	4,827.33	17,742.85	17,318.07
3	Profit before share of profit/(loss) of joint ventures and tax (1 - 2)	61.43	191.47	485.80	683.21	1,413.17
4	Share of Profit/(loss) of joint venture	(0.87)	5.93	(3.40)	12.40	21.87
5	Profit before tax (3+ 4)	60.56	197.40	482.40	695.61	1,435.04
6	Tax expense:					
	Current tax	97.16	90.38	154.58	378.94	480.82
	Deferred tax	(47.11)	(21.56)	(28.64)	(109.00)	(76.43)
7	Net Profit for the period (5 -6)	10.51	128.58	356.46	425.67	1,030.65
8	Other comprehensive income, net of income tax					
	A. Items that will not be reclassified to profit or loss	(7.70)	1.42	0.01	(23.27)	(9.93)
	B. Items that will be reclassified to profit or loss	86.03	26.92	(45.81)	133.14	20.11
	Total other comprehensive income, net of income tax	78.33	28.34	(45.80)	109.87	10.18
9	Total comprehensive income for the period (7 +8)	88.84	156.92	310.66	535.54	1,040.83
	Net Profit attributable to:					
	- Owners	10.51	128.58	356.46	425.67	1,030.65
	- Non-controlling interests	-	-	-	-	-
	Total comprehensive income attributable to:					
	- Owners	88.84	156.92	310.66	535.54	1,040.83
	- Non-controlling interests	-	-	-	-	-
10	Paid-up equity share capital (Face value Re. 1/- each)	158.34	158.34	158.34	158.34	158.34
11	Earnings per share (of Re. 1/- each) (not annualised):					
	(a) Basic	0.07	0.81	2.25	2.69	6.51
	(b) Diluted	0.07	0.81	2.25	2.69	6.51
12	Reserves excluding Revaluation reserve				7,531.48	7,550.65

For and on behalf of the Board of Directors

Place: Coimbatore
Date: June 29, 2020

Jairam Varadaraj
Managing Director:

ELGI EQUIPMENTS LIMITED

Trichy Road, Singanallur, Coimbatore - 641005, Tamilnadu, India

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Notes:

1	The above consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors of Elgi Equipments Limited ("the Company") at their meeting held on June 29, 2020. The statutory auditors of the Company have audited the Consolidated annual financial results for the year ended March 31, 2020.
2	This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3	<p>The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruptions to regular business operations due to lock-downs, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company, its subsidiaries and jointly controlled entities is in the business of manufacturing and selling a range of air compressors, automotive equipments and its related parts to its customers having industrial applications in segment of food & beverages, oil & gas, manufacturing, medical, mining & construction, automotive and power generation business. The segments which are engaged in manufacturing and supply of products/services which are identified as essentials are not/less impacted compared to other segments. The Company, its subsidiaries and jointly controlled entities are trying to ensure the continuity of supplies and support to these customers while the lock down is being slowly lifted across the country.</p> <p>However, the uncertainty caused by the current situation has resulted in delays in the confirmation of customer orders and in executing the orders in hand and increase in lead times in sourcing components. The situation is likely to continue for next two quarters based on the current assessment. With lockdown restrictions easing out in phases, the Company, its subsidiaries and jointly controlled entities are now seeing a slow improvement in inflows of customer orders and the pace of recovery is being closely monitored.</p> <p>The Company, its subsidiaries and jointly controlled entities are actively monitoring the sales performance across its geographies and taking necessary actions to contain costs to reduce the impact of revenue compression from COVID-19. While the profitability for the first quarter of 2020-21 would be impacted due to this, the exact profitability would be measured and reported as part of the quarterly results to be declared by the company for the first quarter.</p> <p>Since the dealers and customers of Company, its subsidiaries and jointly controlled entities have delayed their payments, the Company, its subsidiaries and jointly controlled entities in turn actively negotiated for credit period extension from their suppliers. The Company, its subsidiaries and jointly controlled entities have made detailed assessment of their liquidity position for next one year and of the recoverability and carrying values of the assets comprising of Property, plant and equipment, Intangible assets, Trade receivables, Inventory and Investments as at the balance sheet date and have concluded that there are no material adjustments required in the consolidated financial results. Regarding Inventory, the Holding Company's management has performed the year-end inventory verification in the presence of the internal auditor subsequently in May and June 2020 and performed rollback procedures to obtain comfort over the existence and condition of inventories as at March 31, 2020.</p> <p>The Company, its subsidiaries and jointly controlled entities have also evaluated the internal controls including internal controls with reference to financial statements. All the controls are operating effectively and the Company has not diluted any controls.</p> <p>The Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of consolidated financial statements. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. The Company, its subsidiaries and jointly controlled will continue to monitor any material changes to the future economic conditions. The Company, its subsidiaries and jointly controlled entities expect to get back to their pre-lockdown level of operations gradually over a period of time.</p> <p>The Statutory auditors have drawn attention to the above matter in their auditor's report.</p>
4	The Group has adopted Ind AS 116 "Leases" with effect from April 1, 2019 using the modified retrospective approach. The adoption of the new standard did not have any material impact on the profits of the Group.
5	The Group has organised the businesses into two categories viz., Air Compressors and Automotive Equipments. This reporting complies with the Ind AS segment reporting principles. Refer Annexure I attached herewith.
6	<p>The above statements includes the results of the following entities:</p> <p>Subsidiaries</p> <ol style="list-style-type: none"> 1. Adisons Precision Instruments Manufacturing Company Limited 2. ATS Elgi Limited 3. Elgi Equipments (Zhejiang) Limited 4. Elgi Gulf FZE 5. Elgi Compressors Do Brasil Imp.E.Exp LTDA 6. Elgi Equipments Australia Pty Limited 7. Elgi Compressors Italy S.R.L (formerly known as Elgi Compressors Europe S.R.L) 8. Rotair SPA 9. Elgi Compressors USA Inc. 10. Patton's Inc. 11. Patton's Medical LLC. 12. PT Elgi Equipments Indonesia 13. Ergo Design Private Limited 14. Industrial Air Compressors Pty Ltd 15. F.R. Pulford & Son Pty Limited 16. Advanced Air Compressors Pty Ltd 17. Elgi Compressors Europe S.R.L (formerly known as Elgi Compressors Belgium SPRL) 18. Elgi Gulf Mechanical and Engineering Equipment Trading LLC 19. Michigan Air Solutions LLC. 20. Elgi Compressors Iberia S.L. <p><i>(Continued to next page)</i></p>

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6	<p><i>(Continued from previous page)</i></p> <p>Joint ventures</p> <ol style="list-style-type: none">1. Elgi Sauer Compressors Limited2. Industrial Air Solutions LLP3. Evergreen Compressed Air and Vacuum LLC (jointly controlled entity of Elgi Compressors USA Inc.) <p>Joint operations</p> <ol style="list-style-type: none">1. L.G. Balakrishnan & Bros.2. Elgi Services
7	During the quarter, the Company has paid Interim Dividend of Rs. 1.65 per share representing 165% of the face value per equity share.
8	The figures for the current quarter and the quarter ended March 31, 2019 are the balancing figures between audited figures of the full financial year ended March 31, 2020 and March 31, 2019 ,respectively and published year to date figure upto third quarter ended December 31, 2019 and December 31, 2018 respectively.
9	The Shareholders of the Company have approved the Elgi Equipments Limited Employee Stock Option Plan 2019 (Elgi ESOP 2019). The plan provides for reservation of options not exceeding 1,584,545 to be granted to eligible employees of the Company and its subsidiaries, subject to fulfilment of eligibility criteria. The plan shall be administered through a trust via acquisition of shares from the secondary market. During the quarter ended March 31, 2020, the Board has approved the grant of 1,60,600 stock options.
10	Figures for the comparative periods have been regrouped wherever necessary in conformity with present classification.

For and on behalf of the Board of Directors

Place: Coimbatore
Date: June 29, 2020

Jairam Varadaraj
Managing Director

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