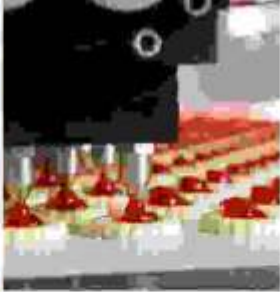


ANNUAL REPORT
2014 - 15



**Food and
Beverage**



Pharma



www.elgi.com



**Iron and
Steel**



Electronics



**Laser
Cutting**



**Dental and
Medical**



**Rice
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ELGI's wide range of oil-free air compressors confirming to Class Zero ISO 8573 - 1 : 2010* is powering various industrial applications worldwide. ELGI is successful in installing their compressors in various segments such as Food and Beverage Industries, Pharmaceutical, Medical and Dental purposes, Oxygen and Nitrogen generation, Electronic, Rice, Metal, Cement and Textile industries and Actuation and control of sophisticated sensitive equipment.

* Conditions apply

Oil-Free Air Compressor Range: 0.75 - 400 kW

Oil-Free Series Air Compressors

ELGI EQUIPMENTS LIMITED

CIN : L29120TZ1960PLC000351

55th Annual General Meeting

Date : 31st July 2015
Day : Friday
Time : 3.45 PM

Place : 'Ardra'
No.9, North Huzur Road, (Near Codissia Building)
Coimbatore - 641 018.

Book Closure dates: 25th July, 2015 to
31st July, 2015
(Both days inclusive)

Board of Directors

Managing Director

Jairam Varadaraj

Non-Executive Directors

N. Mohan Nambiar
Dr. T. Balaji Naidu
B. Vijayakumar
Sudarsan Varadaraj
Dr. Ganesh Devaraj
M. Ramprasad
Dr. Madhavi Gopinath - (with effect from 25.09.2014)
Harjeet Singh Wahan - (with effect from 01.04.2015)

Chief Financial Officer

S. Sriram

Company Secretary

Vaishnavi PM

Statutory Auditor

M/s. RJC Associates
Chartered Accountants

Secretarial Auditor

M.D. Selvaraj
MDS & Associates
Company Secretary in Practice

Bankers

Central Bank of India
State Bank of India
The Hongkong and Shanghai Banking
Corporation Limited
HDFC Bank Limited

Registered Office

Elgi Industrial Complex,
Trichy Road, Singanallur,
Coimbatore - 641 005.
Phone : 91-422-2589555
Fax : 91-422-2573697
Website : www.elgi.com

Registrar & Share Transfer Agent

Link Intime India Private Limited
Coimbatore Branch,
"Surya" 35 Mayflower Avenue, (2nd Floor)
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028.

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Year at a glance - Consolidated Financial Statements

(₹. In Million)

Particulars	2014-15	2013-14
Net Sales	13,143	13,504
Other Income (Including Exceptional Items)	324	92
Total Income	13,467	13,596
Total Expenditure		
a) (Increase) / Decrease in Inventories	(122)	(156)
b) Consumption of Raw Materials	7,427	7,954
c) Staff Cost - Salaries (Inclusive of Performance Pay)	2,499	2,328
d) Other Expenditure	2,455	2,384
Interest Expenditure	158	97
Depreciation / Amortisation	366	262
Total Expenditure	12,783	12,871
Profit / (Loss) Before Tax	684	725
Provision for Taxation	203	269
Net Profit	481	455
Paid up Equity Share Capital	158	158
Reserves and Surplus	4,776	4,478
Capital Expenditure	568	1,327
Cash flow from operations	780	975
Basic EPS (in ₹.)	3.0	2.9
Dividend per Share (in ₹.)	1	1
No. of Shareholders	19,628	20,981
No. of Employees	1,980	2,033

Notice of the 55th Annual General Meeting

NOTICE TO MEMBERS

NOTICE is hereby given that the 55th Annual General Meeting of the Shareholders of the Company will be held on **Friday, 31st July, 2015 at 3.45 PM** at 'Ardra', No.9, North Huzur Road (Near Codissia Building), Coimbatore - 641018, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year ended 31st March, 2015.
3. To appoint a Director in the place of Dr. T. Balaji Naidu (holding DIN 00002755) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of the Auditors and to fix their remuneration and in this regard pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 139(1) & 142(1) of the Companies Act, 2013, the appointment of M/s. RJC Associates (Firm Registration No.: 003496S), Chartered Accountants, Coimbatore as the Statutory Auditors of Company for the financial year 2015-16 be and is hereby ratified, on such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, Mr. Harjeet Singh Wahan (holding DIN 00003358) who was appointed as an Additional Director of the Company by the Board of Directors, with effect from 1st April 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Mr. Harjeet Singh Wahan as a candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Clause 49(II)(c) of the Listing Agreement entered into the Stock Exchanges and other applicable provisions if any of the Companies Act, 2013, the consent and approval of the members of the Company be and is hereby accorded for the payment of consultancy fees not exceeding ₹ 21,60,000/- for each of the financial years, exclusive of applicable taxes to Mr. Harjeet Singh Wahan (holding DIN 00003358), Non-executive Director for rendering services in the nature of Business Process Consulting with effect from 1st August, 2015.

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

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Madhavi Gopinath (holding DIN 00096061) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 25th September, 2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director (Woman Director) of the Company for a period of five consecutive years with effect from 31st July, 2015, not liable to retire by rotation.

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

RESOLVED THAT pursuant to Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jairam Varadaraj (holding DIN 00058056) as Managing Director of the Company for a further period of 5 years with effect from 1st April 2016 on the following remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their Meeting held on 29th May, 2015.

1. A total remuneration not exceeding ₹200 lakhs per annum. The amount of ₹200 lakhs is on a cost to the Company basis and is inclusive of:
 - a. Bonus and all perquisites as applicable to all senior managerial personnel of the Company.
 - b. Company's contribution towards PF, Gratuity and Superannuation Fund at rates to be from time to time.
2. Of the total remuneration, 25% is variable component and the rest is guaranteed pay.
3. The guaranteed pay will be structured based on the Company's policy and the current pay structure as applicable to Senior Managerial Personnel.
4. The quantum of variable pay would be linked to the achievement of specified performance parameters, similar to the scheme applicable to other Senior Managerial Personnel for each of the next 5 years.
5. The annual increment would be decided on the same principles / methodology adopted for other Senior Managerial Personnel for each of the next 5 years. However, the total cost to the Company shall not exceed in any given year, an amount of ₹ 200 lakhs.

6. The overall remuneration as stated above shall not exceed 5% of the net profits of the Company in any financial year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Managing Director shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013.

By Order of the Board
For **Elgi Equipments Limited**

Place: Coimbatore
Date : 29th May, 2015

Vaishnavi PM
Company Secretary

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and form a part of the notice. The Directors have furnished the requisite consents / declarations for their appointment/ re-appointment.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 25.07.2015 to 31.07.2015 (both days inclusive) for determining the names of the members eligible for dividend on equity shares, if declared at the meeting.
6. The dividend proposed to be declared at the meeting, will be made payable on or before 25.08.2015 to those members whose names appear on the Register of Members of the Company on 24.07.2015.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for

payment of dividend. The Company or its Registrar and Share Transfer Agent, 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 either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrar and Share Transfer Agents of the Company.

8. Change of Address: Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to M/s. Link Intime India Pvt. Limited, "Surya", 35, May Flower Avenue, 2nd Floor, Behind Senthil Nagar, Sowripalayam, Coimbatore - 641028, the Registrar and Share Transfer Agent of the Company.
9. Dividend of Prior years: Pursuant to Section 205A of the Companies Act, 1956 the Dividend which remained unencashed / unclaimed for a period of seven years from the date of transfer to the unpaid Dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claim shall lie against the said fund or the Company for the amount of unclaimed Dividend so transferred to the said Fund. Members who have not encashed the Dividend warrant(s) so far, since the financial year 2007-08, are requested to send their claim immediately to the Company / Registrar for issue of pay order / demand draft in lieu thereof.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
12. Copies of the Annual Report 2014-15, the Notice of the 55th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent only through electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014-15 are being sent through permitted mode.
13. Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report 2014-15 will be

available on the Company's website, www.elgi.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on any working day.

14. Members holding shares in electronic form may please note that as per the regulations of National Security 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.
15. 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 Statutory Form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agent.
16. Members who have not received the Split Share Certificates (₹1/- face value) are requested to receive the Split Share Certificates by surrendering their old Share Certificates (₹10/- face value) to the Company's Registrar & Share Transfer Agent immediately.
17. Members are requested to register / update their Email address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. Link Intime India Pvt. Ltd.
18. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
20. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
21. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and Share Transfer Agent of the Company M/s. Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, 2nd Floor, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.

22. Voting through electronic means:

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of Listing Agreement the Company is pleased to provide its members the facility to exercise their right to vote at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

- II. The Facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.
- III. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again

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

- i. The voting period begins on Tuesday, 28th July 2015 at 9.00 AM and ends on Thursday, 30th July 2015 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.07.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Dividend Enter the Dividend Bank Details as recorded in Bank your demat account or in the company records Details for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant 'Elgi Equipments Limited' on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 24th July, 2015.
 - V. Mr. M.D. Selvaraj FCS of MDS & Associates, Company Secretary in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. The Results shall be declared within 3 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.elgi.com and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE

Item No. 5

Mr. Harjeet Singh Wahan, joined the Company on 20.12.1995 and after rendering 20 years of valuable services in which he brought about numerous developments, retired on 31.03.2015. Considering his value addition to the Company, the Board of Directors have appointed Mr. Harjeet Singh Wahan (holding DIN 00003358) as an Additional Director of the Company with effect from 1st April, 2015.

In accordance with the provisions of Section 161(1) of the Companies Act, 2013, Mr. Harjeet Singh Wahan holds his office as the Director of the Company upto the date of this Annual General Meeting. Further, a notice has been received from a member along with a deposit of ₹ 1,00,000/- signifying his intention to propose Mr. Harjeet Singh Wahan as a candidature for the office as a Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as a Non-Executive Director of the Company.

The Board of Directors recommend the resolution set out in Item No. 5 of the Notice for the approval of the members of the Company.

Except Mr. Harjeet Singh Wahan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 5 of the Notice

Item No. 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, have at their meeting held on 29th May 2015 accorded their approval for the payment of consulting fees not exceeding ₹ 21,60,000/- for each of the financial years, exclusive of applicable taxes to Mr. Harjeet Singh Wahan, Director of the Company for rendering services in the nature of Business Process Consulting with effect from 1st August 2015. The payment of consultancy fees would be in addition to the sitting fees payable for attending the meetings of the Board and the Committees thereof.

Pursuant to the provisions of Clause 49(II)(c) of the Listing Agreement entered into with the Stock Exchanges, the prior approval of the members of the Company is required for payment of any fees/ compensation to the Non-Executive Directors of the Company. Accordingly, the said resolution has been included in Item No. 6 of the Notice for the approval of the members

The Board recommends the resolution set out in Item No. 6 of the Notice for the approval of the members of the Company.

Except Mr. Harjeet Singh Wahan, being the beneficiary, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 6 of the Notice

Item No. 7

The Board of Directors of the Company vide resolution passed on 25th September, 2014 have appointed Dr. Madhavi Gopinath as an Additional Director of the Company. The qualification and expertise of Dr. Madhavi Gopinath has been detailed in the annexure attached.

The Company has received a notice in writing from a member along with a deposit of ₹1,00,000/- proposing Dr. Madhavi Gopinath for the office of Independent Director of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Madhavi Gopinath being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 31st July, 2015. Further, the Company has received a declaration from Dr. Madhavi Gopinath that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Madhavi Gopinath fulfils the

conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Dr. Madhavi Gopinath as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Dr. Madhavi Gopinath as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Madhavi Gopinath, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice

Item No. 8

The Board of Directors of the Company at their meeting held on 29th May 2015 have re-appointed Mr. Jairam Varadaraj as Managing Director of the Company for a further period of 5 years with effect from 1st April 2016 on such remuneration as recommended by the Nomination and Remuneration Committee.

Mr. Jairam Varadaraj has been the Managing Director of your Company for the past 24 years. He has rich and varied experience and has led the Company with his charismatic leadership and entrepreneurial ability. Considering the dedication and excellent work done by Mr. Jairam Varadaraj and his relentless pursuit in taking the Company to global heights during his tenure as Managing Director, the Board of Directors have re-appointed him as Managing Director of the Company for a further period of 5 years on the remuneration and perquisites as set out in Item No. 8 of the Notice. His re-appointment as Managing Director of the Company would be greatly beneficial for the future growth of the Company.

Pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the re-appointment of the Managing Director shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence the necessary resolution has been set out in Item No. 8 of the Notice for the approval of the members.

The Board recommends the resolution set out in Item No. 8 of the Notice for the approval of the members.

Except Mr. Jairam Varadaraj, being the appointee Director, and Mr. Sudarsan Varadaraj being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 8 of the Notice.

Details of Directors seeking Re-appointment (in pursuance of Clause 49(VIII)(E) of the Listing Agreement)

Name	Mr. Harjeet Singh Wahan	Dr. Madhavi Gopinath	Dr. T. Balaji Naidu	Mr. Jairam Varadaraj
DIN	00003358	00096061	00002755	00058056
Date of Birth / Age	06-11-1948 / 66 years	01-03-1966 / 49 years	22-01-1947 / 68 Years	08-04-1961 / 54 Years
Year of Induction to the Board	2015	2014	1984	1992
Qualification	BE., (Elec), BM	M.B.B.S., M.Phil	M.B.B.S., D.L.O	B.Com., M.B.A., Phd(USA)
Expertise in functional areas	Has more than 30 years of experience in quality and business process	Has more than 20 years of experience in Hospital & Health Systems Management	Has more than 30 years of experience in Medical Profession	Has more than 25 years of experience as an Industrialist
Shareholding	10,000 Equity Shares	NIL	31,000 Equity Shares	1,23,24,928 Equity Shares
Relationship	He is not related to any other Directors on the Board of the Company	She is not related to any of the Directors on the Board of the Company	He is not related to any of the Directors on the Board of the Company as per Section 2(77) of the Companies Act, 2013.	Mr. Jairam Varadaraj is related to Mr. Sudarsan Varadaraj Director of the Company
List of Directorships held in other Companies	i. ATS Elgi Limited ii. Adisons Precision Instruments Manufacturing Company Limited	Gama Industries Coimbatore Limited	i. Bluemountain Treads Private Limited ii. Adisons Precision Instruments Manufacturing Company Limited iii. L.G.Balakrishnan & Bros Limited	i. Elgi Ultra Industries Limited ii. Adisons Precision Instruments Manufacturing Company Limited iii. Precot Meridian Limited iv. Thermax Limited v. Magna Electro Castings Limited vi. ATS Elgi Limited vii. Elgi Sauer Compressors Limited viii. Elgi Rubber Company Limited
Other Committee Membership	NIL	NIL	NIL	Thermax Limited: i. Audit Committee ii. Nomination and Remuneration Committee Precot Meridian Ltd: i. Audit Committee ii. Nomination and Remuneration Committee Elgi Ultra Industries Ltd: i. Stakeholders Relationship Committee

Management Discussion and Analysis

ELGI EQUIPMENTS LIMITED

The world economy continued to grow at an uneven pace, most developed and developing countries experiencing sluggish GDP growth. Measures to accelerate and sustain growth continued to be a challenge. While the company's performance in select international markets was impressive, domestic market continued to remain stagnant despite the feel good factor.

COMPRESSORS

The compressor business accounted for 87 % of the total sales of the Company. It accounts for 89% of the profits of the Company and 85% of the capital employed. This business presently employs 1608 people.

PERFORMANCE:

The Indian market remained sluggish during the year. Large projects were kept in the back burner and new projects were postponed due to uncertainty. While inflation was tamed to a large extent, high interest rates further added to the sluggish investment conditions. All these factors affected the sale of units. This was partly compensated by focus on the after market and the attendant improved revenues from this segment.

In the developed markets of the US, France and Italy, the products of the company have been well received by distributors and customers. The growth in sales of industrial compressors in these markets have been very good. The high cost of operating in these markets depressed profitability, but judging from the growth, there is confidence that within a short period the operations will reach revenue levels that would turn these markets to profitable ones.

The company continued to perform well in the Middle East and African markets, especially with smart growth in industrial compressors. The oil prices partly depressed the market and also put a squeeze on the prices. The latter put some pressure on the profitability but the company has now developed alternative strategies and is confident of good performance.

The company has grown its business in industrial compressors in the South East Asian and Oceanic countries. The nascent stage of market entry combined with high entry costs, kept the profits lower than normal. The sales of portable compressors were lower than the previous year and this further depressed the profitability. The conditions contributing to this have been largely overcome and the company looks forward with confidence in these markets.

The Chinese operations continue to be a challenge. After trying multiple strategies it is clear that there is a need for a China-specific strategy, including a new product range. The company has initiated steps to put together a new program for China. It is expected that results will be visible only in the medium terms of the next 3-4 years. In the mean time, the company is taking active steps to reign in costs and substantially reduce the losses.

During the year the company's manufacturing facility at the new site has become fully operational. This has been achieved with little disturbance to regular production and at least cost.

OPPORTUNITIES:

The company is optimistic that the Indian market will revive and this is based on signs of recovery that are visible in certain quarters. The company is fully geared to be ahead of the curve in the domestic market through a carefully chosen program of marketing, branding and resource augmentation. The continued focus on service and the after market will augur well for the company. is on course to strengthen its marketing activities.

The investment made in entering and developing of the large markets have resulted in establishing a good base in those markets. With greater acceptance of the products, strong quality of the products and competitive cost structures, the company expects to significantly grow its sales with negligible incremental costs.

THREATS:

With most of the economies in the world remaining relatively damp and with Indian showing signs of revival, there should be greater competitive intensity in the market. The company is seized of this possibility and is lining up its cost structures and presence in the market, to respond suitably.

ATSELGI LIMITED

PERFORMANCE:

The Company registered a growth of 6% over the previous year on the back of improvement in the performance of the automotive sector. Passenger car sales in India, which is a major influence of capital investments in workshop equipment that the Company manufactures, revived after a two-year slump. The Company has been working actively on introducing several new products to augment market share and enter new segments.

Exports grew by 9% over the previous year. While most markets where the Company exports its products have been affected by political uncertainties and/or poor economic growth, the company has seen acceptance of products that it has newly introduced in some target markets. Such products are expected to augment export sales in the medium term.

OPPORTUNITIES

With lower fuel costs, softening of interest rates along with anticipated higher disposable income growth over inflation growth, conditions seem favorable for an increase in demand for passenger cars. However since the overall economic conditions are still not conducive for a return to high growth, the automotive industry is expected to grow during the coming year by about 5%. The Company is well positioned to exploit opportunities arising out of the anticipated growth in the industry as it will trigger demand for workshop equipments.

The Company is also exploring growth opportunities in other segments of the vehicle servicing and allied industries as a means to reduce its dependence on the growth of the automotive industry.

THREATS

Consumer sentiment is still low and macro-economic situation in India continues to be uncertain. A weakening Rupee and resurgence in oil prices could trigger a return to high fuel costs and higher inflation and dampen the demand for passenger vehicles. In such an environment investments in workshop equipment will tend to be lower.

OVERALL PERSPECTIVES

Economic indicators project moderate growth with uneven prospects across the main countries and regions, while growth in emerging market and developing economies is projected to be lower.

On the domestic front inflation being markedly lower, outlook for India is for economic strengthening through higher infrastructure spending. Intentions of the government moving

steadily on this path indicates a marked improvement in economic performance in recent years.

With no other major capital expenditure planned in the foreseeable future, except for some routine maintenance related ones, the Company is expected to reduce the debt levels significantly in the coming year.

Human Resource Development

The process of identifying internal talent put in place in the previous year was further developed and refined to bring about clear differentiation amongst employees.

Competency Assessment was initiated for employees identified as talent. They are now being led through an assessment center that will identify and address development needs and prepare them for higher roles, thereby reducing lateral recruitments and growing talent from within.

ELGI Skill Development School was launched to provide training on dexterity skills to assembly workmen and engineers, with the objective of reducing assembly related quality complaints.

Board's Report

Dear Shareholders,

Your Directors hereby present the 55th Annual Report along with the audited accounts for the year ended 31st March, 2015.

Financial Results

The highlights of the performance of your Company during the fiscal are given hereunder;

(₹ In Million)

Particulars	2014-15	2013-14
Profit before Depreciation & Tax	978.09	1266.20
Less: Depreciation	291.36	177.60
Profit Before Tax	686.73	1088.60
Less: Provision for Tax (Net of Deferred Tax)	130.52	305.95
Net Profit	556.21	782.65
Add: Opening Balance in P&L Account	* 3148.49	2625.57
Amount available for appropriations	3704.70	3408.22
The Directors recommended the following Appropriations:		
Dividend	158.45	158.45
Dividend Tax	32.26	26.93
Transfer to General Reserve	55.60	78.30
Profit carried forward	3458.39	3144.54

* Amount adjusted after depreciation, net of deferred tax adjusted as per schedule II of the Companies Act, 2013 and provision for tax on Dividend in respect of previous year written back.

Review of Business Operations

The Company ended with net sales of ₹ 7759 Million as against ₹ 8283 Million in 2013-14. The details of division wise performance and other operational details are discussed at length in the Management Discussion and Analysis section.

Transfer to Reserves

An amount of ₹ 55.60 million has been transferred to General Reserve in the year 2014-15 as against ₹ 78.30 million in the year 2013-14.

Dividend

For the financial year 2014-15, the Board of Directors has recommended a dividend of ₹ 1/- per share (100%) on the paid up share capital of ₹ 15,84,54,508. Subject to the approval of shareholders, an amount of ₹190.71 Million will be paid as dividend including Dividend Distribution Tax (previous year ₹185.38 Million).

Share Capital

The paid-up capital of the Company as at 31.03.2015 stood at ₹ 158.45 Million. During the year under review the Company has not made any fresh issue of shares.

Transfer of unclaimed Dividend to Investor Education and Protection Fund

In terms of Section 205(a) and 205(b) of the Companies Act, 1956, any unclaimed or unpaid Dividend relating to the Financial Year 2007-08 is due for remittance on 14.08.2015 to the Investor Education and Protection Fund established by the Central Government.

Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in form MGT-9 is furnished in **Annexure A** and is attached to this report.

Board Meetings and its Committees conducted during the period under review

During the year under review, 5 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 5 Meetings of the Nomination and Remuneration Committee, 1 Meeting of the Corporate Social Responsibility Committee and 22 Meetings of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

Directors' Responsibility Statement

The Directors confirm that -

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards.
- they have selected such accounting policies and 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 profit of the Company for that period;

- (c) they have taken Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

Declaration of Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

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 has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Criteria for selection of Non-Executive Directors has been stated in **Annexure B** to this report. The Remuneration policy of the Company is annexed herewith as **Annexure C** and can also be accessed on the Company's website at the link <http://www.elgi.com/wp-content/uploads/Remuneration-policy.pdf>.

Comments on Auditors' Report:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s.RJC Associates, Statutory Auditors and Mr. M.D. Selvaraj, proprietor of MDS & Associates, Secretarial Auditor in their report

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

Details of loans given, investments made, 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 with Related Parties

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year 2014-15 were in the ordinary course of business and on an arm's length pricing basis. Since there are no transactions which are not on arm's length basis and material nature Form AOC-2 not being annexed.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <http://www.elgi.com/wp-content/uploads/Related-Party-Transactions-Policy.pdf>.

Material changes and commitments affecting the financial position of the Company:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2015 and the date of this report.

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

The information on foreign exchange earnings and outgo, technology absorption, conservation of energy stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure D**.

Risk Management Plan Implementation

The Company has operationalized a Risk Management Plan to systematically manage and regularly review its risk profile at a strategic and operational level. So far, Company has identified Legal and Financial Risks as the main threat to its business. The risk profile may expand in future; the Company may develop a separate plan to manage them. The Risk Management Plan is governed by a Risk Management Committee comprising of members of the Senior Management. This Committee will advise the respective functions on the development of best practice risk management systems, oversight of professional independent advice on key risk and control issues and regular audit reviews of business functions and risk management process. The Company will endeavor to create a risk awareness culture and provide training and support in the areas of risk and compliance on an ongoing basis.

Details of policy developed and implemented by the Company on its Corporate Social Responsibility Initiatives

The Board has formed a Corporate Social Responsibility Committee comprising of 1. Mr. Jairam Varadaraj, 2. Dr. T. Balaji Naidu 3. Mr. B. Vijayakumar and 4. Dr. Madhavi Gopinath. The Committee at its meeting held on 29th October, 2014, recommended a CSR policy for adoption by 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 etc. These projects are by and large in accordance with Schedule VII of the Companies Act, 2013.

The CSR spend is predominantly directed through a registered trust. The trust expends the sums contributed by the Company towards educational and related activities only and also for having a corpus for undertaking construction of new school building within the next 5-10 years. The trust has a proven track record of over three years in involvement in educational activities as it runs a full fledged school comprising of 1500 students and has earned a good reputation over time. The trust has medium term plans to construct a new school building with all modern amenities and aims to be a school of international standards in the years to come. Hence, the Company should continue to significantly contribute to the trust.

The trust also expends the funds towards Educational Scholarships, Medical Relief, to help the upliftment of rural people by way of building infrastructure like Schools, Street Lights, Roads etc, to support Special Children's School and also for the Building Corpus.

The Annual Report on CSR activities is annexed herewith as **Annexure E**.

Annual Evaluation of the Board on its own performance and of the Individual Directors

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors the Company formulated the criteria for the evaluation of the performance of the Board of Directors & its Committees, Independent Directors, Non-Independent Directors and the Managing Director of the Board. Based on that performance evaluation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated.

Directors and Key Managerial Personnel

During the year under review, the Members have approved the appointment of Mr. N. Mohan Nambiar, Mr. B. Vijayakumar, Mr. M. Ramprasad and Dr. Ganesh Devaraj as the Independent Directors of the Company for a period of five years.

The Board of Directors have re-appointed Mr. Jairam Varadaraj as Managing Director of the Company for a period of 5 years with effect from 01.04.2016 on the terms and conditions as set out in the notice convening the Annual General Meeting. Necessary resolution in this regard has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

Dr. T. Balaji Naidu, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Dr. Madhavi Gopinath & Mr. Harjeet Singh Wahan were appointed as Additional Directors of the Company with effect from 25.09.2014 and 01.04.2015 respectively and they shall hold office upto the date of this Annual General Meeting. Accordingly necessary resolutions proposing the appointment of Dr. Madhavi Gopinath & Mr. Harjeet Singh Wahan as Directors of the Company has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

Your Directors recommend their appointment / re-appointment.

Further, during the year under review, Mr. R. Syam Kumar resigned from his post as the Company Secretary of the Company with effect from 29.05.2014 and Ms. Vaishnavi PM was appointed as the Company Secretary & Compliance Officer of the Company with effect from 01.08.2014. Mr. S. Sriram is the Chief Financial Officer of the Company.

Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statements

The Company has 14 Subsidiaries. The statement pursuant to Section 129 (3) of the Companies Act, 2013, containing the salient features of the financial statements of Subsidiary Companies, forms part of this Annual Report.

The Company does not have any Material Subsidiary whose individual transactions exceeds 20% of the annual consolidated net worth of the holding Company as per the last audited financial statements of the company. The Board has approved a policy for determining material subsidiaries which has been uploaded on the Company's website viz. www.elgi.com.

The annual accounts of the Subsidiary Companies are posted on the website of the Company viz. www.elgi.com and kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the annual accounts of Subsidiary Companies to the shareholders upon their request.

Fixed Deposits

During the year, the Company did not accept or renew any fixed deposits and no fixed deposits remained unclaimed with the Company as on 31st March, 2015.

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 is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

Internal control systems and their adequacy

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, key issues, significant processes and accounting policies.

Auditors

Statutory Auditors

M/s. RJC Associates, Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the Company for a period of 3 years at the last Annual General Meeting held on 25th September 2014 as required under the provisions of Section 139 of the Companies Act, 2013. The Company has obtained written confirmation from the Auditors pursuant to Section 139 of the Companies Act, 2013 that their appointment if made would be in conformity with the provisions of the Companies Act, 2013. Members are requested to ratify their appointment.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit report is annexed herewith as **Annexure F**.

Human Resources and Industrial Relations

The Company continues to enjoy cordial relationship with its employees at all levels. The total strength of employees as on 31st March, 2015 was 1,980.

Particulars of Employees

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to **Annexure G** attached to this report.

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

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliant Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2014-15.

Corporate Governance

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

Whistle Blower Policy

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 Managing Director or Director (HR). 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 of the Board reviews the Complaints received, redressed, objected, withdrawn and dismissed for, every quarter in their meeting. The Whistle Blower policy is available in the website of the Company at the following address <http://www.elgi.com/wp-content/uploads/Elgi-Whistle-Blower-Policy.pdf>

Shareholders Initiatives

- Your Company adheres strictly to all the statutory and other legal compliances;
- Your Company has in place the regulations for preventing and regulating Insider Trading as has adhered to the Code of Conduct and Business Ethics by which the shareholder is treated as par with an employee on availability of information about the Company;
- Your Company regularly intimates the shareholders (through quarterly news letters) on the performance of the Company, even though it is not mandatory;
- Your Company has consistently paid dividend throughout these years;
- Your Company has been prompt and regular in its replies to your queries received by them;
- Your Company also replies within the stipulated time to all legal and statutory authorities;
- The custodial charges and listing fees promptly paid by the Company to the depositories and the stock exchanges;
- During this year, your Company dematted 6,66,712 shares. With this, the total number of shares dematted as on 31st March 2015 are 15,52,82,307 shares, which represents 98% shares of the Company

Acknowledgement

Your Directors thank the shareholders, customers, suppliers and bankers for their continued support during the year. Your Directors also place on record their appreciation of the contributions made by employees at all levels towards the growth of the Company.

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2015

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

Annexure A**EXTRACT OF ANNUAL RETURN****Form No. MGT - 9****As on the financial year ended on 31.03.2015****[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L29120TZ1960PLC000351
ii)	Registration Date	14.03.1960
iii)	Name of the Company	ELGI EQUIPMENTS LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company having share capital
v)	Address of the Registered office and contact details	ELGI INDUSTRIAL COMPLEX, TRICHY ROAD, SINGANALLUR, COIMBATORE - 641005 Phone: 91-422-2589555 Fax: 91-422-2573697 E-mail ID: investor@elgi.com Website: www.elgi.com
vi)	Whether Listed Company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED Coimbatore Branch NO. 35, SURYA, II FLOOR, MAYFLOWER AVENUE, BEHIND SENTHIL NAGAR, SOWRIPALAYAM, COIMBATORE - 641028. Phone: 0422 - 2314 792 Email Id: coimbatore@linkintime.co.in

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S.No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	COMPRESSORS	2813-Manufacture of Compressors	100%

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (No. of Companies for which information is being filled)

S.No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate/ Joint Venture	% of Shares held	Applicable Section
1.	ATS ELGI LIMITED Kurichy Private Industrial Estate, Kurichy, Coimbatore - 641 021.	U34300TZ2007PLC014125	Subsidiary	100%	Section 2 (87) (ii)
2.	ELGI EQUIPMENT (ZHEJIANG) LIMITED No. 6, Building, No. 466 Yunhai Road, Jiaxing, Zhejiang. P.R. China - 314033	N.A.	Subsidiary	Capital Invested 100%	Section 2 (87) (ii)
3.	ELGI COMPRESSORS TRADING (SHANGHAI) CO. LTD. Room 912, No. 8 & 9, Lane 1500, South Lianhua Road, Min Hang District, Shanghai, P.R. China 201108	N.A.	Subsidiary	Capital Invested 100%	Section 2 (87) (ii)
4.	SAS BELAIR Zone espace leaders 156, Rue De Moutti sud 74540 Alby sur Cheran France	N.A.	Subsidiary	100%	Section 2 (87) (ii)
5.	ELGI GULF (FZE) P.O. Box 120695, P6 027, SAIF Zone, Sharjah, U.A.E.	N.A.	Subsidiary	100%	Section 2 (87) (ii)
6.	ELGI COMPRESSORES DO BRAZIL IMP. E. EXP. LTDA Avenida Emilo Checchinato 4195-B, Cep:13295-000 Bairro: Sao Roque de Chave: Itupeva SP, Brasil	N.A.	Subsidiary	100%	Section 2 (87) (ii)
7.	ELGI AUSTRALIA PTY LTD. 38 Richland Avenue, COOPERS PLAINS, 4108, Brisbane, Queensland. .	N.A.	Subsidiary	100%	Section 2 (87) (ii)
8.	ELGI COMPRESSORS ITALY S.R.L Rome(RM), Via Del Babuino 51, 00187	N.A.	Subsidiary	100%	Section 2 (87) (ii)

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (No. of Companies for which information is being filled)

S.No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate / Joint Venture	% of Shares held	Applicable Section
9.	ROTAIR SPA Step Down Subsidiary of Elgi Compressors Italy S.R.L. Via Bernezzo 67, 12023 Caraglio (CN) Italy	NA	Subsidiary	100%	Section 2 (87) (ii)
10.	ELGI COMPRESSORS USA INC. 3335 Pelton St., Charlotte NC 28217, USA	N.A.	Subsidiary	100%	Section 2 (87) (ii)
11.	PATTON'S INC Step Down Subsidiary of Elgi Compressors USA INC. 3201 South Boulevard. Charlotte NC 28209, USA	N.A.	Subsidiary	100%	Section 2 (87) (ii)
12.	PATTON'S MEDICAL LLC. Step Down Subsidiary of Patton's INC. 3201 South Boulevard. Charlotte NC 28209, USA	N.A.	Subsidiary	100%	Section 2 (87) (ii)
13.	ADISONS PRECISION INSTRUMENTS MANUFACTURING COMPANY LIMITED ELGI INDUSTRIAL COMPLEX, TRICHY ROAD, COIMBATORE - 641 005	U32109TZ1972PLC008922	Subsidiary	100%	Section 2 (87) (ii)
14.	PT ELGI EQUIPMENTS INDONESIA BIZPARK Commercial Estate Raya Bekasi KM 21, 5 Blok A3 No. 12, Pulogadung Jakarta Timur 13920	N.A.	Subsidiary	Capital Invested 100%	Section 2 (87) (ii)
15.	ELGI SAUER COMPRESSORS LIMITED Elgi Industrial Complex, Trichy Road, Singanallur, Coimbatore - 641 005.	U29120TZ2008PLC014639	Joint Venture	26.00%	Section 2 (6)

V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	17692114	-	17692114	11.17	17693324	-	17693324	11.17	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31602386	-	31602386	19.94	31602386	-	31602386	19.94	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other									
Trust	1072720	-	1072720	0.68	1253920	-	1253920	0.79	0.11
Sub- Total (A)(1)	50367220	-	50367220	31.79	50549630	-	50549630	31.90	0.11
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)	50367220	-	50367220	31.79	50549630	-	50549630	31.90	0.11
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	16433822	3000	16436822	10.37	20572499	3000	20575499	12.99	2.62
b) Banks / FI	147823	1030	148853	0.09	157191	1030	158221	0.10	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	21142334	8020	21150354	13.35	20698752	8020	20706772	13.07	-0.28
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	37723979	12050	37736029	23.82	41428442	12050	41440492	26.15	2.33

V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2 Non-Institutions									
a) Bodies Corp.									
I Indian	17025545	200452	17225997	10.87	16862767	149452	17012219	10.74	-0.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	19471322	2863987	22335309	14.10	18505831	2665205	21171036	13.36	-0.74
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	29101946	-	29101946	18.37	27228775	-	27228775	17.18	-1.19
c) Others									
Clearing Member	103820	-	103820	0.07	14447	-	14447	0.01	-0.06
Market Maker	1338	-	1338	0.00	3628	-	3628	0.00	-
NRI (Repartable)	268423	40524	308947	0.19	215434	40444	255878	0.16	-0.03
NRI (Non-Repartable)	214143	-	214143	0.14	107289	-	107289	0.07	-0.07
Office Bearers	57794	540700	598494	0.38	126493	305050	431543	0.27	-0.11
HUF	279865	-	279865	0.18	239371	-	239371	0.15	-0.03
Trust	200	181200	181400	0.11	200	-	200	0.00	-0.11
Sub-total (B)(2):-	66524396	3826863	70351259	44.40	63304235	3160151	66464386	41.95	-2.45
Total Public Shareholding (B)=(B)(1)+(B)(2)	104248375	3838913	108087288	68.21	104732677	3172201	107904878	68.10	-0.11
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	154615595	3838913	158454508	100	155282307	3172201	158454508	100	-

ii) Shareholding of Promoter :

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Dark Horse Portfolio Investment Ltd	22636730	14.29	-	25190940	15.90	-	1.61
2	Jairam Varadaraj	12324928	7.78	-	12324928	7.78	-	-
3	Elgi Ultra Industries Ltd	5746166	3.63	-	6079366	3.84	-	0.21
4	Madura Public Conveyance Pvt. Ltd	2222040	1.40	-	-	-	-	-1.40
5	Dr. Jairam Varadaraj (Jairam Family Trust)	2153800	1.36	-	2153800	1.36	-	-
6	L.G.B. Public Welfare Society	1072720	0.68	-	1253920	0.79	-	0.11
7	Anvar Jay Varadaraj	962624	0.61	-	962624	0.61	-	-
8	Varun Jay Varadaraj	958342	0.60	-	958342	0.60	-	-
9	Maya Jay Varadaraj	958324	0.60	-	958324	0.60	-	-
10	Premier Industrial Drives Pvt Ltd	463650	0.29	-	-	-	-	-0.29
11	Elgi Rubber Company Ltd	332080	0.21	-	332080	0.21	-	-
12	Elgi Securities Ltd	110000	0.07	-	-	-	-	-0.07
13	Salem Services Pvt Ltd	91720	0.06	-	-	-	-	-0.06
14	Uday Balaji	64000	0.04	-	64000	0.04	-	-
15	Vanitha Mohan	57720	0.04	-	57720	0.04	-	-
16	Sudarsan Varadaraj	41786	0.03	-	41786	0.03	-	-
17	Harsha Varadaraj	40000	0.03	-	40000	0.03	-	-
18	Varshini Varadaraj	40000	0.03	-	40000	0.03	-	-
19	T. Balaji Naidu	30000	0.02	-	30000	0.02	-	-
20	Gayathri Balaji	21000	0.01	-	22210	0.01	-	-
21	V. Viren Mohan	19980	0.01	-	19980	0.01	-	-
22	Varadarajulu L.G. (Correspondent Elgi Employee Welfare Trust Mat. Hr. Hec. School)	7210	0.00	-	7210	0.00	-	-
23	Vinay Balaji	11000	0.01	-	11000	0.01	-	-
24	T Balaji	1000	0.00	-	1000	0.00	-	-
25	L.G. Varadarajulu (Correspondent Elgi Employee Welfare Trust Mat. Hr. Hec. School)	400	0.00	-	400	0.00	-	-
	TOTAL	50367220	31.79	-	50549630	31.90	-	0.11

iii) Change in Promoter's shareholding

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DARK HORSE PORTFOLIO INVESTMENT LIMITED				
	At the beginning of the year	22636730	14.29	22636730	14.29
	Transfer of shares as on 16.01.2015	2554210	1.61	25190940	15.90
	At the end of the year	25190940	15.90	25190940	15.90
2	L.G.B. PUBLIC WELFARE SOCIETY				
	At the beginning of the year	1072720	0.68	1072720	0.68
	Transfer of shares as on 12.05.2014	181200	0.11	1253920	0.79
	At the end of the year	1253920	0.79	1253920	0.79
3	ELGI ULTRA INDUSTRIES LIMITED				
	At the beginning of the year	5746166	3.63	5746166	3.63
	Transfer of shares as on 17.10.2014	221000	0.14	5967166	3.77
	Transfer of shares as on 14.11.2014	112200	0.07	6079366	3.84
	At the end of the year	6079366	3.84	6079366	3.84
4	MADURA PUBLIC CONVEYANCE PRIVATE LIMITED				
	At the beginning of the year	2222040	1.40	2222040	1.40
	Transfer of shares as on 05.09.2014	(2222040)	(1.40)	-	-
	At the end of the year	-	-	-	-
5	PREMIER INDUSTRIAL DRIVES PRIVATE LIMITED				
	At the beginning of the year	463650	0.29	463650	0.29
	Transfer of shares as on 05.09.2014	2423760	1.53	2887410	1.82
	Transfer of shares as on 17.10.2014	(221000)	(0.14)	2666410	1.68
	Transfer of shares as on 07.11.2014	(112200)	(0.07)	2554210	1.61
	Transfer of shares as on 16.11.2014	(2554210)	(1.61)	-	-
	At the end of the year	-	-	-	-
6	ELGI SECURITIES LIMITED				
	At the beginning of the year	110000	0.07	110000	0.07
	Transfer of shares as on 05.09.2014	(110000)	(0.07)	-	-
	At the end of the year	-	-	-	-
7	SALEM SERVICES PRIVATE LTD				
	At the beginning of the year	91720	0.06	91720	0.06
	Transfer of shares as on 05.09.2014	(91720)	(0.06)	-	-
	At the end of the year	-	-	-	-
8	GAYATHRI BALAJI				
	At the beginning of the year	21000	0.01	21000	0.01
	Transfer of shares as on 30.09.2014	911	0.00	21911	0.01
	Transfer of shares as on 07.11.2014	299	0.00	22210	0.01
	At the end of the year	22210	0.01	22210	0.01

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SBI EMERGING BUSINESSES FUND				
	At the beginning of the year	12672358	8.00	12672358	8.00
	Transfer of shares as on 18.04.2014	24647	0.02	12697005	8.01
	Transfer of shares as on 25.04.2014	40353	0.03	12737358	8.04
	Transfer of shares as on 20.06.2014	23480	0.01	12760838	8.05
	Transfer of shares as on 30.06.2014	4517	0.00	12765355	8.06
	Transfer of shares as on 11.07.2014	11000	0.01	12776355	8.06
	Transfer of shares as on 18.07.2014	12000	0.01	12788355	8.07
	Transfer of shares as on 25.07.2014	7153	0.00	12795508	8.08
	Transfer shares as on 01.08.2014	61228	0.04	12856736	8.11
	Transfer of shares as on 05.09.2014	1275000	0.80	14131736	8.92
	Transfer of shares as on 12.09.2014	100000	0.06	14231736	8.98
	Transfer of shares as on 12.12.2014	(4200)	0.00	14227536	8.98
	Transfer of shares as on 27.02.2015	(6800)	0.00	14220736	8.97
	At the end of the year	14220736	8.97	14220736	8.97
2	GAGANDEEP CREDIT CAPITAL PVT LTD				
	At the beginning of the year	8152575	5.15	8152575	5.15
	Date wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / Bonus/ sweat equity etc):				
	At the end of the year	8152575	5.15	8152575	5.15
3	PARI WASHINGTON COMPANY PVT. LTD A/C PARI WASHINGTON INDIA MASTER FUND, LTD				
	At the beginning of the year	7683317	4.85	7683317	4.85
	Transfer of shares as on 02.05.2014	37893	0.02	7721210	4.87
	Transfer of shares as on 09.05.2014	79939	0.05	7801149	4.92
	Transfer of shares as on 16.05.2014	9594	0.01	7810743	4.93
	Transfer of shares as on 23.05.2014	9946	0.01	7820689	4.94
	Transfer of shares as on 01.08.2014	87218	0.06	7907907	4.99
	Transfer of shares as on 08.08.2014	175291	0.11	8083198	5.10
	Transfer of shares as on 15.08.2014	24751	0.02	8107949	5.12
	Transfer of shares as on 22.08.2014	43907	0.03	8151856	5.14
	Transfer of shares as on 29.08.2014	21403	0.01	8173259	5.16
	Transfer of shares as on 30.09.2014	17273	0.01	8190532	5.17
	Transfer of shares as on 10.10.2014	360	0.00	8190892	5.17
	At the end of the year	8190892	5.17	8190892	5.17
4	EAST SAIL				
	At the beginning of the year	4096202	2.59	4096202	2.59
	Date wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / Bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	4096202	2.59	4096202	2.59
5	ACACIA PARTNERS, LP				
	At the beginning of the year	3360000	2.12	3360000	2.12
	Transfer of shares as on 06.03.2015	(1320000)	(0.83)	2040000	1.29
	At the end of the year	2040000	1.29	2040000	1.29

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	NEMISH S SHAH				
	At the beginning of the year	2680000	1.69	2680000	1.69
	Date wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / Bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2680000	1.69	2680000	1.69
7	ANUJ ANANTRAI SHETH				
	At the beginning of the year	2600000	1.64	2600000	1.64
	Transfer of shares as on 05.09.2014	(1000000)	(0.63)	1600000	1.01
	At the end of the year	1600000	1.01	1600000	1.01
8	HDFC TRUSTEE COMPANY LTD HDFC LONG TERM ADVANTAGE FUND				
	At the beginning of the year	2247749	1.42	2247749	1.42
	Date wise Increase / Decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / Bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2247749	1.42	2247749	1.42
9	ACACIA INSTITUTIONAL PARTNERS, LP				
	At the beginning of the year	1954800	1.23	1954800	1.23
	Transfer of shares as on 06.03.2015	(274800)	(0.17)	1680000	1.06
	At the end of the year	1680000	1.06	1680000	1.06
10	UTI - CHILDRENS CAREER BALANCED PLAN ##				
	At the beginning of the year	1500000	0.95	1500000	0.95
	Transfer of shares as on 23.05.2014	(25000)	(0.02)	1475000	0.93
	At the end of the year	1475000	0.93	1475000	0.93
11	ICICI PRUDENTIAL MIDCAP FUND **				
	At the beginning of the year	-	-	-	-
	Transfer of shares as on 06.03.2015	2062916	1.30	2062916	1.30
	Transfer of shares as on 27.03.2015	92741	0.06	2155657	1.36
	Transfer of shares as on 31.03.2015	4976	0.00	2160633	1.36
	At the end of the year	2160633	1.36	2160633	1.36

** Not in the list of Top 10 shareholders as on 31.03.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2015.

Ceased to be in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2014.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	JAIRAM VARADARAJ				
	At the beginning of the year	14478728	9.14	14478728	9.14
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	14478728	9.14	14478728	9.14
2	DR. T. BALAJI NAIDU				
	At the beginning of the year	31000	0.02	31000	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	31000	0.02	31000	0.02
3	SUDARSAN VARADARAJ				
	At the beginning of the year	41786	0.03	41786	0.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	41786	0.03	41786	0.03
4	DR. GANESH DEVARAJ				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5	M. RAMPRASAD				
	At the beginning of the year	8000	0.01	8000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	8000	0.01	8000	0.01

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	N. MOHAN NAMBIAR				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7	B. VIJAYAKUMAR				
	At the beginning of the year	50000	0.03	50000	0.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	50000	0.03	50000	0.03
8	DR. MADHAVI GOPINATH				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	S. SRIRAM				
	At the beginning of the year	350	0.00	350	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	350	0.00	350	0.00
10	VAISHNAVI PM				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment****[₹. In Million]**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	422.90	500.77	-	923.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.31	-	0.31
Total (i+ii+iii)	422.90		-	923.99
Change in Indebtedness during the financial year				
Addition	351.78	1613.74	-	1965.52
Reduction	600.34	1228.72	-	1829.07
Exchange Difference	5.51	27.75	-	33.26
Net Change	-243.04	412.76	-	169.72
Indebtedness at the end of the financial year				
i) Principal Amount	179.86	913.53	-	1093.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.04	-	1.04
Total (i+ii+iii)	179.86	914.57	-	1094.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :****[₹. In Million]**

S. No.	Particulars of Remuneration	Particulars of Remuneration of Mr. Jairam Varadaraj - Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.58
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total (A)	10.08
	Overall Ceiling as per the Act	5% of Net Profit

B. Remuneration to other Directors

[₹. In Million]

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Ramprasad	Dr. Ganesh Devaraj	B. Vijayakumar	N. Mohan Nambiar	Dr. Madhavi Gopinath	Dr. T. Balaji Naidu	Sudarsan Varadaraj	
1	Independent Directors								
	Fee for attending Board, Committee Meetings	0.18	0.22	0.06	0.22	0.08	-	-	0.76
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	0.18	0.22	0.06	0.22	0.08	-	-	0.76
2	Other Non-Executive Directors								
	Fee for attending Board, Committee meetings	-	-	-	-	-	0.08	0.02	0.10
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	0.08	0.02	0.10
	Total (B)=(1+2)	0.18	0.22	0.06	0.22	0.08	0.08	0.02	0.86
	Total Managerial Remuneration (A+B)								10.94

C. Remuneration to Key Managerial Personnel other than MD/Manager/WT

[₹. In Million]

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. S. Sriram CFO	Mr. R. Syam Kumar CS (upto 29.05.14)	Ms. Vaishnavi PM CS (from 01.08.2014)	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.33	0.342	0.43	7.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.26	0.008	0.02	0.28
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	6.59	0.350	0.45	7.39

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2015

JAIRAM VARADARAJ
Managing Director
DIN:00058056

N. MOHANNAMBIAR
Director
DIN:00003660

Annexure B

Criteria for selection of Non-Executive Directors:

The Non Executive Director shall:-

- have adequate skills, background, experience and knowledge
- possess industry bias, i.e., should be reasonably conversant with and follow the compressor and automotive industry
- be a person of intellect and integrity
- not be discriminated on the basis of age, gender and race
- believe in and be committed to practise the Elgi values
- be capable of working in harmony with other board members and contribute effectively in board and shareholder meetings
- be in alignment with the Company's objectives and goals

Annexure C

Remuneration policy

The Board of Directors (the "Board") of Elgi Equipments Limited (the "Company") , upon recommendations of the Remuneration Committee, has adopted the following policy and procedures with regard to remuneration of the Board members, Key Managerial Personnel, Senior Management and Employees as below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 1st October, 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

1. BACKGROUND

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining competent personnel to manage and grow its business. In the policy, the following terms are defined as below:-

- "Board" means the Board of Directors of the Company
- "Company" means Elgi Equipments Limited, India
- "Directors" means the Directors on the Board of the Company, including the Managing Director, Independent Directors and Non-Executive Directors
- "Employees" means all other Employees of the Company
- "Independent Directors" shall carry the same meaning as in The Companies Act, 2013 and the Listing Agreement that the Company has signed with the Stock Exchanges
- "Key Managerial Personnel" means the Managing Director, Chief Financial Officer and Company Secretary of the Company
- "Managing Director" means the person designated as such by the Board and shareholders of the Company and who has substantial powers of management of the Company
- "Nomination and Remuneration Committee" means a committee constituted amongst Board members as per The Companies Act, 2013 and the listing agreement that the Company has signed with the stock exchanges
- "Senior Management" means the senior managerial

personnel directly reporting to the Managing Director and includes all persons in M5 cadre of the Company

2. OBJECTIVE

The objectives of this policy are:

- (a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company aimed at attracting, retaining and motivating people of the quality required to run the Company successfully;
- (b) encourage people to perform to their highest level of competence;
- (c) allow the Company to compete in each relevant employment market;
- (d) to ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (e) provide consistency in remuneration involving a balance between fixed and performance based remuneration throughout the Company; and
- (f) align the performance of the business with the performance of the Board, key

Management Personnel, Senior Management and other Employees within the Company.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board on the basis of recommendations of the Nomination & Remuneration Committee in determining the appropriate remuneration for the Board, key Managerial Personnel, Senior Management and all other Employees.

3. CONTRACT

- (i) The Managing Director, Independent Directors, Key Managerial Personnel, Senior Management and all other Employees will be provided a letter of appointment. This letter of appointment will set out the terms and conditions of the engagement, responsibilities for the role and the remuneration package. Independent Directors and other non-executive Directors are currently paid only sitting fees as remuneration. However, depending on the evolution of business and added responsibilities, the Nomination and Remuneration committee may recommend to the Board for an increase in their remuneration package, subject to final approval of the shareholders. The Managing Director's remuneration will be approved by the Board as well as the shareholders.
- (ii) The Nomination & Remuneration Committee and the Board must approve all contracts for the Managing Director and Independent Directors. The Nomination and Remuneration committee shall also formulate a criteria for determining the qualifications, positive attributes and independence of a Director while the Head-Human Resources of the Company will be responsible for formulating a criteria for all other Employees.

4. FORMS OF REMUNERATION

With the assistance of the Nomination & Remuneration Committee, the Board will approve the forms of remuneration to be offered to the Board members, Key Managerial Personnel, Senior Management and all other Employees, which may include:

4.1 Fixed Remuneration

The Board in consultation with the Nomination & Remuneration Committee and the Head-Human Resources,

will from time to time determine the fixed remuneration level for each of the above categories. Such remuneration levels will be determined according to the role and responsibilities, job size, industry standards, relevant laws and regulations, labour market conditions and scale of Company's business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

4.2 Performance Based Remuneration

In addition to fixed remuneration, the Company will implement a system of performance pay for select categories designed to create a strong relationship between performance and remuneration. Performance based remuneration will be linked to specific performance targets for the concerned individuals and of the Company, which will communicated to all concerned regularly.

4.3 Equity Based Remuneration

To motivate executives and management to pursue the long term growth and success of the Company, the Company may grant equity based remuneration to the Board members, Key Managerial Personnel, Senior Management and all other Employees from time to time. In any case, Independent Directors will not be entitled to stock options.

4.4 Joining Bonuses and Termination payments

In rare cases, the letters of appointment/employment contract may set out in advance the entitlement to a bonus or other payment upon joining employment or upon termination of employment in respect of Key Managerial Personnel, Senior Management or other Employees. The Head-Human Resources is authorised to decide on the same in consultation with the Managing Director.

4.5 Employees Entitlements

The Company will comply with all legal obligations in determining the appropriate entitlement to salary advance, long service, annual, personal and parental leave. The Head-Human Resources, may in consultation with the Managing Director, introduce appropriate housing loan benefits, credit card policy, city grade allowance policy, death & PTD benefits policy, data card policy, Employees referral policy, transfer expenses policy, family meet allowance policy, mediclaim policy, personal accident benefit policy, superannuation scheme, increment policy, laptop policy, mobile phone policy, subsidised canteen policy, suggestions and rewards policy and any other similar policies aimed at motivating and encouraging the Key Managerial Personnel, Senior Management and other Employees to perform better.

5. REVIEW

5.1 Performance Appraisal

The Managing Director will conduct annual performance appraisals for all Key Managerial Personnel other than himself, and Senior Management to monitor and review the appropriateness of each remuneration package. The Nomination and Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors while the performance evaluation as such of the Independent Directors shall be done by the entire Board (excluding the Director being evaluated). The Independent Directors, in their separate meeting, shall review the performance of non-independent directors and the Board as a whole. The Head-Human Resources along with the respective department heads will be responsible for conducting annual performance appraisals for all other Employees.

5.2 Board

The Board will be responsible for approving the remuneration strategy for the Board (subject to approval of shareholders wherever and whenever necessary), Key Managerial Personnel, Senior Management and other Employees. In determining whether to approve the relevant level of remuneration, the Board will consider the recommendations from the Nomination & Remuneration Committee, prevailing market conditions, performance by the individual and the business strategies and objectives of the Company. The Board will review the contents of, and compliance with, this Policy on an annual basis.

5.3 Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Nomination & Remuneration Committee will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company.

5.4 Monitoring the Policy

The Head-Human Resources of the Company will monitor the day to day compliance with this policy.

6. Disclosure & Deviation

The Company will disclose this remuneration policy in its Annual Report. To the extent permitted under applicable law, the Board may deviate from this policy in individual cases, if justified by extraordinary and exceptional circumstances.

Annexure D

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 for conservation of energy:

The Company believes in optimizing energy needs and constantly endeavours to reduce electricity consumption. In that effort, the Company has achieved the following progress during the year 2014-15:-

1. The Company is certified for ISO 14001:2004 Standards and during the year executed "Environment Management Program" for the various manufacturing process and in that regard, the company reused the machine packaging wood for different applications and saved ₹. 1.5 Million in the bargain.
2. The Company introduced HT Compressor Testing with soft starter which requires optimum level of Maximum demand by introducing 110 kW VFD both 50 and 60 HZ with various HT voltages (specially designed for HT application).
3. The Company initiated machine relocation activities with internal team and moved all the machines to New Air Compressor Plant at Kinathukkadavu within 100 days time, thereby saving ₹. 20 Million. This cost savings were achieved in comparison to the original equipment manufacturer's quotes.
4. The Company introduced Xenon lights advanced version of LED to optimize the energy in the Street lights at New Air Compressor Plant.

5. The Company introduced "Artic Master" for Package Air Conditioners to optimize the energy consumption and were able to save energy by 15.2%.

Overall, various energy conservation projects and Cost Saving Projects executed for the year 2014-15 resulted in savings to the tune of Rs.25 million.

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

The company initiated "Energy Management System" ISO 50001: 2011 Certification Process at ELGI to confirm the energy efficiency for each Manufacturing Process and derived the "Energy Policy" in-line with said Standards. The company is in the process of installing Chip Monk RJ 485 remote controlling cloud system to capture all the energy data's within the plant.

(iii) Capital investment on energy conservation equipment

₹ 15 Million was spent for Energy Conservation activities as well as HT Compressors Testing

B. Technology Absorption:

(i) Efforts made towards technology absorption

1. In-house competence for design of special-motors has been developed.
2. In-house validation facility for electronic parts has been created.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

1. Family of electronic controllers for managing the Electric screw compressor has been designed and are on the verge of launch.
2. Air cooled 90kW to 110kW, oil-free screw compressors designed and released for commercial production.
3. Water cooled 350kW to 500kW, oil-free screw compressors designed and released for commercial production.
4. Dual Pressure, diesel powered, screw compressor (1500-400) for water-well drilling designed and released for production. This model is designed to perform optimally at drilling depths in water well applications.
5. EG series (Air cooled) premium screw compressors in the power range of 90kW to 160kW designed developed and released for production.

6. EN series, 55kW to 75kW Screw Compressors designed, developed and released for production.
7. EG series "premium" air-cooled, screw compressors, 90kW to 160kW designed, developed and launched.
8. EG & EN series screw compressors in the power range of 7.5 kW to 160 kW launched in the European market with IE3 motors.
9. EG series, water cooled, screw compressors, 90kW to 160kW designed, developed and launched for the US market.
10. RR20100OF - 20HP Railway "oil free" compressor developed for Indian Railways. It is a common compressor for both the WAG 9 and WAP 4 locomotives.
11. RR14100OF - 14HP Railway "oil free" compressor developed & launched for WAG 7 locomotive. It is mounted on board.
12. RR20101CC - 20HP Railway oil lubricated compressor developed & launched for Korean Railways shunting locomotive.
13. HV60OF - 60HP High volume "oil free reciprocating" compressor developed & launched for industrial oil free applications
14. RR15101 G4 - 15HP Railway oil lubricated compressor developed and launched for the "Auxiliary power unit" application of GM locomotive.

(iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year - NIL

(iv) Expenditure incurred on Research and Development: [₹. In Million]

Expenditure on R & D	2014-2015	2013-2014
Capital	46.89	9.32
Revenue	243.34	234.67
Total	290.23	243.99
R&D Expenditure as a percentage of Turnover	3.77%	2.97%

C. Foreign Exchange Earnings and outgo

Particulars are given in the notes forming part of accounts. Kindly refer the same.

Annexure E

Annual Report on Corporate Social Responsibility (CSR) Activities

01. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has been engaged in Education and Community development projects in and around Coimbatore for a number of decades. The Company as always contributed its might to enhancing societal sustainability along with Economic and Environment sustainability. The Company's CSR Policy and programs are directed mainly towards education. The Company through a Registered Trust supports a School. Apart from education, Company's CSR Policy is also to promote gender equality, women empowerment, environmental sustainability, protection of national heritage, music, drama, dance, sports, fine arts, helping Widows, aged persons, physically and mentally challenged persons and rural development projects. The Company was one of the primary sponsors of the Coimbatore Marathon event. The Company also contributed to Coimbatore Zoological Park, Women's Voluntary services, Amrit Centre and various other social welfare activities. Web-link to the Company's CSR Policy is <http://www.elgi.com/wp-content/uploads/CSR-policy.pdf>

02. Composition of CSR Committee

The CSR Committee of the Board of Directors is optimally balanced between Independent and non-independent Directors. The current Committee comprises of the following members:

- Mr. Jairam Varadaraj (Managing Director) - Chairman of the Committee
- Dr. T. Balaji Naidu (Non Executive Director) - Member of the Committee
- Mr. B. Vijayakumar (Independent Director) - Member of the Committee
- Dr. Madhavi Gopinath (Independent Director) - Member of the Committee

03. Average Net Profit of the Company for last three Financial Years:

Average net profit: ₹ 1027.23 Million.

04. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company was required to spend ₹ 20.54 Million towards CSR during the year

05. Details of CSR spent during the Financial Year 2014-15

a) Total amount to be spent for the financial year - ₹ 23.05 Million

b) Amount unspent, if any - Nil

c) Manner in which the amount spent during the financial year is detailed below:

(In ₹.)

S.No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs : Local area or other Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the project or programs	Cumulative Expenditures up to the reporting period	Amount spent direct or through implementing agencies
1.	Promoting Education & Rural Development	Education	Coimbatore, Tamil Nadu	2,13,50,000	2,13,50,000	2,13,50,000	Through a Registered Trust
2.	Sport Promotion Activities	Rural Sports	Karur, Coimbatore Tamil Nadu	3,00,000	3,00,000	3,00,000	Direct
3.	Zoological Park	Animal Welfare	Coimbatore Tamil Nadu	1,50,000	1,50,000	1,50,000	Direct
4.	Promoting Health & Education Including Special Education	Education & Public Welfare	Coimbatore Tamil Nadu	2,55,000	2,55,000	2,55,000	Direct
5.	Marathon - Coimbatore Cancer Foundation	Medical Relief	Coimbatore Tamil Nadu	10,00,000	10,00,000	10,00,000	Direct
Total				23055000	23055000	23055000	

06. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

N. Mohan Nambiar

Director

DIN : 00003660

Jairam Varadaraj

Chairman of CSR Committee

DIN : 00058056

Annexure F**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March 2015

[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]

To

The Members,
Elgi Equipments Limited
(CIN: L29120TZ1960PLC000351)
Elgi Industrial Complex III,
Trichy Road, Singanallur,
Coimbatore - 641005.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Elgi Equipments 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 Equipments 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, 2015 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, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) 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.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions / events in pursuant of

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

6. I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable General Laws like Labour Laws and Environmental Laws.

7. 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 have been subject to review by Statutory Financial Audit and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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, 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 Committee 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 audit period there were no instances of

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption/buy-back of securities
- (iii) Major decisions taken by the members in pursuance of Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Name : M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

Place: Coimbatore
Date: 29/05/2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms and integral part of this report

'Annexure A to Secretarial Audit Report'

To
The Members,
Elgi Equipments Limited
(CIN: L29120TZ1960PLC000351)
Elgi Industrial Complex III,
Trichy Road, Singanallur,
Coimbatore - 641005.

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 our 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever 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 management. My examination was limited to the verification of procedures on 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.

Name : M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

Place: Coimbatore
Date: 29/05/2015

Annexure G

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Employees

I Employed throughout the year and was in receipt of remuneration not less than ₹ 60 lacs per annum.

[₹. In Million]

Name	Date of Joining	Designation	Qualification	Age	Experience	Remuneration	Last Employed	% of Equity Shares held
Jairam Varadaraj	29/05/1992	Managing Director	B.com., MBA., Phd (USA)	54	26	10.08	NIL	9.14%
Harjeet Singh Wahan	20/12/1995	Executive Director - Quality &EBS	B.E.,(Elec) DBM	66	41	8.21	ATS Elgi Limited	-
K Sreeramachandra Murthy	10/11/2010	Director-Operations	M.E., (Tools) PG Diploma (Finance & Marketing)	48	26	7.18	Hindustan Motors Ltd	-
Rajendra Singh	22/09/2010	Director - Technology	B.E., MS.,	56	38	8.92	Indian Railways Delphi - TVS Continental Automotive	-
Jayashankar Jayaraman	02/11/2009	Director - HR & European Operations	BA., (Honours) , Economics LLB. (Honours) PG DPM &IR	53	27	7.34	Watanmal Group	-
S.Sriram	11/07/2007	Chief Financial Officer	B.Sc., FCA., FCMA, CISA.	56	32	6.59	Cholayil Private Limited	-
Raghavan N	02/02/2007	Director - ISAAME & COSEA	B.E., PG Diploma	48	28	6.69	Rane TRW Steering Systems Ltd	-

Note:

1. Nature of employment of Mr. Jairam Varadaraj, Managing Director of the Company is contractual. All other Executives are on the permanent roll of the Company
2. Mr. Jairam Varadaraj is related to Mr. Sudarsan Varadaraj as per definition of relative of Section 2 (77) of the Companies Act, 2013. No other employees mentioned above are related to any Directors of the Company.
3. Remuneration includes salary, allowances, contribution to Provident Fund and other taxable perquisites and also performance linked pay paid during year.

II Particulars pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year is given below:

Name	Ratio
Jairam Varadaraj (Managing Director)	25 : 1
Non - Executive Directors	
Sudarsan Varadaraj (Director)	0.05 : 1
Dr. T. Balaji Naidu (Director)	0.1 : 1
M. Ramprasad (Director)	0.4 : 1
Ganesh Devaraj (Director)	0.5 : 1
B. Vijayakumar (Director)	0.1 : 1
N. Mohan Nambiar (Director)	0.5 : 1
Dr. Madhavi Gopinath (Director)	0.2 : 1

b) The percentage increase in remuneration of Managing Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Jairam Varadaraj	-	(Managing Director) : 10.03%
S. Sriram	-	(Chief Financial Officer): 15.44%
Vaishnavi PM	-	(Company Secretary): Not Applicable since appointed during the year

c) The percentage increase in the median remuneration of employees in the financial year: 10%**d) The number of permanent employees on the rolls of Company: 1163****e) The explanation on the relationship between average increase in remuneration and Company performance:**

There is no direct relationship between the average increase in remuneration and Company performance. Increments are linked to the Cost of Living Index and Market Compensation.

f) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the Company:

The Key Managerial Personnel were collectively paid a remuneration of ₹17.48 Million for the financial year 2014-15. This represents 0.22% of the total Standalone Turnover of ₹ 7759.31 Million of the Company and 3.14% of its standalone net profits. The Company believes that the Key Managerial Personnel have been compensated commensurate with their knowledge, experience and contributions; notwithstanding the fact that their collective remuneration does not impact the Company's performance significantly.

g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	Issued Capital (Shares)	Market Price (In ₹)	Market Capitalisation (₹ In crores)	Price Earnings Ratio (In ₹)	Net Worth (₹ In Crores)
31.03.2014	15,84,54,508	103.55	1640	48.12	496
31.03.2015	15,84,54,508	146.00	2313	28.94	533
Increase/ (Decrease)		42.45	673	19.18	37

Percentage increase in market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last Public Offer: 725%

h) 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 any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is 10% for Employees and Managerial Personnel

i) The key parameters for any variable component of remuneration availed by the Directors:**Non-Executive Directors:**

The Company does not pay any Variable component of remuneration to the Non-Executive Directors as they are paid only sitting fee for attending the meetings.

Executive Directors:

With respect to the Executive Director, variable component is paid in relation to the following norms:

- Individual performance (Average performance score achieved by his direct reportees) - 30%
- Company Performance (Sales, Profit, Cash Flow & Quality) - 70%

j) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year: Nil**k) Your Directors affirm that the remuneration is as per the remuneration policy of the Company.**

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2015

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Elgi has always believed in and followed best business practices, and has been compliant with all the laws, exercised fairness and integrity in all its dealings, thereby reiterated its commitment to the enhancement of stakeholders' value. The Company has a defined set of guidelines for its internal governance based on business ethics, legal compliance and professional conduct. The Company has been following transparency in its accounting practices and procedures, in framing and adhering to policies and guidelines, in insisting on responsibility and accountability and by regular audit of its policies and procedures;

BOARD OF DIRECTORS

The Board of Directors of the Company consists of 9 Directors, out of which 5 members are Independent Directors. Mr. Jairam Varadaraj is the Executive Director and all others are Non-Executive Directors.

The Board met 5 times during the Financial Year on 29th May 2014, 31st July 2014, 25th September 2014, 29th October 2014 and 03rd February 2015. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the years is as under:-

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Public Companies #	No. of Committee Positions held in other Companies \$	
		Board Meeting	Last AGM		Chairman	Member
Mr. Jairam Varadaraj	Managing Director - Promoter	5	Yes	8	-	4
Mr. Sudarsan Varadaraj	Non-Executive - Promoter	1	No	7	1	2
Dr. T. Balaji Naidu	Non-Executive - Promoter	4	Yes	2	1	2
Mr. B. Vijayakumar	Non-Executive - Independent	3	No	8	-	3
Mr. N. Mohan Nambiar	Non-Executive- Independent	5	Yes	4	1	1
Mr. M. Ramprasad	Non-Executive- Independent	4	Yes	1	1	-
Dr. Ganesh Devaraj	Non-Executive- Independent	5	Yes	0	-	1
Dr. Madhavi Gopinath (Appointed on 25-9-2014)	Non-Executive-Independent	3	No	1	0	0
Mr. Harjeet Singh Wahan (Appointed on 01-04-2015)	Non-Executive Non-Independent	NIL	No	2	-	-

Excludes Directorships in Private Companies and Foreign Companies

\$ Only Audit Committee and Stakeholders Relationship Committee are considered.

Mr. Jairam Varadaraj, Managing Director and Mr. Sudarsan Varadaraj, Director are related to each other. None of the other Directors are related.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor are they the Chairman / Chairperson of more than 5 Committees, as per the requirements of the Listing Agreement.

INDEPENDENT DIRECTORS

Familiarization Program for Independent Directors:

The Independent Directors were provided an opportunity to visit the new manufacturing facility and foundry at Kinathukkadavu on 25-9-2014. During the visit, they were briefed about the manufacturing process, productivity, raw materials used, overall power consumption, cost savings and environmental protection activities undertaken by the new plant. It is the endeavour of the Company to introduce one member of the Senior Management at every Board Meeting. In that connection, the Head - ISAAME region was introduced to the Board at its meeting on 3-2-2015 when he made a presentation on the Company's prospects in the Middle East region.

The appointment letters of Independent Directors has been posted on the Company's website at <http://www.elgi.com/wp-content/uploads/Independent-Directors-Letter-of-Appointment.pdf>.

Separate Meeting of the Independent Directors:

The Independent Directors' Meeting was held on 3rd February, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues matters discussed in detail:

- i) Review of the performance of Non-Independent Directors and the Board as a whole;
- ii) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

COMMITTEES OF THE BOARD

The Board at present has 4 Committees:

- 1) Audit Committee, 2) Nomination and Remuneration Committee 3) Stakeholders Relationship Committee 4) Corporate Social Responsibility Committee.

The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.

AUDIT COMMITTEE

All the members of the Audit Committee are independent and have knowledge of finance, accounts and engineering industry. The quorum for Audit Committee meeting is minimum of two Independent Directors.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the Listing Agreement with the Stock Exchanges. The terms of reference of this Committee are as required by SEBI - under Clause 49 of the Listing Agreement. Besides having access to all the required information 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 with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

During the year under review, the Committee met four times on 29th May 2014, 31st July 2014, 29th October 2014 and 03rd February 2015. The Composition of the Audit Committee and the attendance of each member of the Committee is given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. M. Ramprasad (Chairman)	Independent - Non-Executive	4	3
Mr. N. Mohan Nambiar (Member)	Independent - Non-Executive	4	4
Dr. Ganesh Devaraj (Member)	Independent - Non-Executive	4	4

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Statutory Auditors and Internal Auditor and Chief Financial Officer of the Company have also attended the committee meetings. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the year 2014-15, before it was placed in the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of the following Directors as its Members.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. M. Ramprasad (Chairman)	Independent - Non-Executive	5	4
Mr. N. Mohan Nambiar (Member)	Independent - Non-Executive	5	5
Dr. Ganesh Devaraj (Member)	Independent - Non-Executive	5	5
Mr. Jairam Varadaraj (Member)*	Executive Director	5	5

*Appointed with effect from 3rd February, 2015

During the year under review, the Committee had met five times on 29th May 2014, 31st July 2014, 25th September 2014, 29th October, 2014 and 03rd February, 2015

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at the link <http://www.elgi.com/wp-content/uploads/Remuneration-policy.pdf>.

DETAILS OF REMUNERATION**Managing Director**

The Company's Board at present comprises one Executive Director, Mr. Jairam Varadaraj - Managing Director. The remuneration of Managing Director is governed by a resolution which has been approved by the Board of Directors and the shareholders. The remuneration broadly comprises fixed and variable components. The increment of the Managing Director is determined on the basis of the Company's performance and individual contribution. The Managing Director is not entitled to sitting fees for attending meetings of the Board and Committees.

Details of remuneration paid to the Directors for the year ended 31st March, 2015 are as follows:

Name	Designation	Total Remuneration (In ₹)	Period of Appointment
Mr. Jairam Varadaraj	Managing Director	10.08 Million	5 years with effect from 01.04.2011

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board/Committee Meeting(s).

The details of sitting fees paid during the year ended 31st March 2015 to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees (in ₹)
Mr. N. Mohan Nambiar	2,20,000
Mr. M. Ramprasad	1,80,000
Dr. Ganesh Devaraj	2,20,000
Mr. B. Vijayakumar	60,000
Dr. T. Balaji Naidu	80,000
Mr. Sudarsan Varadaraj	20,000
Dr. Madhavi Gopinath	80,000

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2015:

Name of the Director	No of Shares held as on 31.03.2015
Mr. M. Ramprasad	8000
Mr. B. Vijayakumar	50000
Dr. T. Balaji Naidu	31000
Mr. Sudarsan Varadaraj	41786

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of the following Directors as its Members:

Name of the Member	Category	No. of Meetings Held	No. of Meetings Attended
Mr. N. Mohan Nambiar (Chairman)	Independent - Non-Executive	22	22
Mr. Jairam Varadaraj (Member)	Executive - Promoter	22	22
Dr. T. Balaji Naidu (Member)	Non - Executive - Promoter	22	22

Mrs. Vaishnavi PM, was appointed as Company Secretary and Compliance Officer of the Company at the Board meeting held on 31.07.2014.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints such as non-receipt of shares, non-receipt of dividends etc. and other matters related to shares.

The Share Transfers/Transmissions approved by the Committee are placed at the Board Meetings from time to time.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2015 was 19. There was no outstanding complaints as on 31st March 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee comprises four members Mr. Jairam Varadaraj, Mr. B. Vijayakumar, Dr. T. Balaji Naidu and Dr. Madhavi Gopinath. During the year under review, the Committee had met one time on 29th October 2014.

The terms of reference of this Committee, assigned by their Board encompasses:

- (A) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013:
- (B) To recommend the amount of expenditure to be incurred on the activities referred to in Clause A:
- (C) To monitor the CSR policy of the Company from time to time:
- (D) Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms part of this Annual Report.

GENERAL BODY MEETINGS

Location and time for last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

Year	Date of Meeting	Time of Meeting	Date	Special Resolutions passed, if any
2013-14	25.09.2014	10.30 am	ARDRA, No. 9, North Huzur Road, Coimbatore - 641018	Appointment of Dr. Ganesh Devaraj, Mr. M. Ramprasad, Mr. B. Vijayakumar and Mr.N.Mohan Nambiar as Independent Directors.
2012-13	01.08.2013	04.30 pm	ARDRA, No. 9, North Huzur Road, Coimbatore - 641018.	-Nil-
2011-12	06.08.2012	04.30 pm	ARDRA, No. 9, North Huzur Road, Coimbatore - 641018	-Nil-

POSTAL BALLOT:

No resolutions were put through Postal Ballot last year. However, the Company had pursuant to Clause 35B of the Listing Agreement provided to the shareholders the option to pass the resolutions at the Annual General Meeting through Postal Ballot.

DISCLOSURES:

- Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large
Kindly refer to the notes forming part of accounts for the details of Related Party Transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interest of the Company at large.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.
No penalties, strictures was imposed on the Company by Stock Exchanges 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 Exchanges as well as regulations and guidelines of SEBI.
- Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee
The Company conducts regular 'Employee Meets' every quarter where all the employees have a chance to interact directly with the Managing Director of the Company. Besides this the Managing Director is reachable via e-mail and landline. Any issue brought to the attention of the management, whether resolved or not is placed before the Audit Committee for its perusal and comments.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49
The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the agreement.
The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement.
Quarterly Results are being sent to each household of shareholders.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Code of Conduct

The Board of Directors has 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 of conduct for the year under review.

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

Code for prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / Officers / Designated Employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

MEANS OF COMMUNICATION

The quarterly results and annual results are published in newspapers viz. Business Line (all editions), The Hindu Tamil (Vernacular paper) and simultaneously posted on the Company's web site (www.elgi.com).

In addition to this, the Company has the practice of mailing Quarterly Results to the Company's members and the members are also kept informed about important developments in the Company.

The presentations, if any, made to institutional investors or to the analysts are also posted on Company's website.

GENERAL SHAREHOLDER INFORMATION**55th Annual General Meeting**

Date and Time : 31st July 2015 at 3.45 PM

Venue : ARDRA, No 9 North Huzur Road, Coimbatore - 641 018.

FINANCIAL CALENDAR

Period of reporting	Proposed Board Meeting dates
Financial year 1st April 2015 to 31st March 2016	
Quarter ending 30th June 2015	Last week of July 2015
Quarter ending 30th September 2015	First week of November 2015
Quarter ending 31st December 2015	First week of February 2016
Year ending 31st March 2016	Last week of May 2016

Date of Book Closure : 25th July 2015 to 31st July 2015 (both days inclusive)

Dividend Payment Date : 25.08.2015

Listing of shares on Stock Exchanges**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

Annual listing fees for the year 2015-16 were paid to BSE Limited & National Stock Exchange of India Limited.

STOCK MARKET DATA

Type of Security: Equity

Stock Code:

BSE Limited - **522074**

National Stock Exchange of India Limited - **ELGIEQUIP**

ISIN number allotted for equity shares: **INE 285A01027**

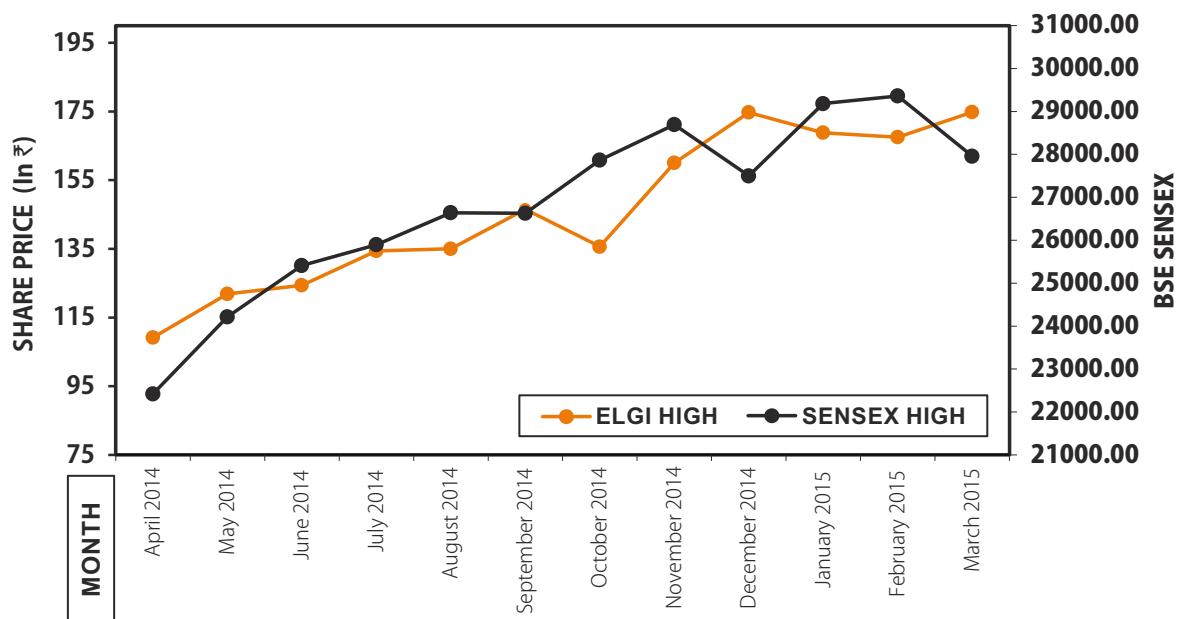
(Fully paid ₹ 1/- each)

Stock Price Data:

For the Period: April 2014 to March 2015

Month	NSE			BSE		
	HIGH (In ₹)	LOW (In ₹)	QTY	HIGH (In ₹)	LOW (In ₹)	QTY
APRIL	109.00	98.00	5,86,754	109.20	96.15	1,66,295
MAY	121.80	98.50	11,89,564	121.90	97.50	3,20,560
JUNE	124.90	108.65	10,91,805	124.40	109.00	3,35,777
JULY	135.00	117.50	16,43,256	134.40	117.10	7,10,920
AUGUST	135.00	117.15	6,35,043	135.00	117.00	1,84,099
SEPTEMBER	146.90	122.00	17,64,225	146.50	122.00	10,81,647
OCTOBER	135.30	116.00	4,92,677	135.65	118.25	3,01,903
NOVEMBER	160.05	122.50	11,80,021	160.00	122.80	3,75,507
DECEMBER	174.90	142.00	7,84,231	174.70	144.00	1,79,144
JANUARY	168.70	146.15	5,65,226	168.80	145.00	1,10,842
FEBRUARY	168.00	140.20	6,57,160	167.50	142.45	89,368
MARCH	174.40	139.10	20,34,647	174.80	138.75	13,11,245
TOTAL			1,26,24,609			51,67,307

ELGI SHARE PRICE vs BSE SENSEX



**Registrar and Share Transfer Agents
(for both physical and demat segments)**
Head Office

Link Intime India Private Ltd
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (west)
Mumbai 400 078
Tel: 022-25963838
Fax: 022-25946969
E-mail: mumbai@linkintime.co.in

Branch:

Link Intime India Private Ltd
Coimbatore Branch
"Surya", 35, May Flower Avenue, (II Floor)
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore 641028
Tel: 91-0422-2314792 & 2315792
Fax: 91-0422-2314792
E-mail: coimbatore@linkintime.co.in

Details of Compliance Officer:
Ms. Vaishnavi PM

Company Secretary / Compliance Officer:
Elgi Equipments Ltd
Elgi Industrial Complex
Trichy Road, Singanallur
Coimbatore - 641005
e-mail: investor@elgi.com
Tel: 91-422-2589136, 2589187
Fax: 91-422-2573697

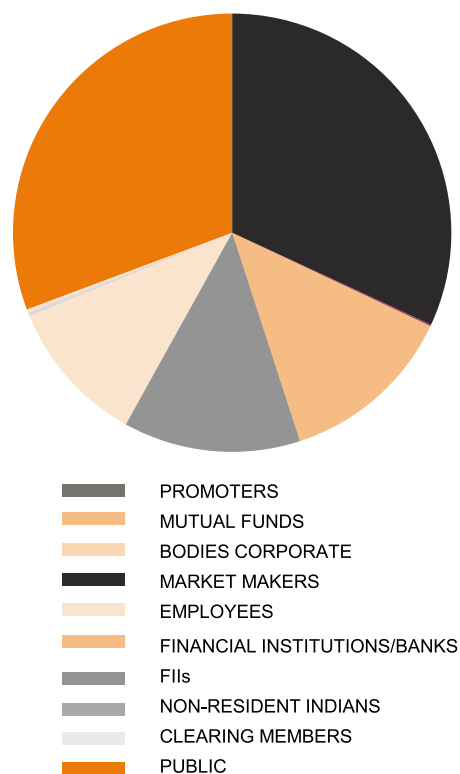
In order to facilitate investor servicing, the Company has designated an e-mail-id: investor@elgi.com mainly for registering complaints by investors.

Share Transfer System

The Company's shares being in compulsory dematerialised (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when required to effect the shares received for transfer in physical form.

Categories of Shareholders as on 31st March 2015

Category	No. of Shares	(₹.1/- each) % To Total
Promoters	5,05,49,630	31.90
Financial Institutions/Banks	1,58,221	0.10
Mutual Funds	2,05,75,499	12.99
Foreign Institutional Investors	2,07,06,772	13.07
Bodies Corporate	1,70,12,219	10.74
Non Resident Indians	3,63,167	0.23
Market Maker	3,628	0.00
Clearing Members	14,447	0.01
Employees	4,31,543	0.27
Public	4,86,39,382	30.69
TOTAL	15,84,54,508	100.00



Distribution of Shares as on 31st March 2015

No. of shares	₹1/- fully paid up			
	No. of holders	% of holders	No. of shares	% of total shares
1 to 5000	18,669	95.11	72,95,457	4.60
5001 to 10000	360	1.84	26,54,477	1.67
10001 to 20000	242	1.23	35,47,007	2.24
20001 to 30000	89	0.45	22,29,662	1.41
30001 to 40000	47	0.24	17,10,793	1.08
40001 to 50000	33	0.17	15,14,879	0.96
50001 to 100000	64	0.33	48,68,309	3.07
100001 & above	124	0.63	13,46,33,924	84.97
Total	19,628	100.00	15,84,54,508	100.00

Dematerialization of Shares and liquidity

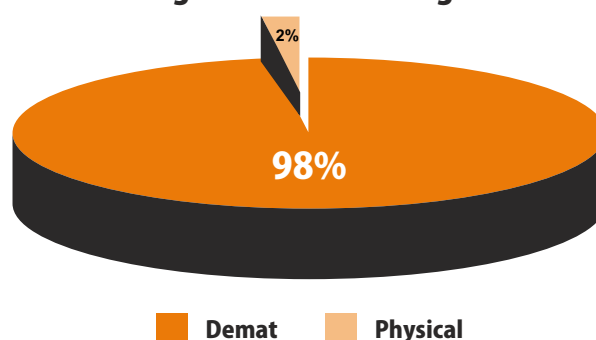
The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

During the financial year 2014-15 6,66,712 shares were dematted. As on 31st March 2015, out of 15,84,54,508 shares, total shares in demat form is 15,52,82,307 Shares and 31,72,201 shares in physical form. This represents 98% shares of the Company are in demat form and 2% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity.

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

Elgi Demat Percentage



Plant Locations

ELGI EQUIPMENTS LIMITED

Elgi Industrial Complex
Trichy Road, Singanallur
Coimbatore – 641005
CIN : L29120TZ1960PLC000351

ELGI EQUIPMENTS LIMITED

SF No. 221, 221/2 & 221/3, Kothavadi Road,
Kodangipalayam Village, Singarampalayam (PO),
Kinathukkadavu Taluk, Coimbatore - 642 109.

Address for Correspondence:

Ms. Vaishnavi PM

Company Secretary
Elgi Equipments Ltd
Elgi Industrial Complex
Trichy Road, Singanallur,
Coimbatore – 641005
e-mail: investor@elgi.com
Tel: 91-422 - 2589136, 2589187
Fax: 91-422 - 2573697

Declaration for Code of Conduct

I hereby affirm and state that all Board Members and Senior Management Personnel of the Company have given a declaration pursuant to Clause 49(II)(E) of the Listing Agreement and I hereby affirm compliance with the said code of conduct for the financial year 2014-2015.

Place: Coimbatore
Date: 29/05/2015

Jairam Varadaraj
Managing Director
DIN: 00058056

Report on Corporate Governance for the year ended 31.03.2015**Certificate**

To the Members of Elgi Equipments Limited,

I have examined the compliance of conditions of Corporate Governance by M/s Elgi Equipments Limited, for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

Coimbatore
29/05/2015

MD Selvaraj
Practicing Company Secretary
C.P.No.: 411 (FCS.960)

Ten Years Performance

(₹. In Million)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Revenue from Operations	13,143	13,504	11,445	9,917	9,410	6,783	5,544	5,050	3,795	3,131
Total Income ¹	13,466	13,595	11,608	10,064	9,528	6,807	5,590	5,098	3,818	3,180
Total Expenditure	12,259	12,511	10,451	8,816	8,048	5,803	4,854	4,441	3,403	2,818
PBDIT	1,208	1,084	1,157	1,248	1,480	1,004	736	657	415	362
Depreciation / Amortisation	366	262	182	135	115	108	90	77	75	98
Interest Income(+)/ Expenditure(-)	(158)	(97)	(45)	(7)	(4)	44	8	10	5	5
Profit Before Tax	684	725	931	1,106	1,361	940	654	589	345	269
Income Tax	203	269	329	350	472	361	247	171	111	93
Profit After Tax	481	455	602	756	890	579	407	419	234	177
Dividend (%)	100	100	100	100	100	200	130	120	100	100
Capital Employed (LT)	6,532	6,781	6,534	3,976	3,383	2,648	1,967	1,671	1,344	1,199
Net Worth	4,934	4,636	4,336	3,976	3,383	2,621	1,967	1,671	1,342	1,197
Total Loan Funds	1,597	2,145	2,198	-	-	28	-	-	2	46
Gross Fixed Assets	6,744	5,773	4,669	2,404	2,071	1,810	1,581	1,383	1,289	1,196
Net Block incl. Capital WIP	4,643	4,772	3,726	1,162	904	731	666	516	400	365
Investments	148	149	149	149	173	143	143	143	144	143
Current Assets	6,786	6,484	6,332	4,819	4,581	4,270	2,526	2,746	2,068	1,661
Current Liabilities	4,932	4,696	3,823	2,196	2,329	2,497	1,372	1,759	1,274	928
Net Working Capital	1,854	1,788	2,509	2,624	2,252	1,773	1,154	987	794	733
Total Assets Excl. Pre-operative exps.	11,757	11,758	10,549	6,216	5,746	5,133	3,310	3,414	2,603	2,159

Notes:

1. Total Income includes Exceptional Items in Financial Year 2014-15.

2. The Company acquired Rotair S.p.a and Pattons Inc during 2012-13. Hence, the reported figures beginning from 2012-13 are not comparable with the earlier financial years.

Analysis of Performance

RATIO CATEGORY / Ratio	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATIONAL PERFORMANCE								
Material Consumption ratio (%)	56.03	58.26	59.45	61.63	59.94	60.56	62.35	63.80
Regular Personnel expenses	18.32	16.67	13.30	10.24	8.42	7.80	8.15	7.16
Profit sharing expenses (%)	0.84	0.73	1.06	0.87	1.35	1.72	1.45	1.52
Other Expenses ratio (%)	18.52	17.56	17.73	16.30	15.43	14.40	15.77	15.63
Interest component ratio (%)	1.21	0.73	0.39	0.07	0.04	0.01	0.03	0.08
Depreciation component ratio (%)	2.80	1.96	1.60	1.37	1.23	1.55	1.50	1.39
Tax component ratio (%)	1.48	1.90	2.68	3.29	4.66	5.03	4.10	3.04
Other Income / Total Income (%)	1.19	1.25	1.60	1.57	1.36	0.52	0.99	1.03
Sales (net) per employee (₹. in million)	6.50	6.54	5.99	5.90	5.90	4.54	3.92	3.98
FINANCIAL STRUCTURING								
Long Term Debt Equity Ratio	0.32	0.46	0.51	-	-	-	-	-
Net Working Capital / Total Assets	0.27	0.25	0.37	0.65	0.66	0.67	0.59	0.59
Investments / Total Assets	0.02	0.02	0.02	0.04	0.05	0.05	0.07	0.09
Inventory / Current Assets	0.39	0.39	0.37	0.25	0.25	0.19	0.28	0.26
Trade Receivables/ Current Assets	0.36	0.37	0.35	0.27	0.25	0.21	0.32	0.34
LIQUIDITY								
Current Ratio	1.38	1.38	1.66	2.20	1.97	1.71	1.84	1.56
Liquidity Ratio	0.84	0.84	1.05	1.65	1.47	1.39	1.33	1.16
EFFICIENCY								
Current Assets Turnover Ratio (CATR)	1.97	2.09	2.04	2.10	2.12	1.99	2.09	2.09
Average Current Assets - no. of days	186	175	179	174	173	184	175	175
Average Inventory - No. of days								
RM & Components	57	53	50	47	44	43	43	39
WIP	7	9	9	6	5	5	6	6
Finished Goods	33	26	18	8	7	10	14	15
Trade Receivables turnover ratio (DTR)	5.57	5.99	6.77	8.45	9.67	8.30	6.78	6.98
Trade Receivables - no of days of net sales	66	61	54	43	38	44	54	52
Trade Creditors Turnover Ratio (TCTR)	4.00	4.57	5.63	7.16	5.63	4.20	4.33	4.01
Trade Creditors - no of days	91	80	65	51	65	87	84	91
Capital Turnover Ratio	1.96	2.01	2.16	2.68	3.10	2.92	3.03	3.34
Net Fixed Assets Turnover Ratio (NFATR)	3.09	3.89	5.60	10.08	11.85	9.89	9.47	11.10
Gross Fixed Assets Net Turnover ratio (GFATR)	2.08	2.56	3.21	4.41	4.82	3.98	3.72	3.77
PROFITABILITY								
Gross Profit Margin (%)	7.55	8.10	10.18	12.66	15.81	14.88	13.36	13.03
PBIT Margin (%)	4.51	5.80	7.95	10.47	13.48	12.53	10.86	10.43
Pre-tax Profit Margin (%)	3.36	5.11	7.59	10.40	13.45	13.10	10.87	10.48
Net Profit Margin (%)	3.45	3.21	4.91	7.10	8.79	8.07	6.77	7.45
Post Tax Margin from Operations (%)	1.94	2.57	4.18	6.51	8.55	8.24	6.72	7.49
ROTA (%)	14.17	15.73	21.56	33.72	48.97	43.56	40.46	43.56
ROCE (%)	9.29	12.35	18.56	30.25	45.26	38.98	35.91	38.90
SHAREHOLDERS' EARNINGS								
RONW (%)	5.38	10.15	14.48	20.54	29.64	25.25	22.40	27.80
Earnings Per Share (current equity) (₹)	3.04	2.87	3.80	4.77	5.62	7.34	6.49	6.67
Dividend Per Share (₹)	1.00	1.00	1.00	1.00	1.00	1.83	1.30	1.20
Dividend Payout Ratio (%)	32.94	34.79	26.33	20.97	17.81	24.99	20.01	17.98
Price Earnings Ratio (current equity)	48.12	28.94	22.14	15.65	21.53	9.20	6.39	8.94
Dividend Yield	0.68	1.20	1.19	1.34	0.83	2.72	3.13	2.01
Dividend to Net Worth Ratio (%)	3.20	3.42	3.65	3.98	4.68	5.52	4.14	4.51
Book Value per share (₹)	31.14	29.26	27.36	25.09	21.35	33.20	31.36	26.64

Notes:

1. Net Profit Margin Includes Exceptional Items in Financial Year 2014-15.
2. The Company acquired Rotair S.p.a and Pattons Inc during 2012-13. Hence, the reported figures beginning from 2012-13 are not comparable with the earlier financial years.

Independent Auditor's Report

To the Members of Elgi Equipments Limited

Report on the standalone Financial Statements.

1. We have audited the accompanying standalone financial statements of Elgi Equipments Limited ("the Company"), which comprise the Balance sheet as at 31st March 2015, the statement of Profit & Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true & fair view of the financial position, financial performance 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds & other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are necessary for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act and the Rules, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our knowledge and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) order, 2015' ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
- (d) In our 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 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2015 from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) 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 our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at March 31, 2015 on its financial position in its financial statements as referred in Note No.26.
 - ii. The Company did not have material foreseeable losses on its long-term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2015.

For **RJC Associates**
Chartered Accountants
Firm Regn. No. : 003496S

R. Jayachandran
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2015

Annexure to the Auditor's Report**Referred to in paragraph 8 of our report of even date,**

- i. (a) The Company is maintaining proper record, showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- ii. (a) The inventory, including stock with certain third parties, has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
- iii. The Company has not granted any loans unsecured/secured, to any Company, Firms or other parties covered in the register required to be maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of product costing. Vide notification dated 31.12.2014 by Ministry of Corporate Affairs, Government of India, requirement of maintenance of books under sub-section(1) of Section 148 of the Act, is mandatory only from 01.4.2015. In our opinion, prima facie, costing accounts and records have been made and maintained. We have however not made a detailed examination of the costing records.
- vii. (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of Income Tax and wealth tax which have not been deposited on account of any dispute.

- (c) According to the information and explanations given to us, and the records of the Company examined by us, the disputed Central Excise and Sales Tax aggregating ₹. 73.64 million have not been deposited since matters are pending with relevant forum as indicated below:

[₹. In Million]

Name of the Statute	Nature of the dues	Demand Amount	Forum where dispute is Pending
Sales Tax	LST & Penalty	8.49	ST AT (AB)-CBE
Sales Tax	LST & Penalty	59.79	The High Court of Madras
Sales Tax	CST & Penalty	29.87	ST AT (AB)-CBE
Sales Tax	CST	3.28	JC (APPEALS)-CBE
Total		101.43	
Central Excise	Excise Duty & Penalty	0.29	Commnr.Appeals
Central Excise	Excise Duty & Penalty	5.46	CESTAT
Total		5.75	
Grand Total		107.18	

- (d) According to the information and explanations given to us, and the records of the Company examined by us, the amount required to be transferred to Investors Education and Protection fund has been transferred within the stipulated time in accordance of the provisions of the Companies Act, 1956 and the Rules made there under.
- viii. The Company does not have any accumulated losses at the end of the Financial year and has not incurred cash losses in the current and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet Date.
- x. According to the information and explanations given to us, and the records of the Company examined by us and in our opinion, the terms and conditions, on which the Company has given guarantee for the loans taken by Subsidiary Companies from Banks during the year, is not prejudicial to the interest of the Company.
- xi. According to the information and explanations given to us, and the records of the Company examined by us the company has not availed any term loans during the year.
- xii. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted Auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **RJC Associates**
Chartered Accountants
Firm Regn. No. : 0034965

R. Jayachandran
Partner
Membership No. 021848

Balance Sheet as at 31st March 2015

[₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	158.45	158.45
(b) Reserves and Surplus	3	5171.46	4802.01
(2) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	135.54	100.13
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	5	1093.40	923.68
(b) Trade payables	6	996.55	1204.32
(c) Other current liabilities	7	356.15	296.10
(d) Short-term provisions	8	388.18	471.23
Total		8299.73	7955.92
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	2575.04	1566.37
(ii) Intangible assets	9	5.66	2.82
(iii) Capital work-in-progress		63.46	847.95
(b) Non-current investments	10	1175.93	868.93
(c) Long term loans and advances	11	48.30	221.76
(d) Other non-current assets	12	3.75	2.00
(2) CURRENT ASSETS			
(a) Inventories	13	1129.78	1051.93
(b) Trade receivables	14	1663.83	1784.08
(c) Cash and cash equivalents	15	227.34	219.14
(d) Short-term loans and advances	16	1399.78	1385.77
(e) Other current assets	17	6.86	5.17
Total		8299.73	7955.92

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March 2015

[₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. REVENUE FROM OPERATIONS	18	7759.31	8283.30
II. OTHER INCOME	19	123.62	57.65
III. TOTAL REVENUE	(I + II)	7882.93	8340.95
IV. EXPENSES:			
Cost of materials consumed	20	3649.94	3936.26
Purchase of Traded goods	21	872.20	991.19
Changes in inventories of finished goods, work-in-progress and Traded goods	22	(6.46)	(30.99)
Employee benefit expenses	23	1000.96	908.50
Finance Cost	24	37.07	7.77
Depreciation and amortization expenses		291.36	177.60
Other expenses	25	1351.13	1262.02
TOTAL EXPENDITURE		7196.20	7252.35
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	686.73	1088.60
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V - VI)	686.73	1088.60
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	(VII - VIII)	686.73	1088.60
X. TAX EXPENSE:			
(1) Current Tax		92.81	254.06
(2) Deferred Tax		37.71	51.89
XI. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	556.21	782.65
XII. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII. TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX)	(XII - XIII)	-	-
XV. PROFIT/(LOSS) FOR THE YEAR	(XI + XIV)	556.21	782.65
XVI. EARNINGS PER EQUITY SHARE:		(in ₹.)	(in ₹.)
Nominal value of share		1.00	1.00
(1) Basic		3.51	4.94
(2) Diluted		3.51	4.94

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Notes to Financial Statements for the year ended 31st March 2015

1. Summary of Significant Accounting Policies

1.1) Basis for preparation of Financial Statements

The Company follows accrual method of Accounting. The financial statements have been prepared under the Historical Cost Convention and on the basis of going concern and in accordance with the Accounting Standards notified under the Companies Act, 1956 ("The Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013.

1.2) Inventories

Inventories have been valued at lower of cost and net realisable value. The cost of inventories has been assigned using the weighted average cost formula.

- a) Purchased items - at FIFO - Net of CENVAT and VAT
- b) Work-in-Progress - Purchase cost net of CENVAT and VAT plus proportionate Overheads
- c) Manufactured items - at cost excluding selling overheads and VAT.
- d) Traded Items - at cost and net of VAT.
- e) Inventory at Branches / Foreign Branches - at cost including applicable taxes and duties.

1.3) Depreciation

Depreciation is charged on Straight line basis for Plant & Machinery, Vehicles and Computers and on Written Down Value basis for other assets. Rates prescribed under Schedule II of the Companies Act, 2013 are adopted.

1.4) Revenue Recognition

Sales : Sales, which includes excise duty, but excludes VAT, is recognised at the time of shipment of goods from plant or from stock points.

Royalty: Royalty is recognised on accrual basis in accordance with the terms of the relevant Agreement.

Rent: Rental income is recognised on accrual basis in accordance with terms of respective rent agreements.

Interest: Interest is recognised on accrual basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend is recognised and accounted when the right to dividend is established.

1.5) Fixed Assets

- a) Fixed assets are recorded at historical cost of acquisition, which includes all taxes, duties and other direct expenses incurred up to the stage of commissioning of the asset, net of CENVAT and VAT, wherever applicable.

- b) Capital work-in-progress:

Capital work-in-progress consisting of assets under construction, erection and commissioning are valued at cost incurred up to the date of Balance Sheet.

- c) An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Asset", when at Balance Sheet date there are indications of impairment and the carrying amount of the Asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

1.6) Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. For transactions settled within the year, exchange variance is charged to Statement of Profit and Loss. Outstanding liabilities and assets are restated at exchange rate prevailing at the end of the year. The resultant exchange variances are recognized in the Statement of profit and loss prepared for the year on a net off basis.

1.7) Investments

Long term investments are valued at cost and short term investments are valued at cost or fair value whichever is lower.

1.8) Employee Benefits

- a) **Provident Fund:** Provident Fund contribution is as per the rates prescribed by the Employees Provident Fund Act 1952 and the same is charged to revenue account.
- b) **Superannuation:** Company has an arrangement with Life Insurance Corporation of India for providing Superannuation benefits to employees eligible as per Company's Rules. Company's contribution to the Superannuation Fund is calculated as per agreed terms and provided in the accounts.
- c) **Leave Salary :** Liability in respect of encashment of accumulated leave is provided based on actuarial valuation.
- d) **Gratuity:** The Company operates a defined benefit plan for the payment of post employment benefits for its employees in the form of Gratuity fund scheme managed by Life Insurance Corporation of India. The expenditure are recognized based on the present value of obligation as determined in accordance with AS - 15 on "Employee Benefits".

- e) **Other short term employee benefits:** All the other short term employee benefits such as profit share, performance pay, etc are measured and provided on accrual basis.

1.9) Borrowing Cost

Borrowing cost includes:

- a) Interest and Commitment charges on bank borrowings and other short term and long term borrowings.
- b) Amortization of ancillary costs incurred in connection with the arrangement of borrowings.
- c) Finance charges in respect of assets acquired under finance leases or under other similar arrangements.
- d) Exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

1.10) Deferred Tax

Deferred Tax liabilities/assets are accounted for in respect of all timing differences, as per (AS)22.

1.11) Research & Development Expenses:

Revenue expenditure on Research and Development are charged off in the year in which they are incurred. Fixed Assets purchased for the purpose of research and development are depreciated as per the Company's policy stated above.

1.12) Intangible Assets

Intangible Assets are recorded at the cost of acquisition and are amortised over a year of five years or its legal/ useful life whichever is less.

1.13) Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
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2 SHARE CAPITAL

AUTHORISED SHARE CAPITAL

30,00,00,000 Equity Shares of ₹1/- each	300.00	300.00
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ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES

15,84,54,508 Equity Shares of ₹ 1/- each fully paid	158.45	158.45
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2.1 Terms / Rights attached to Equity Shares

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2015, the amount of dividend per share recognized as distributions to equity shareholders is ₹.1/- (March 31, 2014: ₹ 1/-).

2.2 Reconciliation of the shares at the beginning and at the end of the reporting period:

Particulars	31-03-15	31-03-14
Number of equity shares at the beginning of the year	15,84,54,508	15,84,54,508
Number of equity shares at the end of the year	15,84,54,508	15,84,54,508

2.3 Number of shares held by share holders holding more than 5% of total shares

Name of the share holder	31-03-15	%	31-03-14	%
Dark Horse Portfolio Investment Limited	2,51,90,940	15.90	2,26,36,730	14.29
SBI Emerging Businesses Fund	1,42,20,736	8.97	1,26,72,358	8.00
Jairam Varadaraj	1,23,24,928	7.78	1,23,24,928	7.78
Pari Washington Co. P. Ltd., A/c Pari Washington India Master Fund, Ltd.	81,90,892	5.17	-	-
Gagandeep Credit Capital Pvt. Limited	81,52,575	5.15	81,52,575	5.15

2.4 ESPS / Bonus issue during the last 5 years:

	Face value (In ₹.)	No of Shares	Financial year
Employees Stock Purchase Scheme	1	5,83,600	2010-11
Bonus Shares	1	7,89,35,454	2010-11

2.5 There was no forfeiture of shares during the year ended 31/03/2015.

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
3 RESERVES AND SURPLUS		
a) CAPITAL RESERVE	181.41	181.41
b) CAPITAL REDEMPTION RESERVE	0.00	0.00
c) SECURITIES PREMIUM ACCOUNT	409.37	409.37
d) STATUTORY RESERVE (AMALGAMATION)	5.49	5.49
e) GENERAL RESERVE		
As per the last Balance Sheet	1061.20	982.90
Add: Transfer from profit & loss account	55.60	78.30
	1116.80	1061.20
f) SURPLUS FROM PROFIT & LOSS ACCOUNT		
As per the last Balance Sheet	3144.54	2625.57
Add:		
i) Depreciation, net of deferred tax adjusted as per Schedule II of Companies Act, 2013.	(4.46)	-
ii) Provision for Tax on Dividend in respect of previous year written back	8.41	-
iii) Current year surplus	556.21	782.65
	3704.70	3408.22
Less:		
i) Proposed Dividend (₹. 1/- per share)	158.45	158.45
ii) Provision for Tax on Dividend	32.26	26.93
iii) Transfer to General Reserve	55.60	78.30
	3458.39	3144.54
Closing Balance (a+b+c+d+e+f)	5171.46	4802.01
4 DEFERRED TAX LIABILITIES		
As per the last Balance Sheet	100.13	48.24
Add: For the year	35.41	51.89
	135.54	100.13
5 SHORT TERM BORROWINGS		
Borrowings from Banks	1093.40	923.68
	1093.40	923.68
6 TRADE PAYABLES		
a) Acceptances	200.40	213.76
b) Dues to Micro, small and Medium Enterprises	123.90	144.53
c) Others	672.25	846.03
	996.55	1204.32
7 OTHER CURRENT LIABILITIES		
a) Unclaimed dividends	4.69	4.40
b) Other payables		
i. Advance from customers	153.99	93.76
ii. Rent Advances	1.54	1.54
iii. Dealers Deposits	23.79	22.92
iv. Employee related expenses payable	126.63	116.76
v. TDS Payable / Other Taxes Payable	3.19	9.32
vi. Interest accrued but not due on borrowings	42.32	47.40
	356.15	296.10
8 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	52.82	23.46
b) Provision for income tax	144.65	262.39
c) Proposed Dividend	158.45	158.45
d) Provision for Tax on Dividend	32.26	26.93
	388.18	471.23

Notes to Financial Statements for the year ended 31st March 2015

9 TANGIBLE & INTANGIBLE ASSETS**[₹. In Million]**

Particulars	Land	Building	Plant & Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Canteen Equipments	Total	Intangible Assets	Total
Gross Block										
Balance as at 1 April 2013	118.23	194.95	1778.78	35.43	110.39	4.24	2.98	2245.00	69.10	2314.10
Additions	51.25	284.97	458.94	0.73	16.26	0.41	0.25	812.81	4.76	817.57
Deletions / write off	-	0.17	66.82	-	2.04	-	-	69.03	-	69.03
Balance as at 31 March 2014	169.48	479.75	2170.90	36.16	124.61	4.65	3.23	2988.78	73.86	3062.64
Additions	-	731.53	470.49	10.39	81.04	0.85	13.72	1308.02	5.03	1313.05
Deletions / write off	0.33	-	36.67	-	-	-	-	37.00	-	37.00
Balance as at 31 March 2015	169.15	1,211.28	2604.72	46.55	205.65	5.50	16.95	4259.80	78.89	4338.69
Accumulated depreciation										
Balance as at 1 April 2013	-	130.44	1079.49	25.08	68.29	3.10	2.08	1308.48	65.79	1374.27
For the year	-	22.61	137.38	0.07	11.32	0.25	0.72	172.35	5.25	177.60
Deletions / write off	-	0.10	56.41	-	1.91	-	-	58.42	-	58.42
Balance as at 31 March 2014	-	152.95	1160.46	25.15	77.70	3.35	2.80	1422.41	71.04	1493.45
Transition Adjustment (See Note)	-	0.32	0.35	3.05	2.98	0.05	0.02	6.77	-	6.77
For the year	-	90.05	150.78	8.92	37.50	0.57	1.35	289.17	2.19	291.36
Deletions / write off	-	-	33.59	-	-	-	-	33.59	-	33.59
Balance as at 31 Mar 2015	-	243.32	1278.00	37.12	118.18	3.97	4.17	1684.76	73.23	1757.99
Net Block										
31 March 2014	169.48	326.80	1010.44	11.01	46.91	1.30	0.43	1566.37	2.82	1569.19
31 March 2015	169.15	967.96	1326.72	9.43	87.47	1.53	12.78	2575.04	5.66	2580.70

Note :

Depreciation has been charged as per Schedule II of the Companies Act, 2013 with effect from 1st April 2014. Hence Depreciation charge for the year ended 31st March 2015 is higher by ₹.57.30 Million. In the case of assets whose useful lives are NIL as on 01.04.2014, the carrying value is adjusted against retained earnings and is disclosed above as Transition adjustment.

[₹. In Million]

Particulars	No. of Shares / Face Value		31-03-15	31-03-14
	Units	Per Share (In ₹.)		

10 NON-CURRENT INVESTMENTS (AT COST)**NON-TRADE INVESTMENTS****a) INVESTMENT PROPERTY****0.41** 0.41**b) INVESTMENT IN EQUITY INSTRUMENTS****i INVESTMENT IN SUBSIDIARIES**

ATS Elgi Limited(Fully Paid) [Share 100%]	90000	10.00	180.90	180.90
ELGI GULF (FZE) [Share 100%]	1		1.78	1.78
Elgi Equipments (Zhejiang) Limited (China) [Share 100%]			349.91	165.56
Elgi Compressors Trading (Shanghai) Co. Ltd (China) [Share 100%]			28.68	28.68
SAS Belair (France) [Share 100%]	179721	1276.26	352.02	229.37
Elgi Compressores Do Brasil Imp E. Exp. Ltda (Brazil) [Share 100%]	356440	25.14	8.96	8.96
Elgi Equipments Australia Pty Ltd [Share 100%]	100	55.02	0.01	0.01
Elgi Compressors S.r.l. (Italy) [Share 100%]	15000	69.66	1.04	1.04
Elgi Compressors USA Inc. [Share 100%]	10000	55.96	0.56	0.56
PT. Elgi Equipments Indonesia [Share 99.71%]			19.00	19.00
Adisons Precision Instruments Mfg. Co. Ltd. [Share 100%]	743350	10.00	89.06	89.06
			1031.92	724.92

ii INVESTMENT IN JOINT VENTURES

ELGI Sauer Compressors Ltd [Share 26%]	169000	10.00	1.69	1.69
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Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	No. of Shares / Units	Face Value Per Share (In ₹.)	31-03-15	31-03-14
iii INVESTMENT IN OTHER BODIES CORPORATE				
Lakshmi Machine Works Ltd	50	10.00	0.01	0.01
State Bank of India	3600	1.00	0.12	0.12
HDFC Bank Limited	2500	2.00	0.01	0.01
HDFC Limited	12000	2.00	0.03	0.03
Magna Electro Castings Ltd	80000	10.00	1.25	1.25
Rajshree Sugars & Chemicals Ltd	229000	10.00	7.55	7.55
Pricol Ltd	94245	1.00	0.54	0.54
L.G.Balakrishnan & Bros.Ltd.	2496	10.00	0.02	0.02
LGB Forge Limited	18720	1.00	0.03	0.03
Elgi Rubber Company Limited	763700	1.00	7.95	7.95
The Mill Officers Co-Op Housing Colony Ltd., Ahmedabad	5	50.00	0.00	0.00
			17.51	17.51
Total (i+ii+iii)			1051.12	744.12
c) INVESTMENT IN PARTNERSHIP FIRMS				
L.G.Balakrishnan & Bros [Share 98%]			124.00	124.00
Elgi Services [Share 80%]			0.40	0.40
			124.40	124.40
GRAND TOTAL (a+b+c)			1175.93	868.93

10.1 DETAILS OF INVESTMENT IN PARTNERSHIP FIRMS:

Name of the Firm	Name of the Partner	31-03-15 Capital Invested (₹. In Million)	Share %	31-03-14 Capital Invested (₹. In Million)	Share %
L.G.Balakrishnan & Bros.	Elgi Equipments Ltd	124.00	98.00	124.00	98.00
	Elgi Ultra Industries Ltd	2.50	2.00	2.50	2.00
Elgi Services	Elgi Equipments Ltd	0.40	80.00	0.40	80.00
	Elgi Ultra Industries Ltd	0.10	20.00	0.10	20.00

[₹. In Million]

Particulars	31-03-15	31-03-14
10.2 DETAILS OF MARKET VALUE FOR QUOTED SHARES		
a) Total Cost of Quoted Securities	17.51	17.51
b) Total Market value of Quoted Securities	58.35	44.08
10.3 AGGREGATE OF UNQUOTED INVESTMENTS		
Aggregate value of unquoted investments	1158.42	851.42
11 LONG TERM LOANS AND ADVANCES		
a) Capital advances	10.93	190.80
b) Security deposits	21.46	20.92
c) Other loans and advances	15.91	10.04
	48.30	221.76
(All Loans and advances are unsecured and considered good.)		
12 OTHER NON-CURRENT ASSETS		
Long term trade receivables (on deferred credit terms)	3.75	2.00
	3.75	2.00
(All long term trade receivables are unsecured and considered good.)		

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
13 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
a) Raw materials	640.53	599.02
b) Work in progress	116.34	183.36
c) Finished goods	296.37	204.16
d) Traded goods	25.56	28.63
e) Stores & Spares	11.89	7.18
f) Loose Tools	32.01	26.52
g) Packing materials	7.08	3.06
	1129.78	1051.93
Note: Raw materials, Work-in-progress and finished goods inventories include R&D Inventory also.		
14 TRADE RECEIVABLES		
a) Trade receivables outstanding for more than 6 months from the date they became due for payment	72.85	56.67
b) Others	1590.98	1727.41
	1663.83	1784.08
(All trade receivables are unsecured and considered good.)		
15 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i) Balance with banks		
a) In current account	79.65	61.88
b) In deposits	8.55	41.96
ii) In Unclaimed Dividend Account	4.69	4.40
iii) Cash in hand	0.64	0.29
b) Other Bank Balances		
i. In deposits (having original maturity period of more than 3 months but less than 12 months)	133.82	104.83
ii. Cheques, Drafts in hand and fund in transit	-	5.78
	227.34	219.14
16 SHORT-TERM LOANS AND ADVANCES		
a) Advance to:		
i) Subsidiaries	810.53	821.50
ii) Other Companies	-	2.40
iii) Suppliers	75.93	11.39
iv) Employees	51.18	37.98
b) Rent Advances	2.50	2.50
c) Cenvat / VAT Receivable & Service Tax credit (Net)	94.01	53.76
d) Advance Tax / TDS Receivable	137.77	316.47
e) MAT credit entitlement	38.92	-
f) Income / refund receivable	74.88	26.58
g) Prepaid expenses	24.54	17.77
h) Others	89.52	95.42
	1399.78	1385.77
(All Loans and advances are unsecured and considered good.)		
17 OTHER CURRENT ASSETS		
Interest accrued	6.86	5.17
	6.86	5.17

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
18 REVENUE FROM OPERATIONS		
a) Sale of Products	8002.05	8603.52
b) Sale of Services	94.07	90.45
Gross Sales	8096.12	8693.97
Less:		
Excise Duty	393.94	490.95
Net Sales	7702.18	8203.02
Other operating revenue	57.13	80.28
	7759.31	8283.30
18.1 DETAILS OF PRODUCTS SOLD		
Air Compressors	7702.18	8203.02
19 OTHER INCOME		
a) Interest Income	28.34	23.54
b) Dividend Income	58.60	1.02
[Includes Dividend from Subsidiaries ₹. 49.50 Million in FY 2014-15]		
c) Rent receipts	14.40	11.98
d) Profit on sale of assets	7.53	5.15
e) Share of profit in partnership	0.26	0.23
f) Miscellaneous income	14.49	15.73
	123.62	57.65
20 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	571.56	564.36
Purchases	3704.72	3943.46
	4276.28	4507.82
Less:		
Closing Stock of Raw Materials	626.34	571.56
	3649.94	3936.26
20.1 Purchases include machining charges of ₹.66.82 Million (Previous year ₹.63.66 Million)		
20.2 DETAILS OF MATERIALS CONSUMED		
Description of the Item		
1) Engines & Motors	795.99	1052.87
2) Materials that do not individually account for 10% or more of total consumption	2853.95	2883.39
	3649.94	3936.26
21 PURCHASE OF TRADED GOODS		
Description of the Item		
1) Oil	173.28	179.01
2) Others	698.92	812.18
	872.20	991.19
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	158.67	152.91
Opening Stock of Finished Goods	187.19	148.52
Opening Stock of Traded goods	28.63	42.07
	374.49	343.50
Less:		
Closing Stock of WIP	86.96	158.67
Closing Stock of Finished Goods	268.43	187.19
Closing Stock of Traded goods	25.56	28.63
	380.95	374.49
	(6.46)	(30.99)

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
23 EMPLOYEE BENEFIT EXPENSES		
a) Salaries & Wages	771.09	722.64
b) Gratuity	32.02	4.60
c) Performance Pay	87.70	84.84
d) Contribution to Provident fund & Superannuation fund	46.62	44.68
e) Welfare expenses	55.57	44.56
f) MD's Remuneration (Excluding performance pay)	7.96	7.18
	1000.96	908.50
24 FINANCE COSTS		
Interest Expenses	37.07	7.77
	37.07	7.77
25 OTHER EXPENSES		
Packing Charges	136.80	142.71
Consumption of Stores	54.41	57.60
Tools Consumed	52.14	55.85
Commission and Discount	101.94	105.70
Royalty Payments	1.72	0.82
Power, Fuel & Lighting	117.70	98.13
Transport Charges	85.59	99.53
Postage, Telegrams & Telephones	13.63	11.02
Travelling and Conveyance	106.85	116.91
Insurance	8.50	7.34
Advertisement and Publicity	21.34	21.17
Repairs and Maintenance of		
-Plant and machinery	53.25	46.95
-Building	23.21	20.89
-Other Assets	27.65	19.25
Printing and Stationery	7.28	7.60
Research and Development expenses (Refer note No.34)	49.23	55.35
Bad Debts Written off & Provision for doubtful debts	7.11	5.44
After Sales Expenses	120.19	103.10
Factory Expenses	18.38	10.98
Rates & Tax	9.56	6.32
Auditor's Remuneration		
-Audit Fees	1.40	1.21
-Other Services	0.29	0.28
Miscellaneous Expenses	44.80	42.84
Subscription, Periodicals & Filing Fees	3.07	1.80
CSR Expenditure	23.06	41.41
Rent	23.60	25.15
Legal and Consultancy Charges	150.99	121.23
Directors' Sitting Fees	0.86	0.58
Service Tax Payments	1.01	0.93
Exchange Fluctuation (Gain) / Loss (net)	40.14	(4.86)
Loss on Sale of Assets	0.05	0.60
Excise Duty paid	37.27	31.89
Bank charges	8.11	6.30
	1351.13	1262.02

Notes to Financial Statements for the year ended 31st March 2015

26 CONTINGENT LIABILITIES AND COMMITMENTS

a) Claims against the Company not acknowledged as debts:

Name of the Statute	Nature of the dues	Demand Amount [₹. In Million]	Amount Paid / Adj [₹. In Million]	Forum where disputes are Pending
Sales Tax	LST & Penalty	8.49	8.51	STAT (AB)-Cbe
	LST & Penalty	59.79	-	The High Court of Madras
	CST & Penalty	29.87	22.40	STAT (AB)-Cbe
	CST	3.28	2.28	JC (APPEALS)-Cbe
Central Excise	Excise Duty & Penalty	0.29	0.01	Dy. Commnr.Appeals
	Excise Duty & Penalty	5.46	0.34	CESTAT

The Company has filed appeals with the appropriate authorities of Central Excise and Sales Tax Department against their claims.

[₹. In Million]

b) Particulars	31-03-15	31-03-14
i) Guarantees and Letter of credit	298.80	334.08
ii) Estimated amount of contracts remaining to be executed on capital account	10.93	1066.97

In addition to the above, the Company has given SBLCs/ LOCs of USD 2 Million, USD 23.8 Million and Euro 8.95 Million in favour of its Subsidiaries Elgi Equipments (Zhejiang) Limited, Elgi Compressors USA Inc. and Elgi Compressors Italy S.r.l, respectively and Corporate Guarantee of USD 3 Million has been given in favour of Elgi Compressors USA Inc.

27 Details of security given for borrowings:

Borrowing from Banks

Fund Based and Non-Fund Based Limits from Banks

Details of Security

Pari-Passu charge on specified Fixed Assets and the Current Assets of the Company

28 Details of dues to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprise Development Act 2006.

[₹. In Million]

Particulars		31-03-15	31-03-14
a) The Principal amount due to Supplier under the Act.	S 22 (i)	62.30	144.53
b) Interest accrued and due to Suppliers on the above amount (Other than Section 16)	S 22 (i)	Nil	Nil
c) Interest paid to Suppliers under the act (Section 16)	S 22 (ii)	Nil	Nil
d) Interest due and payable for delay (for payments during the year beyond due date)	S 22 (iii)	Nil	Nil
e) Payment made to suppliers (other than interest) beyond the appointed Day, during the year.	S 22 (iii)	Nil	Nil
f) Interest accrued & remaining unpaid at the end of year to Suppliers under the Act	S 22 (iv)	Nil	Nil
g) Interest due & payable to suppliers under the Act for payments already made	S 22 (v)	Nil	Nil

The information has been given in respect of vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with the Company.

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
29 Details of disclosure as required under AS 15 in respect of defined benefit plan for Gratuity		
I. PRINCIPAL ACTUARIAL ASSUMPTIONS	Gratuity (Funded)	
(Expressed as weighted averages)		
Discount Rate	7.80%	9.20%
Salary escalation rate	6.00%	6.00%
Attrition rate	3.00%	3.00%
Expected rate of return on plan asset	8.75%	8.85%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)- RECONCILIATION OF OPENING AND CLOSING BALANCES		
PVO as at the beginning of the period	99.61	96.16
Interest cost	8.50	7.55
Current service cost	8.55	9.36
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Benefits paid	(14.53)	(8.11)
Actuarial loss/(gain) on obligation(balancing figure)	22.47	(5.35)
PVO as at the end of the period	124.60	99.61
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS- RECONCILIATION OF OPENING AND CLOSING BALANCES		
Fair value of plan assets as at the beginning of the period	95.55	78.87
Expected return on plan assets	7.99	7.77
Contributions	4.06	17.52
Benefits paid	(14.53)	(8.11)
Actuarial gain / (loss) on plan assets(balancing figure)	0.12	(0.50)
Fair value of plan assets as at the end of the period	93.20	95.55
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	7.99	7.77
Actuarial gain/(loss) on plan assets	0.12	(0.50)
Actual return on plan assets	8.12	7.26
V. ACTUARIAL GAIN / LOSS RECOGNISED		
Actuarial gain/ (loss) for the period - obligation	(22.47)	5.35
Actuarial gain/ (loss) for the period - plan assets	0.12	(0.50)
Total (gain)/ loss for the period	22.35	(4.84)
Actuarial (gain)/ loss recognised in the period	22.35	(4.84)
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	124.60	99.61
Fair value of plan assets	93.20	95.55
Differences	31.40	4.06
Unrecognised transitional liability	-	-
Unrecognised past service cost- non vested benefits	-	-
Liability recognised in the balance sheet	31.40	4.06
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	8.55	9.36
Interest cost	8.50	7.55
Expected return on plan assets	(7.99)	(7.77)
Net actuarial(gain)/loss recognised in the year	22.35	(4.84)
Transitional liability recognised in the year	-	-
Past service cost- non-vested benefits	-	-
Past service cost-vested benefits	-	-
Expenses recognised in the statement of profit and loss	31.40	4.30

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
Opening net liability	4.06	17.29
Expense as above	31.40	4.30
Contribution paid	(4.06)	(17.52)
Closing net liability	31.40	4.06
IX. AMOUNT FOR THE CURRENT PERIOD		
Present value of obligation	124.60	99.61
Plan Assets	93.20	95.55
Surplus (Deficit)	(31.40)	(4.06)
Experience adjustments on plan liabilities- (loss) / gain	(8.35)	(3.71)
Experience adjustments on plan assets- (loss) / gain	0.12	(0.50)
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government of India Securities	-	-
State Government Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of Listed Companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds Managed by Insurer	100.00%	100.00%
Others (To Specify)	-	-
	<u>100.00%</u>	<u>100.00%</u>
30 EXPENDITURE IN FOREIGN CURRENCY		
1) Commission	16.55	16.89
2) Travelling expenses	34.96	43.40
3) Other expenses	41.35	51.56
	<u>92.86</u>	<u>111.85</u>
31 CIF VALUE OF IMPORTS		
1) Raw materials and components	592.25	595.53
2) Machinery spares	12.54	8.07
3) Capital goods	18.00	26.01
4) Traded goods	173.14	195.04
	<u>795.93</u>	<u>824.65</u>
32 DETAILS OF MATERIALS AND STORES CONSUMED		
	31-03-15	31-03-14
	[₹. In Million]	% [₹. In Million] %
Imported	656.29	14.36
Indigenous	3913.80	85.64
	<u>4570.09</u>	<u>100.00</u>
		783.82 15.82
		4170.24 84.18
		<u>4954.06</u> <u>100.00</u>
Particulars		
	31-03-15	31-03-14
33 DETAILS OF EARNINGS IN FOREIGN EXCHANGE CALCULATED ON FOB BASIS		
Earnings from Direct Exports	1627.66	1645.64

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
34 DETAILS OF R&D EXPENSES		
1) Capital	46.89	9.32
2) Salaries & wages	159.66	137.77
3) R & D materials	49.23	55.35
4) Maintenance	0.19	0.79
5) Other Expense	34.26	40.76
	290.23	243.99

Note :

While the accounts of R & D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed along with other functional head of expenses and presented in the statement of profit

35 The annual accounts of the below listed Subsidiary Companies and the related detailed information will be made available on the website of the Company viz. www.elgi.com. Also, the accounts will be made available for inspection at the Registered Office of the Holding Company.

- 1 ATS Elgi Limited, Coimbatore, India
- 2 Adisons Precision Instruments Mfg.Co.Limited, Coimbatore, India
- 3 Elgi Equipments (Zhejiang) Limited, Jiaying, China
- 4 Elgi Gulf (FZE), Sharjah, U.A.E.
- 5 Elgi Compressors Trading(Shanghai) Co.Ltd, China
- 6 SAS Belair, France
- 7 Elgi Compressores Do Brasil Imp. E.Exp. Ltda, Brazil
- 8 Elgi Equipments Australia Pty Ltd.
- 9 Elgi Compressors Italy S.r.l.
- 10 Elgi Compressors USA Inc
- 11 Rotair Spa, Italy
- 12 Patton's Inc., USA
- 13 Patton's Medical LLC., USA
- 14 PT. Elgi Equipments Indonesia

36 Balances in the accounts of Sundry Debtors, Sundry Creditors, Security and other Deposits have been reconciled wherever letters of confirmation have been received and necessary effect has been given in the accounts.

	[₹. In Million]	
Particulars	31-03-15	31-03-14
37 EARNINGS PER SHARE:		
Net profit (₹.In Million)	556.21	782.65
Weighted average number of shares outstanding (No. in Million)	158.45	158.45
Nominal value per share (In ₹.)	1.00	1.00
Basic Earnings Per share (In ₹.)	3.51	4.94
Number of shares after dilution (No. In Million)	158.45	158.45
(When partly paid shares become fully paid shares)		

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

38 ACCOUNTING STANDARD (AS)18, RELATED PARTY DISCLOSURES:

Particulars	Subsidiaries		Joint Venture & Others		Key Managerial Personnel*	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase of Goods	80.39	36.11	127.25	158.50		
Sale of Goods	1,007.41	745.30	116.47	134.69		
Sale of Assets	-	4.19	-	-		
Receiving of Services	0.55	4.59	27.28	5.23		
Providing of Services	5.16	19.15	5.5	4.94		
Reimbursement of Expenses						
To Related Parties	1.27	0.58	1.34	-		
By Related Parties	32.64	74.12	1.89	0.02		
Finance - Received from Related Parties	40.00	-	-	-		
- Given to Related Parties	103.41	97.04	-	-		
Dividend Received	49.50	-	8.45	-		
Interest received	2.33	0.78	-	-		
Interest Paid	2.32	-	-	-		
Investments	130.14	19.00	-	-		
Remuneration*					17.48	9.59
Receivable at the end of the year	509.25	595.15	6.30	27.19		
Payable at the end of the year	41.20	16.42	1.39	-		

* Includes performance linked pay paid during the year.

Name of related parties and description of relationship

- | | | |
|---|--|---|
| 1 | Holding Company | Elgi Equipments Limited |
| 2 | Subsidiaries including step down subsidiaries | a. Adisons Precision Instruments Manufacturing Company Limited
b. ATS Elgi Limited
c. Elgi Gulf (FZE)
d. Elgi Equipments (Zhejiang) Limited (China)
e. Elgi Compressors Trading (Shanghai) Co. Ltd (China)
f. SAS Belair (France)
g. Elgi Compressores Do Brasil Imp.E.Exp. Ltda.
h. Elgi Equipments Australia Pty Ltd.
i. Elgi Compressors Italy S.r.l.
j. Elgi Compressors USA Inc.
k. Rotair Spa. (Italy)
l. Patton's Inc. (USA)
m. Patton's Medical LLC.(USA)
n. PT. Elgi Equipments Indonesia
Elgi Sauer Compressors Limited |
| 3 | Joint Venture | |
| 4 | Other Companies / Firms in which Directors or their relatives are interested | a. Elgi Ultra Industries Limited
b. Elgi Rubber Company Limited
c. L.G.Balakrishnan & Bros Limited
d. Ellargi & Co
e. LGB Forge Limited
f. Ergo Designs Private Limited
g. Pricol Travels Limited
h. Festo Controls Pvt Limited
i. LGB Fuel Systems Pvt Ltd
j. Magna Electro Castings Limited |
| 5 | Firms in which the Company is a partner | a. Elgi Services
b. L.G.Balakrishnan & Bros |
| 6 | Key Managerial Personnel | Mr. Jairam Varadaraj, Managing Director
Mr. S. Sriram, Chief Financial Officer
Ms. Vaishnavi PM, Company Secretary from 1st August 2014
Mr. R. Syam Kumar, Company Secretary till 29th May 2014 |

39 Previous year figures have been regrouped and re-classified wherever necessary to make them comparable.

Cash Flow Statement for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	686.73	1088.60
Adjustments for:		
Depreciation	291.36	177.60
(Profit)/Loss on sale of Investments	-	0.45
(Profit)/Loss on sale of assets	(7.48)	(5.00)
Bad debts written off	7.11	5.44
Interest and Processing fees Paid	38.10	8.67
Dividend received	(58.60)	(1.02)
Interest received	(28.34)	(23.54)
	242.15	162.60
Operating Profit Before Working Capital Changes	928.88	1251.20
Adjustments for:		
(Increase)/Decrease in Inventories	(77.85)	(58.92)
(Increase)/Decrease in Trade Receivables	113.14	(294.57)
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	171.71	22.54
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	126.09	(89.09)
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	(331.23)	(182.02)
	1.86	(602.06)
Cash generated from Operations	930.74	649.14
Direct Taxes Paid	(142.50)	(245.00)
Net Cash From Operating Activities (A)	788.24	404.14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible & Intangible Assets	(528.56)	(917.23)
Sale of tangible Assets	10.90	15.59
Purchase of Investments	(307.00)	(19.00)
Sale of Investments	-	-
Loans repayment received	2.40	(56.15)
Interest received	26.65	22.55
Dividend received	58.60	1.02
Net Cash used in Investing Activities (B)	(737.01)	(952.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	169.72	725.34
Interest and Processing fees Paid	(35.78)	(8.67)
Dividend & Dividend Tax Paid	(176.97)	(185.38)
Net Cash used in Financing Activities (C)	(43.03)	531.29
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8.20	(17.25)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	219.14	236.39
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	227.34	219.14

Note: Figures within Bracket denote Cash Outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Consolidated Financial Statements



ELGI EQUIPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELGI EQUIPMENTS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated Financial statements of Elgi Equipments Ltd (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including subsidiaries and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its subsidiaries and jointly controlled entity are responsible for 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; the selection and application of appropriate accounting policies; making judgements and estimate that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are necessary for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the group as referred in paragraph 9 below, and to the best of our information and according explanations given to us, in our opinion the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries and jointly controlled entity as at 31st March, 2015, and their consolidated Statement of profit and loss and their consolidated cash flow statement for the year ended on that date.

Emphasis of Matter

9. Other Matters

We did not audit the financial statements/ financial information of 9 subsidiaries (including 3 step down subsidiaries), and 1 jointly controlled entity, whose financial statements/ financial information reflect total assets of ₹.4538.98 Million as at 31st March, 2015, total revenues of ₹.4708.01 Million and net cash flows amounting to ₹.117.64 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit of ₹.10.77 Million for the year ended 31st March 2015, as

considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Place : Coimbatore
Date : 29/05/2015

For **RJC Associates**
Chartered Accountants
Firm Regn.No. : 003496S

R. Jayachandran
Partner
Membership No. 021848

Balance Sheet as at 31st March 2015

[₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	158.45	158.45
(b) Reserves and Surplus	3	4775.78	4477.66
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	1597.49	2145.14
(b) Deferred tax liabilities (Net)	5	155.91	113.87
(c) Long term provisions	6	136.84	166.96
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	7	1610.07	1228.34
(b) Trade payables	8	1744.24	1968.24
(c) Other current liabilities	9	1023.89	875.74
(d) Short-term provisions	10	553.88	624.09
TOTAL		11756.55	11758.49
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	11	3336.96	2382.52
(ii) Intangible assets	11	1203.98	1528.27
(iii) Capital work-in-progress		101.79	861.50
(b) Non-current investments	12	148.39	148.50
(c) Deferred tax assets (net)	13	115.15	116.12
(d) Long term loans and advances	14	60.73	235.33
(e) Other non-current assets	15	3.75	2.18
(2) CURRENT ASSETS			
(a) Inventories	16	2662.58	2527.39
(b) Trade receivables	17	2440.32	2427.12
(c) Cash and cash equivalents	18	783.19	687.53
(d) Short-term loans and advances	19	881.07	824.54
(e) Other current assets	20	18.64	17.49
TOTAL		11756.55	11758.49

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March 2015

[₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. REVENUE FROM OPERATIONS	21	13142.69	13504.03
II. OTHER INCOME	22	100.14	91.41
III. TOTAL REVENUE	(I + II)	13242.83	13595.44
IV. EXPENSES:			
Cost of materials consumed	23	5387.15	5961.14
Purchase of Traded goods	24	2040.00	1993.21
Changes in inventories of finished goods, work-in-progress and Traded goods	25	(121.73)	(155.92)
Employee benefit expenses	26	2498.56	2328.43
Finance Cost	27	157.91	97.22
Depreciation and amortization expenses		365.72	262.42
Other expenses	28	2454.83	2384.19
TOTAL EXPENDITURE		12782.44	12870.69
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	460.39	724.75
VI. EXCEPTIONAL ITEMS	29	(223.52)	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V - VI)	683.91	724.75
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	(VII - VIII)	683.91	724.75
X. TAX EXPENSE:			
(1) Current Tax		161.79	310.66
(2) Deferred Tax		41.13	(41.36)
XI. PROFIT / (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	480.99	455.45
XII. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII. TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX)	(XII - XIII)	-	-
XV. PROFIT/(LOSS) FOR THE YEAR	(XI + XIV)	480.99	455.45
XVI. EARNING PER EQUITY SHARE:		(In ₹.)	(In ₹.)
Nominal value of share		1.00	1.00
(1) Basic		3.04	2.87
(2) Diluted		3.04	2.87

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Notes to Financial Statements for the year ended 31st March 2015

1. Summary of Significant Accounting Policies to the Consolidated Balance Sheet and Statement of Profit and Loss

1.1 Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ("GAAP") and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards specified in the Companies (Accounting standards) Rules, 2006, prescribed by the Central Government.

The accounts of the all Subsidiaries and Joint Venture have been prepared in compliance with the Accounting standards as specified in the Companies (Accounting standards) Rules, 2006, prescribed by the Central Government, and have been prepared in compliance with the local laws and applicable Accounting Standards.

1.2 Principles of Consolidation

The Consolidated Financial Statements relate to Elgi Equipments Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis.

- i. The financial statement of the Company and its Subsidiary Companies are combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses in accordance with the Accounting Standard (AS) -21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii. Investments in Joint Ventures are accounted for by using the proportionate consolidation method laid down in Accounting Standard (AS) - 27 on "Financial Reporting of interests in Joint ventures". Inter-Company transactions and balances are eliminated to the extent of the Company's interest in the joint venture. For the purpose of consolidation, financial statements of the subsidiaries are drawn up to and as on 31st March, 2015.
- iii. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Separate financial Statements.

iv. Foreign Currency Translation

Indian Rupees is the reporting currency for the Group. However, the local currency of overseas Subsidiaries is different from the reporting currency of the Group. All the overseas subsidiaries have been classified as non-integral operations according to Accounting Standard 11. In respect of overseas subsidiaries, all the assets and liabilities are translated using exchange rate prevailing at the Balance sheet date. Revenue, cost and expense are translated using average exchange rates of the foreign currency and the resultant gain/loss have been disclosed as "Foreign Currency Translation Reserve".

v. Intangible assets and Amortisation

In case of parent and its Subsidiaries, expenditure towards intangible assets up to 31st March, 2015 in the book of Subsidiaries are expensed out as revenue expenditure and are being amortized over a period of time (Maximum five years) in the Consolidated Financial Statements depending upon the nature of the expenditure and evaluation of future benefits therefrom.

1.3 Uniform Accounting Policies

The Consolidated Financial Statements of Elgi Equipments Limited and its subsidiaries and joint venture have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.4 Investments other than in subsidiaries have been accounted as per Accounting Standard 13 on Accounting for Investments.

1.5 Other Significant Accounting Policies

These are set out under "Notes on Accounts" as given in the Unconsolidated Financial Statements of Elgi Equipments and its Subsidiaries.

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
2 SHARE CAPITAL		
AUTHORISED SHARE CAPITAL:		
30,00,00,000 Equity Shares of ₹1/- each	300.00	300.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES.		
15,84,54,508 Equity Shares of ₹ 1/- each fully paid	158.45	158.45
3 RESERVES AND SURPLUS		
a) CAPITAL RESERVE	181.41	181.41
b) CAPITAL REDEMPTION RESERVE	0.00	0.00
c) SECURITY PREMIUM RESERVE	409.37	409.37
d) STATUTORY RESERVE (AMALGAMATION)	5.49	5.49
e) FOREIGN CURRENCY TRANSLATION RESERVE	30.60	15.54
f) GENERAL RESERVE		
As per the last Balance Sheet	1075.42	989.24
Add: Transfer from profit & loss account	55.60	86.18
	1131.02	1075.42
Less: Loss incurred by subsidiary after acquisition	9.45	9.45
	1121.57	1065.97
g) SURPLUS FROM STATEMENT OF PROFIT & LOSS		
As per the last Balance Sheet	2799.88	2625.81
Add:		
i) Depreciation, net of deferred tax adjusted as per Schedule II of Companies Act, 2013.	(4.48)	-
ii) Provision for Tax on Dividend in respect of previous year written back	8.41	-
iii) Current year surplus	480.99	455.45
	3284.80	3081.26
Less:		
i) Proposed dividend (₹. 1/- per share)	167.75	166.90
ii) Provision for tax on dividend	34.11	28.30
iii) Transfer to general reserve	55.60	86.18
	3027.34	2799.88
Total (a+b+c+d+e+f+g)	4775.78	4477.66
4 LONG TERM BORROWINGS		
Borrowing from Bank	1597.49	2145.14
	1597.49	2145.14

Details of Security given for borrowings and Terms of Repayment:

Loan borrowed by	Elgi Compressors Italy S.r.l.	Elgi Compressors USA Inc.
Terms of repayment	Repayable in 20 unequal quarterly installments beginning from November 2014	Repayable in 12 equal half yearly installments beginning from June 2014
Security given	Charge over fixed assets of Rotair Spa, subsidiary of the borrower and also supported with LOC from Elgi Equipments, India	Pari passu charge over the current assets of the borrower and its subsidiary Pattons Inc and also supported with SBLC from Elgi Equipments, India.

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
5 DEFERRED TAX LIABILITIES (NET)		
As per the last Balance Sheet	113.87	51.59
Add: For the year*	42.04	62.28
	155.91	113.87
* Includes translation differences		
6 LONG TERM PROVISIONS		
Deferred purchase consideration	136.84	166.96
	136.84	166.96
7 SHORT TERM BORROWINGS		
From Banks	1610.07	1228.34
	1610.07	1228.34
8 TRADE PAYABLE		
a) Acceptances	231.97	250.14
b) Dues to Micro, Small and Medium Enterprises	149.70	174.28
c) Others	1362.57	1543.82
	1744.24	1968.24
9 OTHER CURRENT LIABILITIES		
a) Unclaimed dividends	4.69	4.40
b) Advance from customers	205.65	161.51
c) Rent Advances	1.54	1.54
d) Dealers Deposits	30.86	29.59
e) Employee related expenses payable	215.97	204.11
f) TDS Payable / Other Taxes payable	11.35	20.23
g) Other payables	553.83	454.36
	1023.89	875.74
10 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	71.65	45.34
b) Provision for income tax	169.84	309.03
c) Proposed dividend	167.74	166.90
d) Provision for Tax on dividend	34.12	28.30
f) Others	110.53	74.52
	553.88	624.09

Notes to Financial Statements for the year ended 31st March 2015

11 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Particulars	Tangible Assets								Intangible Assets			Grand Total
	Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipments	Canteen Equipments	Total	Goodwill	Others	Total	
Gross Block												
Balance as at 1 April 2013	374.31	482.41	2,092.88	152.93	12.80	41.82	40.15	3197.30	1351.23	119.49	1470.72	4668.02
Additions	51.25	298.24	576.44	41.56	2.88	2.03	5.25	977.65	-	20.71	20.71	998.36
Deletions / write off	-	0.17	73.63	2.71	-	-	0.48	76.99	-	6.68	6.68	83.67
Translation differences	(20.52)	(38.41)	(40.06)	(7.37)	(1.19)	(0.36)	(5.88)	(113.79)	(140.88)	(5.77)	(146.65)	(260.44)
Balance as at 31 March 2014	446.08	818.89	2635.75	199.15	16.87	44.21	50.80	4211.75	1492.11	139.29	1631.40	5843.15
Additions	-	734.42	499.56	92.65	1.88	10.84	14.62	1353.97	-	5.52	5.52	1359.49
Deletions / write off	0.33	-	40.42	0.26	0.23	-	2.99	44.23	-	5.23	5.23	49.46
Translation differences	(1.27)	24.37	40.29	3.65	1.97	0.10	8.45	77.56	-	4.92	4.92	82.48
Balance as at 31 March 2015	447.02	1528.94	3054.60	287.89	16.55	54.95	53.98	5443.93	1492.11	134.66	1626.77	7070.70
Accumulated depreciation												
Balance as at 1 April 2013	-	159.61	1280.13	92.34	9.30	27.94	23.58	1592.90	-	95.76	95.76	1688.66
For the year	-	35.95	179.03	26.02	0.92	1.51	8.06	251.49	-	8.56	8.56	260.05
Deletions / write off	-	0.10	59.13	2.03	-	-	0.36	61.62	-	6.11	6.11	67.73
Translation differences	-	(3.55)	(31.23)	(6.34)	(1.15)	(0.26)	(3.93)	(46.46)	-	(4.92)	(4.92)	(51.38)
Balance as at 31 March 2014	-	199.01	1431.26	122.67	11.37	29.71	35.21	1829.23	-	103.13	103.13	1932.36
Transition Adjustment (See Note 1)	-	0.32	0.36	3.00	0.05	3.05	0.02	6.80	-	-	-	6.80
For the year	-	103.62	186.51	55.04	1.37	10.37	5.56	362.47	249.64 ²	3.25	252.89	615.36
Deletions / write off	-	-	37.17	0.29	0.98	-	2.13	40.57	-	5.69	5.69	46.26
Translation differences	-	3.48	36.99	3.16	1.40	(0.03)	5.96	50.96	(76.73)	4.27	(72.46)	(21.50)
Balance as at 31 March 2015	-	299.47	1543.97	177.26	10.41	43.16	32.70	2106.97	326.37	96.42	422.79	2529.76
Net Block												
31 March 2014	446.08	619.88	1204.49	76.48	5.50	14.50	15.59	2382.52	1492.11	36.16	1528.27	3910.79
31 March 2015	447.02	1229.47	1510.63	110.63	6.14	11.79	21.28	3336.96	1165.74	38.24	1203.98	4540.94

Note:

- Depreciation has been charged as per Schedule II of the Companies Act, 2013 with effect from 1st April 2014 for companies incorporated in India. Hence Depreciation charge for the year ended 31st March 2015 is higher by ₹. 59.04 Million. In the case of assets whose useful lives are NIL as on 01.04.2014, the carrying value is adjusted against retained earnings and is disclosed above as Transition adjustment.
- The amount refers to impairment of goodwill included in Exceptional Items in the Statement of Profit and Loss.

Notes to Financial Statements for the year ended 31st March 2015

12 NON-CURRENT INVESTMENTS (AT COST)

[₹. In Million]

Particulars	No. of Shares/ Units	Face Value per Share (In ₹.)	31-03-15	31-03-14
NON-TRADE INVESTMENTS				
a) INVESTMENT PROPERTY			0.41	0.41
b) INVESTMENT IN EQUITY INSTRUMENTS				
i) INVESTMENT IN OTHER BODIES CORPORATE				
Lakshmi Machine Works Ltd	50	10.00	0.01	0.01
State Bank of India	3600	1.00	0.12	0.12
HDFC Bank Limited	2500	2.00	0.01	0.01
HDFC Limited	24000	2.00	0.03	0.03
Magna Electro Castings Ltd	80000	10.00	1.25	1.25
Rajshree Sugars & Chemicals Ltd	229000	10.00	7.55	7.55
Pricol Ltd	94245	1.00	0.54	0.54
L.G. Balakrishnan & Bros.Ltd.	2496	10.00	0.02	0.02
LGB Forge Limited	18720	1.00	0.03	0.03
Elgi Rubber Company Limited	763700	1.00	7.95	7.95
The Mill Officers Co-Op Housing Colony Ltd., Ahmedabad	5	50.00	0.00	0.00
Marol Co-operative Industrial Estate Limited	1053	100.00	0.11	0.11
Investment by Elgi Sauer Compressors Ltd [26% Share]			5.96	5.96
Banco Credito Cooperativo of Caraglio			-	0.02
			23.58	23.60
c) OTHER INVESTMENTS				
Investment in government or trust securities			-	0.09
d) INVESTMENT IN PARTNERSHIP FIRMS				
L.G.Balakrishnan & Bros (Share 98%)			124.00	124.00
Elgi Services (Share 80%)			0.40	0.40
			124.40	124.40
GRAND TOTAL (a+b+c+d)			148.39	148.50
12.1 DETAILS OF MARKET VALUE FOR QUOTED SHARES				
a) Total Cost of Quoted Securities			17.51	17.51
b) Total Market value of Quoted Securities			58.35	44.08
12.2 AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS				
Aggregate of unquoted investments			130.88	130.99
13 DEFERRED TAX ASSETS (NET)				
As per the last Balance Sheet			116.12	13.59
Add: For the year*			(0.97)	102.53
			115.15	116.12
*Includes translation differences				
14 LONG TERM LOANS AND ADVANCES				
a) Capital Advances			10.93	190.80
b) Security deposits			30.87	30.63
c) Other loans and advances			18.93	13.90
			60.73	235.33
(All Loans and Advances are unsecured and considered good.)				
15 OTHER NON-CURRENT ASSETS				
Long term trade receivable (on deferred credit terms)			3.75	2.18
			3.75	2.18
(All long term trade receivables are unsecured and considered good.)				

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
16 INVENTORIES		
a) Raw materials	1091.65	1109.68
b) Work in progress	274.30	382.33
c) Finished goods	1160.80	903.47
d) Traded goods	81.87	91.99
e) Stores & Spares	12.13	7.37
f) Loose Tools	34.10	28.89
g) Packing materials	7.73	3.66
	<u>2662.58</u>	<u>2527.39</u>
Note : Raw materials, Work-in-progress and finished goods inventories include R&D Inventory also.		
17 TRADE RECEIVABLES		
a) Trade receivables outstanding for more than 6 months from the date they became due for payment	505.85	281.11
b) Others	1934.47	2146.01
	<u>2440.32</u>	<u>2427.12</u>
(All trade receivable are unsecured and considered good.)		
18 CASH AND BANK BALANCES		
a) CASH AND CASH EQUIVALENTS		
i) Balance with banks		
a) In current account	295.50	282.50
b) In deposits	347.18	287.69
ii) In Unclaimed Dividend Account	4.69	4.40
iii) Cheques, Drafts in hand and fund in transit	-	5.78
iv) Cash in hand	2.00	2.33
b) OTHER BANK BALANCES		
i) In deposits (having original maturity period of more than 3 months but less than 12 months)	133.82	104.83
	<u>783.19</u>	<u>687.53</u>
19 SHORT-TERM LOANS AND ADVANCES		
a) Advance to:		
i) Companies	-	2.40
ii) Suppliers	131.03	69.15
iii) Employees	55.43	47.70
b) Cenvat / VAT Receivable & Service Tax credit (Net)	125.04	83.39
e) Income / refund receivable	93.03	44.73
f) Advance Tax / TDS Receivable	179.04	354.03
g) MAT credit entitlement	38.92	-
h) Prepaid expenses	168.66	127.02
i) Insurance premium Deposit	0.30	0.48
j) Others	89.62	95.64
	<u>881.07</u>	<u>824.54</u>
(All Loans and Advances are unsecured and considered good.)		
20 OTHER CURRENT ASSETS		
Interest accrued	18.64	17.49
	<u>18.64</u>	<u>17.49</u>

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
21 REVENUE FROM OPERATIONS		
a) Sale of Products	12978.55	13419.42
b) Sale of Services	579.86	575.41
Gross Sales	13558.41	13994.83
Less:		
Excise Duty	478.64	576.58
Net Sales	13079.77	13418.25
Other operating revenues	62.92	85.78
	13142.69	13504.03
21.1 DETAILS OF PRODUCTS SOLD		
Air compressors	11236.94	11668.69
Automotive Equipments	1337.64	1220.02
Others	505.19	529.54
	13079.77	13418.25
22 OTHER INCOME		
a) Interest Income	54.71	50.26
b) Dividend Income	9.17	1.09
c) Rent receipts	8.90	6.47
d) Profit on sale of assets	7.53	3.74
e) Share of profit in partnership	0.26	0.23
f) Miscellaneous income	19.57	29.62
	100.14	91.41
23 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	1083.45	1059.81
Purchases	5380.59	5984.78
	6464.04	7044.59
Less:		
Closing Stock of Raw Materials	1076.89	1083.45
	5387.15	5961.14
23.1 Purchases include machining charges of ₹.83.37 Million (Previous year ₹.80.57 Million)		
23.2 DETAILS OF MATERIALS CONSUMED		
1) Engines & Motors	1153.58	1365.84
2) Materials that do not individually account for		
10% or more of total consumption	4233.57	4595.30
Total Consumption	5387.15	5961.14
24 PURCHASE OF STOCK IN TRADE		
1) Oil	244.94	245.65
2) Others	1795.06	1747.56
	2040.00	1993.21
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	359.43	349.07
Opening Stock of Finished Goods	886.50	638.69
Opening Stock of Traded goods	91.99	194.24
	1337.92	1182.00
Less:		
Closing Stock of WIP	244.92	359.43
Closing Stock of Finished Goods	1132.86	886.50
Closing Stock of Traded goods	81.87	91.99
	1459.65	1337.92
	(121.73)	(155.92)

Notes to Financial Statements for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
26 EMPLOYEE BENEFIT EXPENSES		
a) Salaries & Wages	2209.11	2095.00
b) Gratuity	34.96	5.98
c) Performance Pay	110.12	97.90
d) Contribution to Provident fund & Superannuation fund	60.66	55.17
e) Welfare expenses	83.71	74.38
	2498.56	2328.43
27 FINANCE COSTS		
Interest Expenses	157.91	97.22
	157.91	97.22
28 OTHER EXPENSES		
Packing Charges	181.63	188.56
Consumption of Stores	70.52	73.09
Tools Consumed	57.78	63.41
Commission and Discount	205.70	197.64
Royalty Payments	1.72	0.82
Power, Fuel & Lighting	147.44	128.20
Transport Charges	225.24	236.76
Postage, Telegrams & Telephones	42.92	37.43
Travelling and Conveyance	219.78	229.18
Insurance	43.71	72.15
Advertisement and Publicity	49.29	50.57
Repairs and Maintenance of		
-Plant and machinery	61.62	57.73
-Building	39.88	41.24
-Other Assets	81.28	85.18
Printing and Stationery	17.94	21.22
Research and Development expenses	59.12	61.85
Bad Debts Written off & Provision for doubtful debts	11.32	19.48
After Sales Expenses	235.49	219.04
Factory Expenses	18.56	11.23
Rates & Tax	29.38	25.71
Auditor's Remuneration		
-Audit Fees	7.17	5.96
-Other Services	0.52	0.54
Miscellaneous Expenses	88.63	96.56
Subscription, Periodicals & Filing Fees	4.91	2.74
CSR Expenditure	26.56	41.41
Rent	88.58	85.80
Legal and Consultancy Charges	230.43	264.56
Directors' Sitting Fees	0.94	0.64
Service Tax Payments	1.51	1.11
Exchange Fluctuation (Gain) / Loss (net)	152.13	10.37
Loss on Sale of Assets	0.07	0.60
Excise Duty paid	40.48	33.77
Bank charges	12.58	19.64
	2454.83	2384.19

Notes on Accounts

29 Exceptional Items :

Exceptional Items include amount received on settlement of Pattons Inc. lawsuit net of Impairment of Goodwill.

30 The Subsidiary Companies considered in the consolidated Financial Statements are :

S.No	Name of the Subsidiaries	Country of Incorporation	% of Ownership	Reporting Date	Difference in Reporting date
1.	ATS Elgi Limited	India	100	31/03/2015	-
2.	Adisons Precision Instruments Mfg.Co.Limited	India	100	31/03/2015	-
3.	Elgi Equipments (Zhejiang) Limited, Jiaxing	China	100	31/03/2015	-
4.	Elgi Gulf (FZE), Sharjah	U.A.E.	100	31/03/2015	-
5.	Elgi Compressors Trading(Shanghai) Co.Ltd.	China	100	31/03/2015	-
6.	SAS Belair,	France	100	31/03/2015	-
7.	Elgi Compressores Do Brasil Imp. E.Exp. Ltda.	Brazil	100	31/03/2015	-
8.	Elgi Equipments Australia Pty Ltd.	Australia	100	31/03/2015	-
9.	Elgi Compressors Italy S.r.l.	Italy	100	31/03/2015	-
10.	Elgi Compressors USA Inc.	USA	100	31/03/2015	-
11.	Rotair Spa.	Italy	100	31/03/2015	-
12.	Patton's Inc.	USA	100	31/03/2015	-
13.	Patton's Medical LLC.	USA	100	31/03/2015	-
14.	PT. Elgi Equipments Indonesia.	Indonesia	100	31/03/2015	-

31 Joint Venture Company

Elgi Sauer Compressor Limited India 26% 31/03/2015 -

32 The value of Investments made in Wholly Owned Subsidiary Companies and in the Joint Venture have been accounted in compliance with the Accounting Standards (AS)-21 & (AS) -27.

33 CONTINGENT LIABILITIES AND COMMITMENTS

a) Claims against the Company not acknowledged as debts:

Name of the Statute	Nature of the dues	Demand Amount [₹. In Million]	Amount Paid / Adj [₹. In Million]	Forum where disputes are Pending
Sales Tax	LST & Penalty	8.49	8.51	STAT (AB)-Cbe
	LST & Penalty	574.36	-	The High Court of Madras
	CST & Penalty	29.87	22.40	STAT (AB)-Cbe
	CST	3.28	2.28	JC (APPEALS)-Cbe
	Sales Tax	23.68	13.36	Sales Tax Appellate Dc, Cbe
Central Excise	Excise Duty & Penalty	0.29	0.01	Dy. Commnr.Appeals
	Excise Duty & Penalty	35.45	0.34	CESTAT

The Company has filed appeals with the appropriate authorities of Central Excise and Sales Tax Department against their claims.

[₹. In Million]

b) Particulars	31-03-15	31-03-14
i) Guarantees and Letter of credit	334.71	335.62
ii) Estimated amount of contracts remaining to be executed on capital account	14.15	1076.40

34 Segment Information

[₹. In Million]

PARTICULARS	Year Ended	
	31-03-15	31-03-14
1 Segment Revenue(Sales and income from Services)		
a) Compressors	11299.49	11754.29
b) Automotive Equipments	1338.01	1220.19
c) Others	505.19	529.55
Total Segment Revenue	13142.69	13504.03
Less: Inter Segment Revenue	-	-
Net Sales/Revenue from Operations	13142.69	13504.03
2 Segment Results (Profit before Interest and Tax)		
a) Compressors	420.78	648.34
b) Automotive Equipments	97.38	82.22
c) Others	-	-
Total Segment Results	518.16	730.56
Less:		
i) Interest Expense	157.91	97.22
ii) Unallocable expenditure net of other income	(323.66)	(91.41)
Total Profit Before Tax	683.91	724.75
3 Assets		
a) Compressors	10474.30	10557.95
b) Automotive Equipments	996.70	893.08
c) Others	22.01	42.84
d) Unallocable Corporate Assets	263.54	264.62
Total Assets	11756.55	11758.49
4 Liabilities		
a) Compressors	6266.23	6622.34
b) Automotive Equipments	263.34	217.52
c) Others	-	1.69
d) Unallocable Corporate Liabilities	292.75	280.83
Total Liabilities	6822.32	7122.38

35 ACCOUNTING STANDARD (AS)18, RELATED PARTY DISCLOSURES:

[₹. In Million]

Particulars	Related Companies /Firms		Key Managerial Personnel*	
	2014-15	2013-14	2014-15	2013-14
Purchase of Goods	146.35	184.38		
Sale of Goods	106.91	123.10		
Receiving of Services	27.28	5.23		
Providing of Services	6.17	3.62		
Reimbursement of Expenses				
To Related Parties	1.34	-		
By Related Parties	1.89	-		
Remuneration			80.23	75.91
Receivable at the end of the year	2.51	44.44		
Payable at the end of the year	8.30	(22.36)		

* Includes performance linked pay paid during the year.

Notes to Financial Statements for the year ended 31st March 2015

Name of related parties and description of relationship

- | | | |
|----|--|--|
| 1. | Companies / Firms in which Directors or their relatives are interested | : a. Elgi Ultra Industries Limited
b. Elgi Rubber Company
c. L.G.Balakrishnan & Bros Limited
d. Ellargi & Co
e. LGB Forge Limited
f. Ergo Designs Private Limited
g. Pricol Travels Limited
h. Festo Controls (P) Ltd.
i. LGB Fuel Systems (P) Ltd.
j. Magna Electro Castings Limited |
| 2. | Firms in which the Company is a partner | a. Elgi Services
b. L.G.Balakrishnan & Bros |
| 3. | Key Managerial Personnel | : Mr. Jairam Varadaraj, Managing Director, Elgi Equipments Ltd.,
Mr. S. Sriram, Chief Financial Officer, Elgi Equipments Ltd.,
Ms. Vaishnavi PM, Company Secretary, Elgi Equipments Ltd.,
from 1st August 2014,
Mr. R. Syam Kumar, Company Secretary, Elgi Equipments Ltd.,
till 29th May 2014,
Mr. Ramesh Ponnuswami, Managing Director, ATS Elgi Ltd.,
Mr. Donadio Giuseppe, Managing Director, Rotair S.P.A., Italy.
Mr. Hannu Heinonen, Whole time Director, Elgi Compressors USA Inc. |

36 Other notes forming part of accounts

These are set at in and under schedules and notes forming part of the accounts for the year ended 31/03/2015 as given in unconsolidated Financial Statements of Elgi Equipments Limited and its Subsidiaries.

Notes to Financial Statements for the year ended 31st March 2015

37. FORM AOC-1

Part "A" : Subsidiaries

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 :-

[₹. In Million]

Name of the Subsidiary Company	ATS Elgi Limited	Elgi Equipments Zhejiang Ltd.	Elgi Compressors Trading (Shanghai) Co. Ltd	SAS Belair	Elgi Gulf (FZE)	Elgi Compressores DoBrasil Imp. E.Exp.Ltd.	Elgi Equipments Australia Pty Ltd.	Elgi Compressors Italy S.r.l.	Rotair Spa.	Elgi Compressors USA Inc.	Patton's Inc.	Patton's Medical LLC.	Adisons Precision Instruments Mfg.Co. Limited.	PT. Elgi Equipments Indonesia.
Reporting Currency	INR	RMB	RMB	EURO	DHS	BRL	AUD	EURO	EURO	USD	USD	USD	INR	IDR
Financial Year of the Subsidiary ended on	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015	31st March 2015
Exchange Rate	-	10.15	10.15	68.42	17.52	19.22	47.13	68.42	68.42	62.22	62.22	62.22	-	0.0048
Share Capital	0.90	349.91	28.68	307.04	1.78	8.96	0.01	1.04	41.93	0.56	-	-	7.43	19.05
Reserves and Surplus	712.09	(348.21)	(141.90)	(360.40)	238.69	(109.05)	(95.80)	(21.73)	353.76	(48.27)	1397.41	(275.35)	73.09	(12.08)
Share Application Money pending allotment	-	-	-	-	-	-	-	17.57	-	-	-	-	-	-
Total Liabilities	283.71	208.60	178.31	242.53	98.36	379.83	138.12	781.69	714.22	2584.80	80.74	509.27	2.62	20.20
Total Assets (Excluding Investments)	996.70	210.30	65.09	189.17	338.83	279.74	42.33	778.58	1109.90	2537.09	1478.16	233.92	83.04	27.18
Investments (Other than Investments in Subsidiaries)	-	-	-	-	-	-	-	-	0.02	-	-	-	0.11	-
Turnover	1338.01	119.41	34.45	644.56	487.57	358.24	42.05	-	1541.29	320.39	1188.38	428.08	-	48.57
Profit before Tax	125.78	(132.83)	(3.88)	(40.89)	54.93	(82.39)	(48.11)	(37.37)	109.70	(38.73)	137.06	(10.97)	0.31	(0.95)
Provision for Taxation	29.66	-	-	-	-	6.60	-	(19.81)	35.02	(12.82)	34.37	(4.82)	0.09	-
Profit after Tax	96.12	(132.83)	(3.88)	(40.89)	54.93	(88.99)	(48.11)	(17.56)	74.68	(25.91)	102.70	(6.15)	0.22	(0.95)
Proposed Dividend	49.50	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Shareholding	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Part "B" : Associates and Joint Ventures

**Statement Pursuant to Section 129 (3) of the Companies Act,
2013 related to Joint Ventures**

[₹. In Million]

Sl. No.	Name of Joint Ventures	ELGI SAUER COMPRESSOR LIMITED
1	Latest Audited Balance Sheet Date	31st March 2015
2	Shares if Associate / Joint Ventures held by the Company on the year end :	
	No of Shares	169000
	Amount of Investment in Associates/Joint Venture (₹.Million)	1.69
	Extent of Holding	26%
3	Description of how there is significant influence	Shareholding of more than 20 %
4	Reason why the Associate/Joint Venture is not consolidated	Consolidated to the extent of holding i.e 26 %
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹.Million)	32.61
6	Profit / Loss for the Year	
	i. Considered in Consolidation (₹.Million)	8.55
	ii. Not Considered in Consolidation (₹.Million)	24.35

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

38 Previous year figures have been regrouped and re-classified wherever necessary to make them comparable.

Cash Flow Statement for the year ended 31st March 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	683.91	724.75
Adjustments for:		
Depreciation	365.72	262.42
(Profit)/Loss on sale of investment	-	0.45
(Profit)/Loss on sale of assets	(7.46)	(3.59)
Bad debts written off	11.32	19.48
Interest and Processing fees Paid	157.91	97.52
Dividend received	(9.17)	(1.09)
Interest received	(54.71)	(50.26)
	463.61	324.93
Operating Profit Before Working Capital Changes	1147.52	1049.68
Adjustments for:		
(Increase)/Decrease in Inventories	(135.19)	(195.80)
(Increase)/Decrease in Trade Receivables	(24.52)	(200.19)
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	173.03	91.31
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	112.88	406.52
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	(321.58)	99.01
	(195.38)	200.85
Cash generated from Operations	952.14	1250.53
Direct Taxes Paid	(171.81)	(276.04)
Net Cash From Operating Activities (A)	780.33	974.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible & intangible Assets	(568.40)	(1326.80)
Sale of tangible & intangible Assets	335.33	20.88
Purchase of Investments	0.11	0.54
Loan repayment received	2.40	38.00
Interest received	53.56	44.58
Dividend received	9.17	1.09
Net Cash used in Investing Activities (B)	(167.83)	(1221.71)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from(Repayment) of Long Term Borrowings	(547.65)	(53.03)
Proceeds from Short Term Borrowings	381.73	549.87
Interest and Processing fees Paid	(157.91)	(97.52)
Dividend & Dividend Tax Paid	(193.01)	(195.20)
Net Cash used in Financing Activities (C)	(516.84)	204.12
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	95.66	(43.10)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	687.53	730.63
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	783.19	687.53

Note: Figures within Bracket denote Cash Outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director
DIN : 00058056

N. MOHAN NAMBIAR
Director
DIN : 00003660

For RJC ASSOCIATES
Chartered Accountants
Firm Regn. No. : 003496S

Place : Coimbatore
Date : 29/05/2015

VAISHNAVI PM
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848



ATS ELGI
THINK LONG RUN

ANNUAL REPORT



ATS ELGI LIMITED

(CIN: U34300TZ2007PLC014125)

CHAIRMAN

Jairam Varadaraj

VICE-CHAIRMAN

Harjeet Singh Wahan

MANAGING DIRECTOR

Ramesh Ponnuswami

NON - EXECUTIVE DIRECTORS

M. Ramprasad

N. Mohan Nambiar

STATUTORY AUDITOR

M/s. RJC Associates

Chartered Accountants

Coimbatore

BANKERS

HDFC Bank Limited

The Hongkong and Shanghai Banking
Corporation Limited

Central Bank of India

State Bank of India

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REGISTERED OFFICE

S2/A11, Pollachi Main Road,
Kurichy Private Industrial Estate
Kurichy, Coimbatore - 641 021.

Ph : 0422 - 2589999

Fax : 0422 - 2589800

Board's Report

Dear Shareholders

Your directors are pleased to submit the 8th Annual Report with the Audited Annual Accounts of the Company for the year ended 31st March, 2015.

(₹. In Million)

Particulars	31.03.2015	31.03.2014
Profit/ (Loss) before depreciation and tax	140.312	118.510
Less: Depreciation	14.536	10.063
Profit Before Tax	125.776	108.447
Less: Provision for Tax (Net of Deferred Tax)	29.655	29.774
Net Profit	96.121	78.674
Add: Opening Balance in P&L Account	426.100	413.208
Amount available for Appropriations	522.221	491.882
The Directors recommend the following Appropriations		
Dividend	49.500	49.500
Dividend Tax	10.077	8.415
Transfer to General Reserve	9.610	7.867
Profit Carried Forward	453.034	426.100

PERFORMANCE FOR THE YEAR

The company's performance is intertwined with the sales of automobiles in India, in particular the expansion of the service network by various auto companies. After two years of declining sales and the automotive industry started seeing a turnaround in its fortunes during the second half of the year. Passenger Cars and Utility Vehicles, whose growth greatly influences the Company's business, grew by about 5% the overall Commercial Vehicles segment registered a de-growth of about 3% as compared to same period last year. The revival in the fortunes of the industry saw new investments in workshop equipment and capacity augmentation / modernisation in existing workshops, which helped the Company register a 6% growth in sales over the previous year. The Company built its market share through the year in major product segments and continues its focus on new product launches in various segments.

FUTURE PLANS

The automotive industry is expected to grow during the coming year by about 5% The Company is well positioned to exploit opportunities arising out the growth in the industry as it will trigger demand for workshop equipments. The company is also exploring growth opportunities in other segments of the vehicle servicing and allied industries as a means to reduce its dependence on the growth of the automotive industry.

INTERNATIONAL

Exports grew by 9% over the previous year. While most markets where the Company exports its products have been affected by political uncertainties and/or poor economic growth, the Company has seen acceptance of products that it has newly introduced in some target markets. Such products are expected to augment export sales in the medium term.

DIVIDEND:

For the financial year 2014-15 the Board of Directors had recommended Dividend of Rs.550 per share on the paid up share capital of ₹. 9,00,000. Subject to the approval of share holders, an amount of ₹. 59.57 million will be paid as dividend including dividend distribution tax (Previous year ₹. 57.91million).

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014, in Form MGT-9 is furnished in **Annexure No.1** and is attached to this Report.

BOARD MEETINGS AND ITS COMMITTEES MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

During the year under review, 4 meetings of the Board of Directors, 1 Meeting of the Audit Committee, 1 Meeting of the Corporate Social Responsibility Committee were held.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards;
- the directors have selected such accounting policies and 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 profit of the company for that period;
- 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;
- the directors have prepared the annual accounts on a going concern basis; and

- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013.

COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. RJC & Associates, Statutory Auditors, in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the period under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

As per the particulars of contracts or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 the Company has no material transactions which are on arms length basis and also all the transactions made with related parties are on arms length basis, hence Form No. AOC-2 is not attached to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the 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 2** and is attached to this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Company always believed that serving the community around it in some form is one of the purposes of its business. Enhancing human excellence and improving quality of life is Company's endeavor.

Corporate Social Responsibility ("CSR") activities of Company are independent of the normal conduct of Company's business. Going forward, CSR activities are expected to cover other areas too. Your company's investment in CSR activities for the year 2014-15 was ₹. 31,50,000/- which is above 2% of the average profits of the Company for the last three years.

The company has contributed ₹. 31,50,000/- towards CSR expenses for the purpose of education for needy people through a Registered Trust, which is registered under Trust Act.

The Annual report on CSR activities forming part of this Report is annexed hereto as **Annexure 3**.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

FIXED DEPOSITS

The Company has not accepted any fixed deposit and hence there are no unclaimed deposits as on 31st March 2015.

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 is no significant and material order passed by the Regulators or Court or Tribunals impacting the going concern status and Company's operation in future.

DIRECTORS

Mr. Harjeet Singh Wahan retires at this Annual General Meeting and being eligible to offer himself for re appointment.

STATUTORY AUDITORS

M/s. RJC & Associates, Chartered Accountants, Coimbatore have been appointed as statutory auditors of the company at the last Annual General Meeting held on 03/09/2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations.

PARTICULARS OF EMPLOYEES:

Since the Company is an Unlisted Company, provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, does not apply to the Company.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure 4**

ACKNOWLEDGEMENTS:

The Board of Directors express their appreciation for the contribution made by the employees, customers and bankers for the support extended by them during the year under review.

For and on behalf of the Board
JAIRAM VARADARAJ
 Chairman
 DIN : 00058056

Annexure No. 1**EXTRACT OF ANNUAL RETURN****Form No. MGT - 9**

As on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U34300TZ2007PLC014125
ii)	Registration Date	28-02-2007
iii)	Name of the Company	ATSELGI LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by shares
v)	Address of the Registered office and contact details	S2/A11, Pollachi Main Road, Kurichy Private Industrial Estate Kurichy, Coimbatore - 641 021. Ph : 0422 - 2589999 E-mail : enquiry@ats-elgi.com Website:www.ats-elgi.com
vi)	Whether Listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	AUTOMOTIVE GARAGE EQUIPMENTS	28162	100%

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (No. of Companies for which information is being filled)

S.No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	ELGI EQUIPMENTS LIMITED	L29120TZ1960PLC000351	Holding	100.00%	Section 2(46)

V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	90,000	90,000	100%	Nil	90,000	90,000	100%	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub- Total (A)(1)		90,000	90,000	100%		90,000	90,000	100%	
(2) Foreign									
a) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others- Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub- Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total share holding of promoter (A) = (A)(1)+(A)(2)	Nil	90,000	90,000	100%	Nil	90,000	90,000	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	90,000	90,000	100%	Nil	90,000	90,000	100%	Nil

ii) Shareholding of Promoter :

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Elgi Equipments Limited	90,000	100.00%	Nil	90,000	100.00%	Nil	Nil
	TOTAL	90,000	100.00%	Nil	90,000	100.00%	Nil	Nil

iii) Change in Promoter's shareholding (please specify, if there is no change) No Change

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	90,000	100.00%	90,000	100%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change	No change	No change	No change
3	At the end of the year	90,000	100.00%	90,000	100%

iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the end of the year(or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

v) Shareholding Pattern of Directors and Key Managerial Personnel :
(other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Share holding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NA	NA	NA	NA
I) Principal Amount	NA	NA	NA	NA
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	NA	NA	NA	NA
Change in Indebtedness during the financial year	NA	NA	NA	NA
Addition	NA	NA	NA	NA
Reduction	NA	NA	NA	NA
Net Change	NA	NA	NA	NA
Indebtedness at the end of the financial year	NA	NA	NA	NA
i) Principal Amount	NA	NA	NA	NA
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	NA	NA	NA	NA

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

(₹. In Million)

S. No.	Particulars of Remuneration	Mr. Ramesh Ponnuswami - Managing Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	5.658 Nil Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission - as % of profit - others, specify...	Nil
5	Others, please specify	Nil
	Total (A)	5.658
	Overall Ceiling as per the Act	5% of Net Profit

B. Remuneration to Other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Jairam Varadaraj	Harjeet Singh Wahan	Ramprasad	Mohan Nambiar	
1	Independent Directors					
	Fee for attending Board, Committee meetings			0.015	0.005	0.020
	Commission					
	Others, please specify					
	Total (1)			0.015	0.005	0.020
2	Other Non-Executive Directors					
	Fee for attending Board, Committee meetings	0.020	0.020			0.040
	Commission					
	Others, please specify					
	Total (2)	0.020	0.020			0.040
	Total (B)=(1+2)	0.020	0.020	0.015	0.005	0.060
	Total Managerial Remuneration					5.718

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	Nil	Nil	Nil

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2015**Jairam Varadaraj**
Chairman
DIN : 00058056**Ramesh Ponnuswami**
Managing Director
DIN : 05276327

Annexure No.2

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

A) CONSERVATION OF ENERGY

As a measure of Energy conservation, the Company has taken the following efforts during 2014-15

Replaced energy efficient lights in various parts of Production area and Administrative Office Space which led to a saving of 2110 units per month

Introduced automatic cut off in three equipment which are prone for idle running and thereby saving 363 units per month

B) TECHNOLOGY ABSORPTION

Inverted Hydraulic cylinders have been developed to meet A1 module of PED 97/23/EC and obtained CE certification from TUV Nord.

Developed Cost effective Prep Station with one side wall and 3 sides with PVC curtain to perform Pre-Painting process like putty application, Sanding and painting of small jobs.

Developed New Generation Nitrogen Inflator with all new aesthetic with features like faster filling time, lesser foot print, graphical LCD display. Compact and higher specification electronic controls to eliminate the control components required.

Expenditure incurred on Research & Development

(₹ In Million)

EXPENDITURE ON R&D	2014-2015	2013-2014
Capital	15.390	1.352
Revenue	24.853	17.386
Total	40.243	18.738
R&D Expenditure as a Percentage of Turnover	3.007%	1.492%

C) Foreign Exchange Earnings and outgo are given in the notes forming part of accounts. Kindly refer the same.

Annexure 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company's CSR Policy and programs are directed mainly towards education. The Company through a Registered Trust supports a School. Web-link to the Company's CSR Policy is <http://ats-elgi.com/ats/wp-content/uploads/ATSELGICSRpolicy.pdf>

02. Composition of CSR Committee

The CSR Committee of the Board of Directors is optimally balanced between Independent and non-independent Directors. The current Committee comprises of the following members:

- Mr. Jairam Varadaraj (Chairman) - Chairman of the Committee
- Mr. Ramesh Ponnuswami (Managing Director) - Member of the Committee
- Mr. Mohan Nambiar (Independent Director) - Member of the Committee

03. Average Net Profit of the Company for last three Financial Years:

Average net profit: ₹. 156.60 Million

04. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company was required to spend ₹. 3.13 Million towards CSR during the year

05. Details of CSR spent during the Financial Year 2014-15

- a) Total amount to be spent for the financial year

₹.3.13 Million

- b) Amount unspent, if any;

Nil

- c) Manner in which the amount spent during the financial year is detailed below:

(In ₹)

S.No.	Projects / Activities	Sector	Location	Amount outlay (budget) project or programs-wise	Amount spent on the project or programs	Cumulative Expenditures up to the reporting period	Amount spent direct or through implementing agencies
1.	Promotion of Education & Health	Education	Coimbatore	31,50,000/-	31,50,000/-	31,50,000/-	Through a Registered Trust

06. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Annexure 4

Statement pursuant to Section 134 of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules, 1975

Name	Age	Designation	Remuneration (₹.In Million)	Qualification	Experience	DOJ	Previous Employment
Ramesh Ponnuswami	46	Managing Director	5.658	B.E., MBA.	23years	07/11/2011	E.I.D. Parry (India) Ltd.

Place : Coimbatore
Date : 29/05/2015

JAIRAM VARADARAJ
Chairman of CSR Committee
DIN : 00058056

INDEPENDENT AUDITOR'S REPORT

REPORT TO THE MEMBERS OF ATS ELGI LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of ATS ELGI LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2015, the statement of Profit & Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true & fair view of the financial position, financial performance 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds & other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are necessary for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act and the Rules, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, the financial statements give the information required by 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 31st March 2015 and its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) order, 2015' ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
- (d) In our opinion, the aforesaid 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 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2015 from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) 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 our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at March 31, 2015 on its financial position in its financial statements as referred in Note No. 22.
 - ii. The Company did not have material foreseeable losses, on its long-term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2015.

For **RJC Associates**
Chartered Accountants
Firm Regn. No. : 003496S

R. Jayachandran
Partner
Membership No. 021848

Place: Coimbatore
Date: 29/05/2015

Annexure to the Auditor's Report

Referred to in paragraph 5 of our report of even date,

- i. (a) The Company is maintaining proper record, showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- ii. (a) The inventory, including stock with certain third parties, has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
- iii. The Company has not granted any loans unsecured / secured to any Company, firm or other parties covered in the register required to be maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of product costing vide notification dated 31.12.2014 by Ministry of Corporate Affairs, Government of India, requirement of maintenance of books under Sub-section (1) of Sec 148 of the Act, is mandatory only from 01.04.2015. In our opinion that, prima facie costing account and records have been made and maintained. We have however not made a detailed examination of the costing records.
- vii. (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of Income Tax and wealth tax which have not been deposited on account of any dispute.

(c) According to the information and explanations given to us, and the records of the Company examined by us, the disputed Indirect taxes aggregating ₹ 44.35 million have not been deposited since matter are pending with relevant forum as indicated below

[₹. In Million]

Name of the Statute	Nature of the Due	Demand Amount	Forum where dispute is pending
Sales Tax	CST	23.68	Sales Tax Appellate DC, Coimbatore
Service Tax	Service Tax	32.72	CESTAT, Chennai
	Total	56.40	

(d) According to the information and explanations given to us, and the records of the Company examined by us, the amount required to be transferred to Investors Education and Protection fund has been transferred within the stipulated time in accordance of the provisions of the Companies Act, 1956 and the Rules made there under.

- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet Date.
- x. According to the information and explanations given to us, and the records of the Company examined by us the Company has not given any guarantee for the loan taken by any Company from Banks during the year.
- xi. According to the information and explanations given to us, and the records of the Company examined by us the company has not availed any term loan during the year.
- xii. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted Auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **RJC Associates**
Chartered Accountants
Firm Regn. No. : 0034965

R. Jayachandran
Partner
Membership No. 021848

Place: Coimbatore
Date: 29/05/2015

Balance Sheet as at 31st March, 2015

[₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	0.900	0.900
(b) Reserves and Surplus	3	652.513	615.969
(2) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	20.368	13.688
(3) CURRENT LIABILITIES			
(a) Trade payables	5	170.907	150.860
(b) Other current liabilities	6	57.920	43.375
(c) Short-term provisions	7	94.092	84.477
Total		996.700	909.269
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	8	147.417	138.924
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		38.342	12.623
(b) Long term loans and advances	9	4.278	5.087
(2) CURRENT ASSETS			
(a) Inventories	10	107.788	114.565
(b) Trade receivables	11	168.615	239.159
(c) Cash and cash equivalents	12	394.648	301.561
(d) Short-term loans and advances	13	120.249	86.550
(e) Other current assets	14	15.363	10.800
Total		996.700	909.269

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

"As per our report of even date"

JAIRAM VARADARAJ

Chairman
DIN : 00058056

Place : Coimbatore
Date : 29/05/2015

RAMESH PONNUSWAMI

Managing Director
DIN : 05276327

For RJC ASSOCIATES

Chartered Accountants
Firm Regn.No.:0034965

R. JAYACHANDRAN

Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March, 2015 [₹. In Million]

Particulars	Note No.	31-03-15	31-03-14
I. REVENUE FROM OPERATIONS	15	1,338.015	1,255.375
II. OTHER INCOME	16	28.400	25.532
III. TOTAL REVENUE	(I + II)	1,366.415	1,280.907
IV. EXPENSES:			
Cost of materials consumed	17	613.050	582.364
Purchase of Traded goods	18	217.921	217.086
Changes in inventories of finished goods, work-in-progress and Traded Goods	19	3.362	7.155
Employee benefit expenditure	20	184.166	157.114
Depreciation and Amortization expense		14.536	10.063
Other expenses	21	207.604	198.678
TOTAL EXPENSES		1,240.639	1,172.460
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	125.776	108.447
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		125.776	108.447
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	(VII - VIII)	125.776	108.447
X. TAX EXPENSE:			
(1) Current tax		22.976	19.357
(2) Deferred tax		6.679	10.416
XI. PROFIT / (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	96.121	78.674
XII. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII. TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV. PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX)	(XII-XIII)	-	-
XV. PROFIT/(LOSS) FOR THE YEAR	(XI+XIV)	96.121	78.674
XVI. EARNINGS PER EQUITY SHARE:		(in ₹.)	(in ₹.)
Nominal value of share		10.00	10.00
(1) Basic		1,068.00	874.16
(2) Diluted		-	-

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

"As per our report of even date"

JAIRAM VARADARAJ

Chairman

DIN : 00058056

Place : Coimbatore

Date : 29/05/2015

RAMESH PONNUSWAMI

Managing Director

DIN : 05276327

For RJC ASSOCIATES

Chartered Accountants

Firm Regn.No.:0034965

R. JAYACHANDRAN

Partner

Membership No. 021848

Notes to Financial Statements for the year ended 31st March, 2015

1. Summary of Significant Accounting Policies

1.1 Basis for preparation of Financial Statements

The Company follows accrual method of Accounting. The financial statements have been prepared under the Historical Cost Convention and on the basis of going concern and in accordance with the Accounting Standards notified under the Companies Act, 1956 ("The Act"). read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

1.2 Inventories

Inventories have been valued at lower of cost and net realisable value. The cost of inventories has been assigned using the weighted average cost formula.

- a) Purchased items - at FIFO Net of CENVAT and VAT
- b) Work-in-progress - Purchase cost net of CENVAT and VAT plus proportionate overheads
- c) Manufactured items - at cost excluding selling at Factory overheads and VAT
- d) Traded items - at cost and net of VAT
- e) Inventory items at Branches/ Foreign Branches - at cost including applicable taxes and duties.

1.3 Depreciation

Depreciation is charged on Straight line basis for Plant & Machinery, Vehicles and Computers and on Written Down Value basis for other assets. Rates prescribed under Schedule II of the Companies Act, 2013 are adopted.

1.4 Revenue recognition

Sales:

Sales, which includes excise duty, but excludes VAT is recognised at the time of shipment of goods from plant or from stock points.

Interest:

Interest is recognised on accrual basis taking into account the amount outstanding and the rate applicable.

1.5 Fixed Assets

- a) Fixed assets are recorded at historical cost of acquisition, which includes all taxes, duties and other direct expenses incurred upto the stage of commissioning of the asset, net of CENVAT and VAT, wherever applicable
- b) Capital work in progress consisting of assets under construction, erection and commissioning are valued at cost incurred upto the date of Balance Sheet.
- c) An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use), the carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

1.6 Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. For transactions settled within the year, exchange variance is charged to Statement of Profit and Loss. Outstanding liabilities and assets are restated at exchange rate prevailing at the end of the year. The resultant exchange variances are recognized in the Statement of Profit and Loss prepared for the year on a net off basis.

1.7 Employee Benefits

- a) **Provident Fund:** Provident Fund contribution is as per the rates prescribed by the Employees Provident Fund Act 1952 and the same is charged to revenue account.
- b) **Superannuation:** The Company has an arrangement with Life Insurance Corporation of India for providing Superannuation benefits to employees eligible as per Company's Rules. Company's contribution to the Superannuation Fund is calculated as per agreed terms and provided in the accounts.
- c) **Leave Salary :** Liability in respect of encashment of accumulated leave is provided based on actuarial valuation.
- d) **Gratuity :** The Company operates a defined benefit plan for the payment of post employment benefits for its employees in the form of gratuity fund scheme managed by Life Insurance Corporation of India. The expenditure are recognized based on the present value of obligation as determined in accordance with AS-15 on "Employee Benefits".
- e) **Other Short term employee benefits :** All the other short term employee benefits such as profit share, performance pay etc, are measured and provided on accrual basis.

1.8 Borrowing Cost

Borrowing cost includes:

- a) Interest and Commitment charges on bank borrowings and other short term and long term borrowings.
- b) Amortization of ancillary costs incurred in connection with the arrangement of borrowings.
- c) Finance charges in respect of assets acquired under finance leases or under other similar arrangements.
- d) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

1.9 Deferred Tax

Deferred Tax liabilities / assets are accounted for in respect of all timing differences, as per (AS)-22

1.10 Research & Development Expenses:

Revenue expenditure on Research and Development are charged off in the year in which they are incurred.

Fixed Assets purchased for the purpose of research and development are depreciated as per the Company's policy stated above.

1.11 Intangible Assets

Intangible Assets are recorded at the cost of acquisition and are amortized over a period of five years or its legal/ useful life whichever is less.

1.12 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
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2 SHARE CAPITAL

Authorised Share Capital:

100000 equity shares of ₹.10/- each

1.000

1.000

Issued, subscribed and fully paid-up shares.

90000 equity shares of ₹. 10/- each fully paid

0.900

0.900

2.1 i. Terms / Rights attached to Equity Shares.

Company has one class of equity shares having a par value of ₹. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2015, the amount of dividend per share recognized as distributions to equity shareholders is ₹.550/- (March 31, 2014: ₹.550/-).

2.2 Reconciliation of the shares at the beginning and at the end of the reporting period:

Particulars	31-03-15	31-03-14
Number of equity shares at the beginning of the year	90,000	90,000
Add: ESPS	-	-
Partly paid up shares that became fully paidup on receipt of final call money	-	-
Bonus issue	-	-
Number of equity shares at the end of the year	<u>90,000</u>	<u>90,000</u>

2.3 Number of shares held by share holders holding more than 5% of total shares

Name of the Share Holder	31-03-15	%	31-03-14	%
ELGI EQUIPMENTS LTD	90,000	100%	90,000	100%

Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
3 RESERVES AND SURPLUS		
A) Security premium reserve	180.000	180.000
B) General reserve		
As per the last Balance Sheet	9.867	2.000
Add: transfer from profit & loss account	9.612	7.867
	19.479	9.867
C) Surplus from Profit & Loss account		
As per the last Balance Sheet	426.102	413.208
Add: Current year surplus	96.121	78.674
	522.223	491.882
Less: Proposed dividend (₹. 550/- per share)	49.500	49.500
Less: Provision for tax on dividend	10.077	8.413
Less: Transfer to general reserve	9.612	7.867
	453.034	426.102
Total [a+b+c]	652.513	615.969
4 DEFERRED TAX LIABILITIES (NET)		
As per the last Balance Sheet	13.688	3.272
Add: For the Year	6.680	10.416
	20.368	13.688
5 TRADE PAYABLE		
a Acceptances	31.572	36.383
b Due to Micro, Small and Medium Enterprises	25.797	29.741
c Others	113.538	84.736
	170.907	150.860
6 OTHER CURRENT LIABILITIES		
a Advance from customers	14.567	12.574
b Dealers Deposits	6.581	6.540
c Employee related expenses payable	23.876	15.232
d TDS Payable	1.759	1.012
e Sales tax, Service tax collection & payment	11.137	8.017
	57.920	43.575
7 SHORT TERM PROVISIONS		
a Provisions for employee benefits	11.539	7.207
b Provision for income tax	22.976	19.357
c Provision for dividend	49.500	49.500
d Provision for dividend tax	10.077	8.413
	94.092	84.477

Notes to Financial Statements for the year ended 31st March, 2015

8 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Particulars							Grand Total
	TANGIBLE ASSETS				INTANGIBLE ASSETS		
	Building	Plant & Machinery	Furniture and Fixtures	Total	Others	Total	
Gross Block							
Balance as at 1st April 2013	3.350	59.777	7.539	70.665	-	-	70.665
Additions	3.300	97.134	1.467	101.901	-	-	01.901
Deletions / write off	-	2.913	-	2.913	-	-	2.913
Balance as at 31st March 2014	6.649	153.998	9.006	169.653	-	-	169.653
Additions	0.092	22.089	0.683	22.863	-	-	22.864
Deletions / write off				-	-	-	-
Balance as at 31st March 2015	6.741	176.086	9.689	192.516	-	-	192.516
Accumulated depreciation							
Balance as at 1st April 2013	0.510	16.795	4.034	21.339	-	-	21.339
For the year	0.483	8.741	0.838	10.063	-	-	10.063
Deletions / write off	-	0.838	-	0.838	-	-	0.838
Balance as at 31st March 2014	0.993	24.698	4.872	30.563	-	-	30.563
For the year	0.849	10.517	3.169	14.536	-	-	14.536
Deletions / write off	-	-	-	-	-	-	-
Balance as at 31st March 2015	1.842	35.215	8.042	45.099	-	-	45.099
Net Block							
31st March 2014	5.656	129.300	4.133	139.090	-	-	139.090
31st March 2015	4.899	140.871	1.647	147.417	-	-	147.417

Note :

Depreciation has been charged as per Schedule II of the Companies Act, 2013 with effect from 1st April 2014. Hence Depreciation charge for the year ended 31st March 2015 is higher by ₹ 1.91 million.

[₹. In Million]

Particulars	31-03-15	31-03-14
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9 LONG TERM LOANS AND ADVANCES

a Security deposits	2.701	3.187
b Other loans and advances (specify)	1.578	1.900
	4.278	5.087

(All loans and advances are unsecured and considered good)

10 INVENTORIES

a Raw materials	40.186	43.408
b Work in progress	7.130	6.834
c Finished goods	3.296	3.554
d Traded Goods	54.206	57.606
e Stores & Spares	0.237	0.189
f Loose Tools	2.088	2.369
g Packing materials	0.645	0.605

Note: Raw materials inventory include R&D Inventory also

107.788	114.565
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11 TRADE RECEIVABLES

a Trade receivables outstanding for more than 6 months	16.792	11.518
b Others	151.823	227.641

(All trade receivables are unsecured and considered good.)

168.615	239.159
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Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
12 CASH AND BANK BALANCES		
a Cash and cash equivalents		
i Balance with banks		
In current account	78.987	71.150
In deposits	254.461	230.315
ii Cash in hand	0.130	0.096
b Other Bank Balance		
In deposits (having original maturity period of more than 3 months but less than 12 months)	61.070	-
	394.648	301.561
13 SHORT-TERM LOANS AND ADVANCES		
a Cenvat / VAT Receivable & Service Tax credit (Net)	16.250	17.992
b Advance Tax / TDS Receivable	29.754	24.717
c Income / refund receivable	1.319	2.302
d Prepaid expenses	0.397	1.553
e Other Advances	72.529	39.986
	120.249	86.550
(All loans and advances are unsecured, considered good.)		
14 OTHER CURRENT ASSETS		
Interest accrued	15.363	10.800
	15.363	10.800
15 REVENUE FROM OPERATIONS		
a Sale of Products	1,386.608	1,311.332
b Sale of Services	35.319	29.052
Gross Sales	1,421.927	1,340.384
Less:		
c Excise Duty	84.286	85.184
Net Sales	1,337.641	1,255.200
d Other operating revenue	0.373	0.175
	1,338.015	1,255.375
15.1 DETAILS OF PRODUCTS SOLD		
Automotive Equipments	1,337.641	1,255.200
16 OTHER INCOME		
a Interest Income - Fixed Deposit	27.346	26.228
b Profit on Sales of Assets	-	(1.500)
c Other non operating income	1.054	0.804
	28.400	25.532
17 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	41.850	41.225
Add : Purchases	610.236	582.988
	652.086	624.213
Less: Closing stock of raw Material	39.036	41.850
	613.050	582.364
(Raw material inventory exclusive of R & D inventory)		
17.1 Purchases include machining charges of		
₹.16.32 Million (Previous year ₹. 16.52 Million)		

Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
17.2 Details of Materials Consumed		
1) Sheets, Plates & H Section	187.786	120.423
2) Materials that do not individually account for 10% or more of Total Consumption	425.264	461.941
	613.050	582.364
18 PURCHASE OF TRADED GOODS		
Automotive Garage Equipments	217.921	217.086
19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	6.834	10.037
Opening Stock of Finished Goods	3.554	32.741
Opening Stock of Traded Goods	57.606	32.371
	67.994	75.149
Closing Stock of WIP	7.130	6.834
Closing Stock of Finished Goods	3.296	3.554
Closing Stock of Traded Goods	54.206	57.606
	64.632	67.994
	3.362	7.155
20 EMPLOYEE BENEFIT EXPENSES		
a Salaries & Wages	134.282	120.946
b Gratuity	2.782	1.269
c Performance Pay	21.477	11.659
d Contribution to Provident fund & Superannuation fund	9.657	7.925
e Welfare expenses	10.744	10.657
f MD's Remuneration (Excluding performance pay)	5.224	4.658
	184.166	157.114
21 OTHER EXPENSES		
Packing Charges	25.669	27.001
Consumption of Stores	5.975	5.776
Tools Consumed	5.633	7.550
Commission and Discount	23.195	24.354
Power, Fuel & Lighting	7.450	7.007
Transport Charges	10.227	11.855
Postage, Telegrams & Telephones	2.860	2.702
Travelling and Conveyance	33.342	28.543
Insurance	0.880	0.844
Advertisement and Publicity	1.872	4.153
Repairs and Maintenance of		
- Plant and Machinery	1.486	2.394
- Building	2.076	2.892
- Other Assets	2.064	2.604
Printing and Stationery	1.626	2.113
Research and Development expenses (Refer Note No.28)	9.893	6.502
Provision for doubtful debts & Bad Debts Written off	(0.120)	2.405
After Sales Expenses	22.908	23.394
Factory Expenses	0.106	0.207
Rates & Tax	0.174	0.059

Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
Auditor's Remuneration		
- Audit Fees	0.426	0.350
- Other Services	0.024	0.135
Miscellaneous Expenses	16.190	16.088
CSR Expenditure	3.150	-
Subscription, Periodicals & Filing Fees	0.125	0.056
Rent	5.315	5.192
Legal and Consultancy Charges	18.199	10.480
Directors' Sitting Fees	0.075	0.060
Sales & Service Tax Payments	0.440	0.508
Exchange Fluctuation (Gain) / Loss (net)	1.755	0.875
Excise Duty paid	3.036	1.345
Bank charges	1.552	1.235
	207.603	198.679

22 Contingent Liabilities and Commitments

a) Claims against the company not acknowledged as debts:

Name of the Statute	Nature of the dues	Demand Amount (₹. In Million)	Amount Paid/ Adj. (₹. In Million)	Forum where dispute is pending
Sales Tax	CST	23.680	9.323	Sales Tax Appellate DC, Coimbatore
Service Tax	Service Tax	32.724	2.733	CESTAT, Chennai

b) The company has filed appeals with appropriate authorities of Sales-Tax/Service Tax departments against their claims

Particulars	31-03-15 (₹. In Million)	31-03-14 (₹. In Million)
Guarantees and Letter of credit	22.597	21.541

23 Details of estimated amount of contracts

Particulars	31-03-15 (₹. In Million)	31-03-14 (₹. In Million)
Estimated amount of contracts remaining to be executed on capital account	3.216	9.430

24 Details of dues to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprise Development Act, 2006

Particulars	Section	31-03-15 (₹. In Million)	31-03-14 (₹. In Million)
a) The Principal amount due to Supplier under the Act.	S 22 (I)	12.535	16.500
b) Interest accrued and due to Suppliers on the above amount (Other than Section 16)	S 22 (i)	Nil	Nil

Notes to Financial Statements for the year ended 31st March, 2015

c) Interest paid to Suppliers under the act(Section 16)	S 22 (ii)	Nil	Nil
d) Interest due and payable for delay (for payments during the year beyond due date)	S 22 (iii)	Nil	Nil
e) Payment made to suppliers (other than interest) beyond the appointed day, during the year.	S 22 (iii)	Nil	Nil
f) Interest accrued & remaining unpaid at the end of year to Suppliers under the Act	S 22 (iv)	Nil	Nil
g) Interest due & payable to suppliers under the Act for payments already made	S 22 (v)	Nil	Nil

The information has been given in respect of vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with the company.

25 Details of disclosure as required under (AS) 15 in respect of defined benefit plan (Gratuity)

(₹. In Million)

	31-03-15	31-03-14
	Gratuity (Funded)	
I. PRINCIPAL ACTUARIAL ASSUMPTIONS		
(Expressed as weighted averages)		
Discount Rate	7.80%	9.20%
Salary escalation rate	6.50%	6.50%
Attrition rate	3.00%	3.00%
Expected rate of return on plan asset	8.75%	8.75%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)- RECONCILIATION OF OPENING AND CLOSING BALANCES		
PVO as at the beginning of the period	10.520	7.990
Interest cost	0.911	0.643
Current service cost	1.513	1.312
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Benefits paid	(1.247)	(0.392)
Actuarial loss/(gain) on obligation(balancing figure)	1.822	0.973
PVO as at the end of the period	13.519	10.520
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS- RECONCILIATION OF OPENING AND CLOSING BALANCES		
Fair value of plan assets as at the beginning of the period	20.190	18.931
Expected return on plan assets	1.781	1.733
Contributions	1.569	-
Benefits paid	(1.247)	(0.392)
Actuarial gain / (loss) on plan assets(balancing figure)	(0.090)	(0.082)
Fair value of plan assets as at the end of the period	22.203	20.189
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	1.781	1.733
Actuarial gain/(loss) on plan assets	(0.090)	(0.085)
Actual return on plan assets	1.691	1.650
V. ACTUARIAL GAIN / LOSS RECOGNISED		
Actuarial gain/ (loss) for the period - obligation	(1.822)	(0.973)
Actuarial gain/ (loss) for the period - plan assets	(0.090)	(0.082)
Total (gain)/ loss for the period	1.913	1.056

Notes to Financial Statements for the year ended 31st March, 2015

(₹. In Million)

	31-03-15	31-03-14
	Gratuity (Funded)	
Actuarial (gain)/ loss recognised in the period	1.913	1.056
Unrecognised actuarial (gain)/loss at the end of the year	-	-
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	13.519	10.520
Fair value of plan assets	22.203	20.189
Differences	(8.684)	(9.669)
Unrecognised transitional liability	-	-
Unrecognised past service cost- non vested benefits	-	-
Liability recognised in the balance sheet	(8.684)	(9.669)
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	1.513	1.306
Interest cost	0.911	0.639
Expected return on plan assets	(1.781)	(1.733)
Net actuarial(gain)/loss recognised in the year	1.913	1.056
Transitional liability recognised in the year	-	-
Past service cost- non-vested benefits	-	-
Past service cost-vested benefits	-	-
Expenses recognised in the statement of profit and loss	2.555	1.269
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
Opening net liability	(9.669)	(10.938)
Expense as above	2.555	1.269
Contribution paid	(1.569)	-
Closing net liability	(8.684)	(9.669)
IX. AMOUNT FOR THE CURRENT PERIOD		
Present value of obligation	13.519	10.520
Plan Assets	22.203	20.189
Surplus (Deficit)	8.684	9.669
Experience adjustments on plan liabilities- (loss) / gain	0.016	(1.524)
Experience adjustments on plan assets- (loss) / gain	(0.090)	(0.082)
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government Securities	-	-
State Government Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of Listed Companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds Managed by Insurer	100%	100%
Others (To Specify)	-	-
26 EXPENDITURE IN FOREIGN CURRENCY		
1) Commission	0.928	-
2) Travelling expenses	2.992	1.782
3) Other expenses	0.021	-
	<u>3.941</u>	<u>1.782</u>

Notes to Financial Statements for the year ended 31st March, 2015

[₹. In Million]

Particulars	31-03-15	31-03-14
27 CIF VALUE OF IMPORTS		
1 Raw materials and components	55.421	58.023
2 Capital goods	1.046	80.377
3 Traded goods	122.761	158.588
Total	179.228	296.988
28 DETAILS OF R&D EXPENSES		
1 Capital	15.390	1.352
2 Salaries & wages	13.228	9.679
3 R&D materials	9.893	6.502
4 Other Expense	1.732	1.204
Total	40.243	18.738

Note :

While the accounts of R&D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed along with other functional head of expenses and presented in the statement of profit and loss.

29 DETAILS OF EARNINGS IN FOREIGN EXCHANGE CALCULATED ON FOB BASIS

Direct Exports	78.479	71.665
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30 DETAILS OF EARNINGS PER SHARE

Net profit (₹. in Million)	96.121	78.674
Weighted average number of shares outstanding	90,000	90,000
Nominal value per share (in ₹.)	10.00	10.00
Basic Earnings Per share (in ₹.)	1068.00	874.16
Number of shares after dilution (No. in Million)	-	-
(When partly paid shares become fully paid shares)	-	-
Diluted Earning Per share (in ₹.)	-	-

31 Balance in the accounts of Sundry debtors, Sundry Creditors, Security and other Deposits have been reconciled wherever letters of confirmation have been received and necessary effect has been given in the accounts

32 Details of Accounting Standard (AS)18, Related Party Disclosures

(₹.In Million)

Particulars	Holding Company		Other Companies / Firms		Key Managerial Personnel*	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase of Goods	4.048	5.866	1.884	1.832		
Sale of Goods	67.557	35.154				
Receiving of Services	18.198	17.575				
Providing of Services						
Reimbursement of Expenses						
To Related Parties	1.000	0.411				
By Related Parties	0.776	1.572				
Finance	40.000	-				
Interest received	2.320	-				
Remuneration					5.658	5.230
Receivable at the end of the year	17.285	17.050	-	4.337		
Payable at the end of the year	-	3.274	0.470	0.294		

* Includes performance linked pay paid during the year.

Notes to Financial Statements for the year ended 31st March, 2015

Name of related parties and description of relationship:

- | | | | |
|----|---|---|--|
| 1 | Holding Company | : | Elgi Equipments Limited |
| 2 | Fellow Subsidiaries | : | a. Adisons Precision Instruments Manufacturing Company Limited
b. Elgi Gulf (FZE)
c. Elgi Equipments (Zhejiang) Limited (China)
d. Elgi Compressors Trading (Shanghai) Co. Ltd. (China)
e. SAS Belair (France)
f. Elgi Compressores Do Brasil Imp. E. Exp. Ltda
g. Elgi Australia Pty Ltd.
h. Elgi Compressors Italy S.r.l.
i. Elgi Compressors USA Inc
j. Rotair Spa (Italy)
k. Patton's Inc (USA)
l. Patton's Medical LLC. (USA)
m. PT Elgi Equipments Indonesia |
| 3. | Other Companies / Firms in which Directors are interested | : | a. Elgi Ultra Industries Limited.
b. Elgi Rubber Company Limited
c. Ellargi & co
d. Elgi Sauer Compressors Limited.
e. Elgi Services.
f. L.G. Balakrishnan & Bros. |
| 4. | Key Managerial Personnel | : | Mr. Jairam Varadaraj , Chairman
Mr. Hajeet Singh Wahan, Vice-Chairman
Mr. Ramesh Ponnuswami, Managing Director |

33 Previous year figures have been regrouped and re-classified where ever necessary to make them comparable.

Cash Flow Statement

[₹. In Million]

Particulars	31-03-15	31-03-14
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	125.776	108.447
Adjustments for:		
Depreciation	14.536	10.063
(Profit)/Loss on sale of assets	-	1.500
Bad debts written off	(0.120)	2.405
Interest and Processing fees Paid	1.552	1.235
Interest Received	(27.347)	(26.228)
Operating Profit Before Working Capital Changes	114.397	97.421
Adjustments for:		
(Increase)/Decrease in Inventories	6.777	6.439
(Increase)/Decrease in Trade Receivables	70.665	(11.769)
(Increase)/Decrease in Loans and Advances, Other		
Current and non Current Assets	(37.453)	79.936
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	49.323	(62.816)
	203.709	109.211
Cash Generated from Operations		
Direct Taxes Paid	(29.755)	(24.717)
Net Cash From Operating Activities (A)	173.954	84.494
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible Assets	(48.749)	(108.589)
Sale of tangible Assets	-	0.575
Interest Received	27.347	26.229
Net Cash Used in Investing Activities (B)	(21.402)	(81.785)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Processing fees Paid	(1.552)	(1.235)
Dividend Paid	(57.913)	-
Net Cash Used in Financing Activities (C)	(59.465)	(1.235)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	93.087	1.474
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	301.561	300.087
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	394.648	301.561

Note: Figures within Bracket denote Cash Outflow.

For and on behalf of the Board

"As per our report of even date"

JAIRAM VARADARAJChairman
DIN : 00058056Place : Coimbatore
Date : 29/05/2015**RAMESH PONNUSWAMI**Managing Director
DIN : 05276327**For RJC ASSOCIATES**Chartered Accountants
Firm Regn.No.:0034965**R. JAYACHANDRAN**Partner
Membership No. 021848

Factory & Registered Office, Subsidiary Offices, Branch Offices and Overseas Offices

Branch offices

Ahmedabad	: "ELGI HOUSE" 2, Mill Officer's Colony, Behind La-Gajjar Chambers, (Old Reserve Bank), Opposite to Times of India, Ashram Road, Ahmedabad - 380 009. Ph: 91-79-2683736, 26581274, Fax: 91-79-6587683, E-mail: elgiahmedabad@elgi.com
Bangalore	: 15,16 Richmond Road Bangalore - 560 025. Ph: 91-080-22220296, 22240674, Fax: (91-080-22293274 E-mail: elgibangalore@elgi.com
Bhopal	: Plot No.4, Vaibhav Complex, Major Shopping Centre, Zone 1, M.P. Nagar, Bhopal - 462 011. Ph: 91-755-2578281, 2578317, 4273317, Fax: 91-755, 2578289, E-mail: elgibhopal@elgi.com
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Kochi	: 39/3873, P.o. Box 1884, M.G.Road, Kochi - 682 016. Ph: 91-484 2360155 Fax: 91-484-2351904, E- mail: elgikochi@elgi.com
Kolkata	: Space No. 502, Block - C, 5th Floor, Axis Mall Action Area - IC, New Town, Premises No. CF- 9, Kolkatta - 700 156. Ph: 91-33-2324-4270 / 2324-4271 Fax: 91-33-2324-4272, E-mail: enquiry@elgi.com
Mumbai	: Marol Co-op Industrial Estate Ltd. Plot No.48, Mathurdas Vassanji Road, Near Sakinaka, Andheri (East), Mumbai - 400 059 . Ph: 91-22-42161000 Fax: 91-22-28591601, E-mail: elgimumbai@elgi.com
New Delhi	: 23, Shivaji Marg, New Delhi - 110 015. Ph: 91-11-25153644, 25928095, 25928593, Fax: 91-11-25459375 E-mail: elgidelhi@elgi.com
Pune	: White House, 2nd Floor, 388-A, 1/2240, Mumbai - Pune Road, Opp. Sandvik(Asia), Dapodi,, Pune - 411 012. Fax: 91-20-4073759
Raipur	: Om1, 1st Floor, Ashoka Millennium,, Ring Road No. 1, Raipur - 4925 003. Chhattisgarh. Ph: 91-20-27145288, 27148892, Fax : 9-20-2745289, E-mail: elgipune@elgi.com
Sanand	: Plot No. 193/194, Natraj Industrial Estate, Vasana-Iyava (T.K.), Sanand District, Ahmedabad - 382170. (Gujarat) Ph: 2717 - 284109. E-mail: enquiry@elgi.com
Tiruchengode	: 4/2, Nandhini Complex, 1st Floor, Velur Road, Tiruchengode - 637 211. Ph: 91-4288-257137, Fax: 91-4288-257693, E-mail: elgithiruchengode@elgi.com

Overseas Offices

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Srilanka	: S.G Arcade, 2nd floor, Sri Sangaraja Mawatha, Colombo-10. Ph: 00-94-11-2392425, Fax: 00-94-11-4737412. E-mail: elgisupport@slnet.lk
Thailand	: ELGI EQUIPMENTS LTD., 223/66 , 14th Floor, Building A, Country Complex, Sanphawut Road, Bang Na Bangkok, Thailand - 102 60 Toll-Free No. :001800 13204 2905 E-mail: thailand-enquiry@elgi.com, Web: www.thailand.elgi.com.
Malaysia	: ELGI EQUIPMENTS LIMITED , No. 2A-4-6, Jalan Jubli Perak, 22/1, Section 22, 40400, Shah Alam, Selangor, Malaysia. Toll Free : 1-800-816-553, Web : www.elgi.com.my

Overseas Production Centre

China	: ELGI EQUIPMENTS (ZHEJIANG) LIMITED , No. 4 Building, No.466 Yunhai Road, JiaXing, ZheJiang, P.R. China - 314001 Ph: +86 (0) 563 82551120, 82551133, 82551122, 008613818052560 Fax: +86 (0) 563 82551115 E-mail: enquiry.cn@elgi.com
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Overseas Fellow Subsidiaries

China	: ELGI COMPRESSORS TRADING (SHANGHAI) CO. LIMITED , Room 912 , No.8 & 9, Lane 1500 South Lianhua Road, Min Hang District, Shanghai, P.R. China Postal Code: 201108, Ph: +86 (0) 21 33581191,008613818052560 Fax: +86 (0)21 33581190, E-mail: enquiry.cn@elgi.com
Middle East	: ELGI GULF FZE , PO Box: 120695, Q4 -081, SAIF Zone, Sharjah, U.A.E. Ph No: +971 6 557 9970, Mobile No: +971 50 457 6470 Fax: +971 6 557 9980, E-mail: gulfenquiry@elgi.com"
Brazil	: ELGI COMPRESSORES DO BRASIL IMP. E.EXP LTD , Av. Emilio Chechinatto, 4195 – BBairro São Roque da Chave CEP:13.295-000Itupeva – São PauloBrasil, Contato: 4496 5519, 4496 6611 E-mail: enquiry@elgi.com.br
France	: SAS BELAIR ZI de Moutti sud 74540 Alby sur Cheran, France. Tel: +4 50 68 20 57, Fax: +4 50 68 22 61, E-mail: enquiry@belair.fr

Factory & Registered Office, Subsidiary Offices, Branch Offices and Overseas Offices

Overseas Fellow Subsidiaries

Italy	:	ROTAIR Spa , Via Bernezzo 67, 12023 Caraglio (CN), Italy. Ph: +39 0171619676, Fax: +39 0171619677 E-mail: info@rotairspa.com ELGI Compressors Italy S.R.L., Rome(RM), Via Del Babuino 51, 00187
USA	:	ELGI COMPRESSORS USA INC. , 3335 Pelton St, Charlotte, NC 28217, USA. Tel: 1704 943 7966 Patton's Inc. & Patton's Medical - 3201, South Boulevard, Charlotte, NC 28209, USA.
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Indonesia	:	PT ELGI EQUIPMENTS INDONESIA Bizpark Commercial EstateJl. Raya Bekasi Km. 21.5, Blok A3 No. 12 Pulogadung, Jakarta Timur 13920. Tel: +62 - 21 - 46827388, 46822216 E mail : indonesia-enquiry@elgi.com Toll Free : 0804. 111. 3544

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ATS ELGI LIMITED

Kurichy Private Industrial Estate, Kurichy, Coimbatore - 641 021, India
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E-mail: enquiry@ats-elgi.com Web: www.ats-elgi.com

ADISONS PRECISION INSTRUMENTS MFG.CO.LIMITED

Elgi Industrial Complex, Singanallur, Coimbatore - 641 005.

Joint Venture

ELGI SAUER COMPRESSORS LIMITED

Elgi Industrial Complex III, Singanallur, Coimbatore - 641 005. India
Ph: + 91-422-2589555, 2589634, 2589510, Fax: +91-422-2573697
E-mail: info@elgisauer.com Web: www.elgisauer.com

Division

PRESSURE VESSEL DIVISION

1473 - Trichy Road, Coimbatore - 641 018. Ph: 0422-2589777,
Email: enquiry@elgi.com

Factory & Registered Office:

ELGI EQUIPMENTS LIMITED

Singanallur, Coimbatore - 641 005, India (CIN:L29120TZ1960PLC000351)
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E-mail: enquiry@elgi.com Web: www.elgi.com

ELGI EQUIPMENTS LIMITED (Foundry Division)

SF No: 212/1A, 213/1, Kodangipalayam Village, Nallatipalayam Road, Singarampalayam Post, Kinathukkadavu,
Pollachi Taluk, Coimbatore - 642 109. Ph: 04259-241201, 241401

GLOBAL SUPPORT CENTRE

SF NO 221, 221/2 & 221/3,KOTHAVADI ROAD,
KODANGIPALAYAM VILLAGE, SINGARAMPALAYAM (PO)
KINATHUKKADAVU TALUK, COIMBATORE – 642109
Ph. 04259-241018.

ELGI EQUIPMENTS LIMITED AIR COMPRESSOR PLANT

SF NO 221/1 to 3, 4pt,5,222/1B,2,223/1pt.
2,225/1,2,226/1,2C,227/1,2A,2B,2C1,228/1,2A,
229/B1,B2,B3,232/B1,B2,234/B1,264/B1 and 264/B2.
KOTHAVADI ROAD, KODANGIPALAYAM VILLAGE, SINGARAMPALAYAM
(PO)KINATHUKKADAVU TALUK,COIMBATORE – 642109



National Electronic Clearing Service (NECS Mandate Form) (For Shares held in Physical Form)

1. First Shareholder's Name :
2. Shareholders' Folio No. :
3. Particulars of Bank Account :
 - a) Bank Name :
 - b) Branch Name :
 - c) Account No. :
 - d) Account Type : SB ☐ Current ☐ Cash Credit ☐
(tick the correct box)
 - e) Ledger folio no. of the :
Bank A/c (if appearing on
the cheque book)
 - f) 9 Digit code No. of the :
Bank & Branch appearing
on the MICR cheque
issued by the bank

Important :

1. Please attach the photocopy of a cheque of a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.
2. I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date :

Signature of First Shareholder





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Web: www.elgi.com

Toll-free number: **1800-425-3544**



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