ELGi™

Annual Report 2013-14

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ELGI EQUIPMENTS LIMITED

CIN : L29120TZ1960PLC000351

54th Annual General Meeting

Date : 25th September, 2014
Day : Thursday
Time : 10.30 AM

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

Book Closure dates: 10th September, 2014 to 25th September, 2014 (Both days inclusive)

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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

Chief Financial Officer
S. Sriram

Statutory Auditor
M/s. RJC Associates
Chartered Accountants

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.

Year at a glance - Consolidated Financial Statements

(₹. In Million)

Particulars	2013-14	2012-13
Net Sales	**13,504**	11,445
Other Income	**92**	162
Total Income	**13,596**	11,608
Total Expenditure		
a) (Increase) / Decrease in Inventories	**(156)**	(167)
b) Consumption of Raw Materials	**7,954**	6,926
c) Staff Cost - Salaries		
(Inclusive of Performance Pay)	**2,328**	1,633
d) Other Expenditure	**2,384**	2,059
Interest Expenditure	**97**	45
Depreciation / Amortisation	**262**	182
Total Expenditure	**12,871**	10,677
Profit / (Loss) Before Tax	**725**	931
Provision for Taxation	**269**	329
Net Profit	**456**	602
Paid up Equity Share Capital	**159**	159
Reserves excluding revaluation reserves	**4,448**	4,148
Capital Expenditure	**1,327**	2,750
Cash flow from operations	**975**	(708)
Basic EPS (In ₹)	**2.9**	3.8
Dividend per Share (In ₹)	**1**	1
No. of Shareholders	**20,981**	22,125
No. of Employees	**2,033**	2,057

Notice of the 54th Annual General Meeting

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 54th Annual General Meeting of the Shareholders of Elgi Equipments Limited will be held on Thursday, the 25th Day of September 2014 at 10.30 AM at 'ARDRA', No.9, North Huzur Road (Near Codissia Building), Coimbatore 641 018 to transact the following business:

ORDINARY BUSINESS:

1. To consider the Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors thereon.

2. To declare dividend for the year ended 31st March 2014.

3. To appoint a Director in the place of Sudarsan Varadaraj (holding DIN 00133533) who retires by rotation and being eligible offers himself for re-appointment.

4. To re-appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the Provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) M/s. RJC Associates (Firm Registration No. 003496S) Chartered Accountants, Coimbatore be and is hereby re-appointed as Statutory Auditors of the Company to hold office for three consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 57th AGM , subject to ratification by the shareholders annually, at a remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Dr. Ganesh Devaraj (**holding DIN 00005238), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM not liable to retire by rotation".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **M. Ramprasad** (holding DIN 00004275), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM not liable to retire by rotation".

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **B. Vijayakumar** (holding DIN 00015583), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM not liable to retire by rotation".

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **N. Mohan Nambiar** (holding DIN 00003660), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his

candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM not liable to retire by rotation".

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

Dr. Ganesh Devaraj is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30/10/2003 and is member of the Audit Committee and Remuneration Committee of the Board. The qualification and expertise of Dr. Ganesh Devaraj is detailed in the Annexure attached.

Dr. Ganesh Devaraj retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, an independent Director should be appointed for a fixed term and is not liable to retire by rotation. Dr. Ganesh Devaraj being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM. A notice has been received from a member proposing Dr. Ganesh Devaraj as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Ganesh Devaraj fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of Dr. Ganesh Devaraj 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director and hence recommends the resolution in relation to appointment of Dr. Ganesh Devaraj as an Independent Director, for the approval of the shareholders of the Company.

Except Dr. Ganesh Devaraj, being the appointee, none of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no 5.

Item No. 6:

M. Ramprasad is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25/09/2004 and is Chairman and Member of the Audit Committee and Remuneration Committee of the Board. The qualification and expertise of M. Ramprasad is detailed in the Annexure attached.

M. Ramprasad is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. M. Ramprasad being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM. A notice has been received from a member proposing M. Ramprasad as a candidate for the office of Director of the Company.

In the opinion of the Board, M. Ramprasad fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of M. Ramprasad 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director and hence recommends the resolution in relation to appointment of M. Ramprasad as an Independent Director, for the approval of the shareholders of the Company.

Except M. Ramprasad, being the appointee, none of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no 6.

Item No 7:

B. Vijayakumar is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 11/01/1993. The qualification and expertise of B. Vijayakumar is detailed in the Annexure attached.

B. Vijayakumar is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, an independent Director should be appointed for a fixed term and is not liable to retire by rotation. B. Vijayakumar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM. A notice has been received from a member proposing B. Vijayakumar as a candidate for the office of Director of the Company.

In the opinion of the Board, B. Vijayakumar fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of B. Vijayakumar 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director and hence recommends the resolution in relation to appointment of B. Vijayakumar as an Independent Director, for the approval of the shareholders of the Company.

Except B. Vijayakumar, being the appointee, none of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no 7.

Item No 8:

N. Mohan Nambiar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 16/02/1983 and is Chairman and Member of the Shareholder Investor Grievance Committee and Member of Audit Committee and Remuneration Committee of the Board. The qualification and expertise of N. Mohan Nambiar is detailed in the Annexure attached.

N. Mohan Nambiar is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. N. Mohan Nambiar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of the ensuing 54th AGM till the conclusion of the 59th AGM. A notice has been received from a member proposing N. Mohan Nambiar as a candidate for the office of Director of the Company.

In the opinion of the Board, N. Mohan Nambiar fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of N. Mohan Nambiar 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director and hence recommends the resolution in relation to appointment of N. Mohan Nambiar as an Independent Director, for the approval of the shareholders of the Company.

Except N. Mohan Nambiar, being the appointee, none of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no 8.

By Order of the Board
For ELGI EQUIPMENTS LIMITED

R. SYAM KUMAR
Company Secretary

Place : Coimbatore
Date : 29/05/2014

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   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 authorised 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 duly filled Attendance Slip enclosed herewith to attend the meeting.

4. Details 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 forms 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 (corresponding to Sec 154 of the Companies Act 1956), the Register of Members and the Share Transfer Books of the Company will remain closed from 10th Day of September, 2014 to 25th Day of September, 2014 (both days inclusive).

6. The dividend proposed to be declared at the meeting, will be made payable on or before 21/10/2014 to those members whose names appear on the Register of Members of the Company on 09/09/2014.

7. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the depository participant of 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.

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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, 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 un-encashed / 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 2006-2007, 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 Registrar and Share Transfer Agent.

12. Copies of the Annual Report 2014, the Notice of the 54th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip, Proxy Form and Postal Ballot Form are being sent by electronic mode only 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 are being sent by permitted mode.

13. Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report 2014 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 days.

14 Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per 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 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 (Re.1/- face value) are requested to receive the Split Share Certificates by surrendering their old Share Certificates (Rs.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. Voting through electronic mean

Pursuant to Clause 35B of listing agreement with the stock exchange and the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the 54th 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):

In terms of Clause 35B of the listing agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing respect of the resolutions as set out in this notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer Mr. MD Selvaraj, Proprietor MDS & Associates, Company Secretary "Surya", 35 Mayflower Avenue, behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 so as to reach him on or before 22nd September, 2014 by 6.00 PM. Any Ballot Form received after the said date shall treated as if the reply from the members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by Postal Ballot or through e-voting. If the members are opting for e-voting then do not vote by Postal Ballot or vice-versa.

However incase of members casting their vote by Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by physical ballot will be treated as invalid.

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

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com
(ii) Click on "Shareholders" tab.
(iii) 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.
(iv) Next enter the Image Verification as displayed and Click on Login.

(v) 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.

(vi) 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 first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records 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 number of shares held by you as on the cut off date in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Elgi Equipments Limited on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user, who would be able to link the account(s) 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.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

(B) The voting period begins on **19.09.2014 at 9.00 AM** and ends on **21.09.2014 at 6.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **15-08-2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members desiring to exercise vote by Postal Ballot:

A member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

As the Company has provided e-voting / Postal Ballot voting in terms of Clause 35B of the Listing Agreement, members may please note that there will be only one mode of voting either through e-voting or by Postal Ballot. The scrutinizer will collate the votes downloaded from the e-voting system and votes received through Postal Ballot to declare the final result for each of the resolutions forming part of the notice of Annual General Meeting.

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 Friday, 15th August, 2014 Mr. MD Selvaraj FCS, Proprietor of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / Postal Ballot in a fair and transparent manner.

The Results shall be declared on the Annual General Meeting of the Company.

The results declared along with the scrutinizers report shall be placed on the company's website www.elgi.com and on the website of CDSL within two working days of passing of the resolutions and communicated to the Stock Exchanges where the Company's shares are listed.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 VIII (E) OF THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement the particulars of Directors who are proposed to be appointed/reappointed at this Meeting are given below:-

Name	Sudarsan Varadaraj	Dr. Ganesh Devaraj	M. Ramprasad	B. Vijayakumar	N. Mohan Nambiar
DIN	00133533	00005238	00004275	00015583	00003660
Date of Birth	22 / 01 / 1958	17 / 03 / 1968	12 / 07 / 1966	22 / 01 / 1953	11 / 04 / 1942
Nationality	Indian	Indian	Indian	Indian	Indian
DOA on the Board	18 / 11 / 1993	30 / 10 / 2003	25 / 09 / 2004	11 / 01 / 1993	16 / 02 / 1983
Relationship with other Director	Brother of Mr. Jairam Varadaraj, Managing Director	None	None	None	None
Qualification	B.E. (Hons.), M.S. (Mechanical Engg.)	B.E. (Electronics and Communication) M.S. (Electrical Engg,) Ph.D. (USA)	B.Sc., M.B.A.	B.Sc.	BA (Eco)
Expertise in Specific Functional areas	More than 27 years experience as on Industrialist	More than 17 years experience as an Industrialist	More than 25 years experience as a Finance Consultant	More than 27 years experience as an Industrialist	More than 41 years experience as an Industrialist
No. of shares held	41786	-	8000	50000	-
List of directorships held in other Companies	1. Elgi Rubber Company Ltd. 2. Treadsdirect Ltd. 3. Titan Tyrecare Products Ltd. 4. Elgi Ultra Industries Ltd. 5. LRG Technologies Ltd. 6. Super Spinning Mills Ltd. 7. KLRF Ltd. 8. Tyre Point (P) Ltd. 9. Festo Controls (P) Ltd. 10. Treadsdirect Ltd., Kenya 11. Treadsdirect Ltd., Sri Lanka 12. Treadsdirect LLC. USA 13. Rubber Resources BV, The Netherlands 14. Pincott International Pty. Australia	1. Soliton Technologies (P) Ltd. 2. Solition Automation India (P) Ltd.	1. ATS Elgi Ltd. 2. MAPE Advisory Group (P) Ltd. 3. MAPE Securities (P) Ltd. 4. MAPE Finserve (P) Ltd.	1. L.G. Balakrishnan & Bros. Ltd. 2. LGB Forge Ltd. 3. Super Spinning Mills Ltd. 4. South Western Engg. (I) Ltd. 5. Rolon Fine Blank Ltd. 6. LGB Rolon Chain Ltd. 7. LG Sports Ltd. 8. Elgi Automotive Service (P) Ltd. 9. LGB Auto Products (P) Ltd. 10. LG Farm Products (P) Ltd. 11. BCW V Tech India (P) Ltd. (Subsidiary of L.G. Balakrishnan & Bros Ltd.) 12. Renold Chain India (P) Ltd. (Subisdiary of Renold holding PLC) 13. LGB Fuel systems (P) Ltd. 14. Super Speeds (P) Ltd. 15. Super Transports (P) Ltd. 16. LGB USA INC 17. GFM CORP LLC	1. Lakshmi Apparels & Wovens Ltd. 2. The Palani Andavar Mills Ltd.
Chairman / Member of the Committees of the Boards of other companies in which he is Director	1. Elgi Rubber Company Ltd - Share Transfer Committee & Finance & Administrative Committee 2. Super Spinning Mills Ltd. - Audit Committee & Remuneration Committee 3. KLRF Ltd. - Audit Committee & Remuneration Committee			1. L.G. Balakrishnan & Bros. Ltd. Share Transfer Committee 2. LGB Forge Ltd. - Share Transfer Committee 3. Super Spinning Mills Ltd. - Audit Committee & Remuneration Committee	

By Order of the Board
For ELGI EQUIPMENTS LIMITED

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

Management Discussion and Analysis

The markets worldwide exhibited differing levels of recovery from the past economic slow down. While many of the key markets where the Company is present grew well, India continued to be a disappointment. While the Company performed well in these key markets it was sufficient to compensate for the steep fall in demand in India. Nevertheless, this is a good sign for the future of the Company as greater presence in key global markets will off set the volatility in India.

During the year, the Company's new foundry commenced commercial production. This backward integration was done primarily to improve the quality of our products. This has been achieved in significant measure besides the added benefit of having a lower cost source for castings.

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 86% of the capital employed. This business presently employs 1668 people and grew by 23%.

PERFORMANCE

Domestic business remained static throughout the year due to uncertain market conditions. Prolonged delays in the execution of core sector projects significantly affected the business. While the Company has been able to retain its market share, it has pushed ahead in some segments. Continued focus on the after market segment resulted in greater revenue stability and secure profitability.

Growth in international business was encouraging. The Company's new range of products was well received in all markets and able to make a mark in a very short time. This has been particularly observed in the European and American markets. Besides North America, the Company's performance in South Americas has also been quite positive and stronger traction is being gained.

The performance in Asia has been disappointing. While markets have been positive, the Company faced significant challenges in creating a robust distribution channel. Some positive and strong channel partnerships have been established and the results will be more visible in coming years.

In spite of this, some significant milestones were achieved, the most important being the creation of multiple reference installations for oil free screw compressors. China continues to be a challenge. It is a large market but an extremely competitive one. Special products and programs are being developed to address this market.

Business in the Middle East was encouraging. New markets and new products have been launched in this region and the reception to the products has been positive. While certain countries in Africa have grown strongly, South Africa continues to be a challenge.

OPPORTUNITIES

The change in the central government in India and the attendant promises of swift economic activity have buoyed the sentiments but actual results are yet to be seen in the market. However, it is expected to only improve and hence the demand in India should be positive in the coming years. Global economic indicators also show improvement due to the recovery in high-income economies as well as moderate growth in China. Well established presence in the strategic markets combined with competitive products is expected to contribute significantly to the revenue.

THREATS

While the sentiments are positive in India, substantive action on the ground is yet to materialize. Hence, the time frame to realize the promises may be longer than expected and this could dampen growth. In spite of a slow down, India continues to be an attractive destination for many companies and therefore, we expect more competitive pressures from new players. Gaining significant market share in developed markets require substantial amount of effort to overcome the challenges of an unknown brand and the stigma associated with "made in India". These efforts would take time to produce results.

ATS - Elgi

The automotive equipment business accounted for 9% of the total sales of the Company. This business accounts for 11% of the profits of the Company and 10% of the capital employed by the Company. The business employs 365 people. This year , the business has registered a negative growth of 9% over the previous year.

PERFORMANCE

The Company's performance is closely linked to the expansion of service facilities by automotive manufacturers and their dealers. Due to extreme sluggishness in the automotive sales, the expansion of service facilities was very minimal. Passenger car sales were down by 6% and commercial vehicle sales were down by 20% compared to the previous year. Not only were less service outlets activated by various vehicle manufacturers, the average value of investments in equipment per workshop was also lower. Though the business sustained its market share throughout the year, the above factors have resulted in considerable reduction in demand for new equipment. The Company continues its focus on new product launches in various segments and expand its after sales service related activities.

Exports business was down by 11% over the previous year. During the previous year, most major markets where the Company exports its products have been affected by political uncertainties or poor economic growth. While the situation is not expected to change much in the foreseeable future, business development activities will focus on introduction of new products to augment sales.

OPPORTUNITIES

Growth in the automotive industry is expected to be marginally higher in the year 2014-15. While there is optimism in the industry, it is expected that for this optimism to translate into meaningful and sustainable growth, it will take at least a year. The Company is well positioned to exploit business opportunities as and when demand for workshop equipment pick up.

THREATS

Fluctuating fuel prices combined with rise in inflation will have an adverse impact on the growth of the automobile industry in India. This will result in postponement of purchases and vehicle repairs, which in turn will affect the business prospects.

OVERALL PERSPECTIVES

The global economic performance and particularly the Indian economic situation for 2014-15 is expected to improve as the year progresses. Recoveries are anticipated in the world's advanced economies. The monetary policies adopted by the central banks in these economies are expected to provide stimulus to support the consolidation.

Market expectations factor accelerated growth in India with stable Government in power. While the Company is optimistic , significant changes can be expected only in the latter half of the year.

The share of international business is expected to grow substantially in the next year as the products are well accepted across the markets with reference installations functioning extremely well.

Construction at the green field site for the modernized compressor plant is at the final stages and the shift to the new facility is likely to be completed in the second quarter of 2014-15.

HUMAN RESOURCE DEVELOPMENT

"ELGI Values" related work kept us busy through the year; communication workshops, recognition methods, discussion forums and the identification of 'behaviours' and 'non-behaviours'.

We successfully deployed our first batch of trained workmen at our newly built foundry, which went live during the year.

We have put in place a mechanism to identify internal talent, and grow them. This will be the theme for the future, gradually reducing lateral recruitments to the minimum.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 54th Annual Report of the Company along with the audited accounts for the year ended 31st March 2014.

Financial results

The highlights of the performance of your Company during the fiscal are given hereunder; **(₹. In Million)**

Particulars	2013-14	2012-13
Profit before Depreciation & Tax	**1266.20**	1113.37
Less: Depreciation	**177.60**	142.70
Profit before Tax	**1088.60**	970.67
Less: Provision for Tax (Net of Deferred Tax)	**305.95**	258.03
Net Profit	**782.65**	712.64
Add: Opening Balance in P&L Account	**2625.57**	2169.61
Amount available for Appropriations	**3408.22**	2882.25
The Directors recommend the following Appropriations		
Dividend	**158.45**	158.45
Dividend Tax	**26.93**	26.93
Transfer to General Reserve	**78.30**	71.30
Profit carried forward	**3144.54**	2625.57

Dividend

For the financial year 2013-14, the Board of Directors had recommended dividend of Re. 1/- per share (100 %) on the paid up share capital of ₹.15,84,54,508. Subject to the approval of shareholders, an amount of ₹.185.38 Million will be paid as dividend including Dividend Distribution Tax (previous year ₹.185.38 Million).

Review of Operations

The company ended with net sales of ₹. 8283 million as against ₹. 8165 million in 2012-13. The details of division wise performance and other operational details are discussed at length in the Management Discussion and Analysis.

Subsidiary Companies

The Government of India vide its Circular No. 2/2011 dated 08/02/2011 granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the Balance Sheet and Profit & Loss Account and other documents of its subsidiaries and hence the same have not been attached. However the Financial Statements of ATS Elgi Limited, one of the subsidiaries, is furnished with this report.

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C)of the Companies Act, 1956. A Statement containing brief financial details of the Company's subsidiaries for the financial year ended March, 2014 is included in the Annual Report.

The annual accounts of the subsidiaries and their related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the registered office of the Company.

Future Plans

a. Domestic

The regime change in the Government at the centre, has improved market sentiments. Investments by business are expected to improve in the coming days, leading to increased

demand for the Company's products in the coming years. Global Economic indicators are also showing progress, and economic recovery is visible in certain high income economies. The Company expects a positive growth in Exports that will help augment sales.

b. International

Gaining significant market share in developed market requires substantial effort nevertheless, the Company visualises strong growth in international business as the Company's range of products has been well received in the global markets. This positive momentum is likely to continue in the future.

Capital Expenditure and funding

The Capital Expenditure incurred and funded for the year is ₹. 917.23 Million, of which ₹. 584.30 Million pertain to plant and machinery through internal accruals.

Shareholder initiatives

1. Your company adheres strictly to all the statutory and other legal compliances.
2. Your company has in place regulations for preventing and regulating insider trading and has adhered to a code of conduct and business ethics by which the shareholder is treated at par with an employee on availability of information about the company.
3. Your company regularly intimates the shareholders (through quarterly newsletters) on the performance of the company, even though it is not mandatory;
4. Your company has consistently paid dividend throughout these years.
5. Your company has been prompt and regular in its replies to your queries received by them.
6. Your company also replies within the stipulated time to all legal and statutory authorities.
7. The custodial charges and listing fees promptly paid by your company to the depositories and stock exchanges.
8. During this year, the Company dematted 4,31,487 shares. With this, the total numbers of shares dematted as on 31st March 2014 are 15,46,15,595 Shares which represent 97.58% of the shares of the Company.

Directors:

Sudarsan Varadaraj, Director of the Company retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Dr. Ganesh Devaraj retires at the ensuing Annual General Meeting and the Directors have proposed to appoint him as Independent Director.

M. Ram Prasad, B. Vijayakumar and N. Mohan Nambiar are being appointed as Independent Directors for 5 consecutive years as per the provisions of Section 149 of the Companies Act, 2013.

Your Directors recommend their appointment / re-appointment

Directors' Responsibility Statement

The Board of Directors confirm

i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimate 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 or loss of the company for that period;
iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
iv. that the Directors had prepared the annual accounts on a going concern basis.

Statutory Auditors and their appointment

M/s.RJC Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company. Your Board recommends their reappointment as the Statutory Auditors of the Company for a term of three years.

Cost Audit

Dr. G.L. Sankaran, Cost Accountant has been appointed as Cost Auditor for the financial year 2013-14. Cost Audit report for the year ended 31-03-2013 has been filed on 13-09-2013.

Human Resources and Industrial Relations

The Company continues to enjoy the cordial relationship with its employees at all levels. The total strength of employees as on 31st March, 2014 was 2033.

Other Information

The statement showing the particulars of technology absorption pursuant to section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors)Rules, 1988, is given in the annexure forming part of this report.

The statement showing the particulars of names and other particulars of employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is given in the annexure forming part of this report.

Corporate Governance

A Report on Corporate Governance together with a Practicing Company Secretary's Certificate on Compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is provided elsewhere in the Annual Report.

Acknowledgements

Your Directors take this opportunity to place on record their appreciation on dedication and commitment of employees at all levels in maintaining the sustained growth of your Company. Your Directors thank and express their gratitude for the support and co-operation received from Governments, stakeholders including analysts, producers, vendors, financial institutions, banks, investors, service providers..

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2014

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

ANNEXURE TO THE DIRECTORS' REPORT

I. STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A. Energy Conservation / Cost saving Activities carried out for the year 2013 -14

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 2013-14.

1. Initiated " Energy Management System" ISO 50001 : 2011 Certification Process to confirm the energy efficiency for each Manufacturing Process and formulated the " Energy Policy" in-line with said Standards.

2. The Company is certified for ISO 14001:2004 Standards and during the year executed "Environment Management Programme" for the various manufacturing process and in that regard, as a first effort, reused the wood for different applications.

3. Introduced HT Compressor Testing with soft starter which requires optimum level of Maximum demand by introducing 900 KW VFD with 2.5 MW Transformer for both 50 and 60 Hz with various HT Voltages (specially designed for HT application).

4. Enhanced the Maximum Demand from 1.5 MW to 2.1 MW, which reduced the High Speed Diesel oil consumption by 40%

5. Introduced the movement sensors with LED lights and exhaust fans to optimize energy consumption.

6. Introduced "Artic master" for Package Air Conditioners to optimize energy consumption and were able to save Energy by 15.2%.

Overall, the various energy conservation projects executed as above saved power cost for the year 2013-14 to the tune of Rs 14.5 Million.

B. Technology Absorption

1. Research & Development

1. Air cooled version of oil-free-screw-compressors in the power range of 135 kW to 170 kW designed, developed and released for commercial production.
2. Water-cooled oil-free compressors in the power range of 90kW to 300kW for the US market designed, developed and released for commercial production.
3. Single stage Airend Axis-146R, suitable for direct drive engine applications in the power range of 11 kW to 37 kW designed, developed and released for commercial production.
4. Dual Pressure diesel powered Screw Compressor for water-well drilling designed, developed and released for production. This model is optimized for performance at various depths and start conditions in water well applications.
5. Oil-free Reciprocating compressors of 40HP and 50HP capacity designed, developed and released for commercial production.

2. Technology absorption, adaptation and innovation

1. EG series (Aircooled) low-pressure Screw Compressors in the power range of 90kW to 160kW designed , developed and launched specifically in the India, China & European markets.
2. Developed Oil-free Compressor for Railway Electric locomotive and received approval from Indian Railways for the same.
3. Air Compressor for the project "Medha energy saving APU for Indian Railways" has entered serial production.
4. EN series in the power range of 15kW to 45kW Screw Compressors designed and launched globally covering the markets of India, Europe, China, US, Brazil, Saudi Arabia in the first phase.
5. EG series (Aircooled) Screw Compressors in the power range of 90kW to 160kW designed , developed and launched specifically in the US & Brazil markets.
6. EN series in the power range of 2.2kW to 15kW Screw Compressors launched in the European market.
7. EG series (Water Cooled) Screw Compressors in the power range of 90kW to 160kW designed , developed and launched in the US market.
8. EG series 55kW Air Cooled Compressors launched in India, Europe & China markets.

EXPENDITURE ON R & D		(₹. In Million)
	2013-2014	2012-2013
Capital	**9.32**	19.66
Revenue	**234.67**	244.73
Total	**243.99**	264.39
R & D Expenditure as a percentage of Turnover	**2.97%**	3.25%

C. Foreign Exchange Earnings and outgo:

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

II. STATEMENT ANNEXED TO DIRECTORS' REPORT SHOWING THE NAMES AND OTHER PARTICULARS OF EVERY EMPLOYEE OF THE COMPANY PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEE) RULES 1975.

Name	Age	Designation	Remuneration (₹. In Million)	Qualification	Experience	Date of Joining	Previous Employment
Jairam Varadaraj	52	Managing Director	9.59	B.Com., MBA., Phd(USA)	25	29/05/1992	NIL
V.T. Govindarajan	55	Executive Director ISAMME & EUROPE	7.18	B.E., PGDBM	32	03/01/2007	Rane TRW Steering System Ltd.
S. Sriram	55	Chief Financial Officer	6.10	B.Sc., FCA, FCMA, CISA.	31	11/07/2007	Cholayil Pvt. Ltd.
Jayashankar Jayaraman	52	Director - HR	6.57	BA, LLB, PG DPM	26	02/11/2009	Watanmal Group
Rajendra Singh	55	Director Technology	8.06	B.E.., MS.,	37	22/09/2010	Indian Railways Delphi - TVS Continental Automotive
K. Chandran	55	Director Corporate - Strategy & AMEROPA	0.66*	B.Tech., (Mechanical) PGD (Marketing)	30	07/07/2011	HCL Technologies
Harjeet Singh Wahan	65	Executive Director - Quality & EBS	7.61	B.E., (Elec) DBM	40	14/05/2012	ATS Elgi Ltd.
K. Sreeramachandra Murthy	47	Director - Operations	6.51	M.E., (Tools) PG Diploma (Finance & Marketing)	25	10/11/2010	Hindustan Motors Ltd.

* Remuneration for part of the Financial Year 2013-14.

Notes :

1. The nature of employment of Jairam Varadaraj, Managing Director of the Company is contractual.
2. Remuneration includes salary, allowances, contribution to Provident Fund and other taxable perquisites and also performance linked pay paid during year.
3. Jairam Varadaraj is related to Sudarsan Varadaraj as per definition of relative in the Companies Act 2013.

For and on behalf of the Board

Place : Coimbatore
Date : 29/05/2014

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

Report on Corporate Governance

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 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 by regular audit of its policies and procedures;

BOARD OF DIRECTORS

The Board of Directors of the Company consists of 7 Directors, out of which 4 are Independent Directors. Jairam Varadaraj is the Executive Director and all other Directors are Non-Executive Directors.

The Board met 4 times during the Financial Year on 09th May 2013, 1st August 2013, 11th November 2013 and 06th February, 2014. 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 all Companies $	
		Board Meeting	Last AGM		Chairman	Member
Jairam Varadaraj	Managing Director - Promoter	4	Yes	8	-	4
Sudarsan Varadaraj	Non-Executive - Promoter	-	No	7	1	2
Dr. T. Balaji Naidu	Non-Executive	4	Yes	2	-	1
B. Vijayakumar	Non-Executive - Independent	3	Yes	9	-	3
N. Mohan Nambiar	Non-Executive- Independent	4	Yes	2	1	1
M. Ramprasad	Non-Executive- Independent	4	Yes	1	1	-
Dr. Ganesh Devaraj	Non-Executive- Independent	3	Yes	-	-	1

Excludes directorships in Private Companies and Foreign Companies

$ Only Audit Committee and Investor Grievance Committee are considered.

Jairam Varadaraj, Managing Director and 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 they are the chairman / chairperson of more than 5 committees , as per the requirements of the listing agreement.

COMMITTEES OF THE BOARD

The Board at present have 4 Committees :

1) Audit Committee, 2), Nomination and Remuneration Committee (Erstwhile Remuneration Committee), 3) Stake Holders Relationship Committee (Erstwhile Shareholders / Investors Grievance 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 292A of the Companies Act, 1956 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 from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet 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 09th May 2013, 1st August 2013, 11th November 2013 and 6th February 2014. 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
M. Ramprasad (Chairman)	Independent - Non-Executive	4	4
N. Mohan Nambiar (Member)	Independent - Non-Executive	4	4
Dr. Ganesh Devaraj (Member)	Independent - Non-Executive	4	3

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 2013-14, before it was placed in the Board.

The Board of Directors of the Company at their meeting held on 29th May 2014, have revised the terms of reference of the Audit Committee in conformity with the provisions of Section 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

REMUNERATION COMMITTEE

The Committee comprises of the following Directors as its Members

Name of the Member	Chairman / Member	Category
M. Ramprasad	Chairman	Independent - Non-Executive
N. Mohan Nambiar	Member	Independent - Non-Executive
Dr. Ganesh Devaraj	Member	Independent - Non-Executive

This Committee would basically look into and determine the Company's policy on remuneration packages to the Executive Directors. During the year under review, the committee had met once on 1st August 2013. All the members of the committee were present in the meeting.

The Executive Directors are paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the general meeting and such other authorities as the case may be.

The Board of Directors of the Company at their meeting held on 29th May 2014, have renamed its Remuneration Committee as "Nomination and Remuneration Committee" and have also revised the terms of reference of the said Committee in conformity with the applicable provisions of Section 178 of the Companies Act, 2013 read with the amended Clause 49 of the Listing Agreement.

DETAILS OF REMUNERATION

Managing Director

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

Non-Executive Directors

In view of the various provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Company is in the process of formulating various policies for evaluation of Director, including Independent Directors, criteria for selection of Directors, remuneration of Directors and also adhering to other statutory disclosures. The initiative would be implemented in FY 2014-15.

Details of remuneration paid to the Directors for the year ended 31st March 2014 as follows:

Name	Designation	Total Remuneration (In ₹.)	Period of Appointment
Jairam Varadaraj	Managing Director	9.59 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 2014 to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees (In ₹.)
N. Mohan Nambiar	160000
M. Ramprasad	160000
Dr. Ganesh Devaraj	120000
B. Vijayakumar	60000
Dr. T. Balaji Naidu	80000
Sudarsan Varadaraj	-

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2014:-

Name of the Director	No of Shares held (as on 31.03.2014)
M. Ramprasad	8000
B. Vijayakumar	50000
Dr. T. Balaji Naidu	31000
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.

SHARE HOLDERS' 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
N. Mohan Nambiar (Chairman)	Independent - Non-Executive	32	32
Jairam Varadaraj (Member)	Executive Managing Director - Promoter	32	32
Dr. T. Balaji Naidu (Member)	Non-Executive	32	32

Compliance Officer: S.Sriram – Chief Financial Officer.

Consequent to the resignation of Syam Kumar, Company Secretary, with effect from 1st June 2014, S. Sriram, Chief Financial Officer was appointed as Compliance Officer of the Company at the Board Meeting held on 29/05/2014.

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 2014 was 19. There was no outstanding complaints as on 31stMarch 2014.

The Board of Directors of the Company at their meeting held on 29th May 2014, have renamed its Shareholders'/Investors' Grievance Committee as "Stakeholders Relationship Committee" and have also revised the terms of reference of the said Committee in conformity with the applicable provisions of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee comprises three members Jairam Varadaraj, B. Vijaya Kumar and Dr. T. Balaji Naidu.

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

a. To formulate and recomend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII:

b. To recomend 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

Management Discussion and Analysis 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	Location	Special Resolutions Passed if any
2012-13	01-08-2013	04.30 pm	ARDRA No. 9, North Huzur Road Coimbatore - 641 018.	-NIL-
2011-12	06-08-2012	04.30 pm	ARDRA No. 9, North Huzur Road Coimbatore - 641 018.	-NIL-
2010-11	29-07-2011	04.30 pm	ARDRA No. 9, North Huzur Road Coimbatore - 641 018.	Re-appointment of Mr. Jairam Varadaraj as Managing Director for a further period of 5 years w.e.f. 01-04-2011

POSTAL BALLOT:

No special resolutions were put through postal ballot last year. As required under Clause35B of listing agreement, the Company has proposed e-voting / Postal Ballot (In lieu of e-voting) in respect of all share holders resolution to be passed at the ensuing Annual General Meeting.

DISCLOSURES:

(i) 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.

(ii) 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.

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI. No Penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years.

(iii) 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.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement.

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.

1. Company has a Remuneration Committee comprises of three Non-Executive Independent Directors.
2. Quarterly results are being sent to all the members.

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 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), Financial Express (Western edition) and Dhinamani (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

54th Annual General Meeting

Date and Time : 25th September 2014 at 10.30 AM
Venue : ARDRA, No. 9, North Huzur Road, Coimbatore - 641 018.

FINANCIAL CALENDAR

Period of reporting	Proposed Board meeting dates
Quarter ending 30th June 2014	Last week of July 2014
Quarter ending 30th September 2014	First week of November 2014
Quarter ending 31st December 2014	First week of February 2015
Year ending 31st March 2015	Last week of May 2015
Financial Year : 1st April 2014 to 31st March 2015	

Date of Book Closure : 10th September 2014 to 25th September 2014 (both days inclusive)

Dividend Payment Date : 21/10/2014

Listing of shares on Stock Exchanges

Bombay Stock Exchange 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 2014-15 were paid to BS E Limited & National Stock Exchange of India Limited.

STOCK MARKET DATA

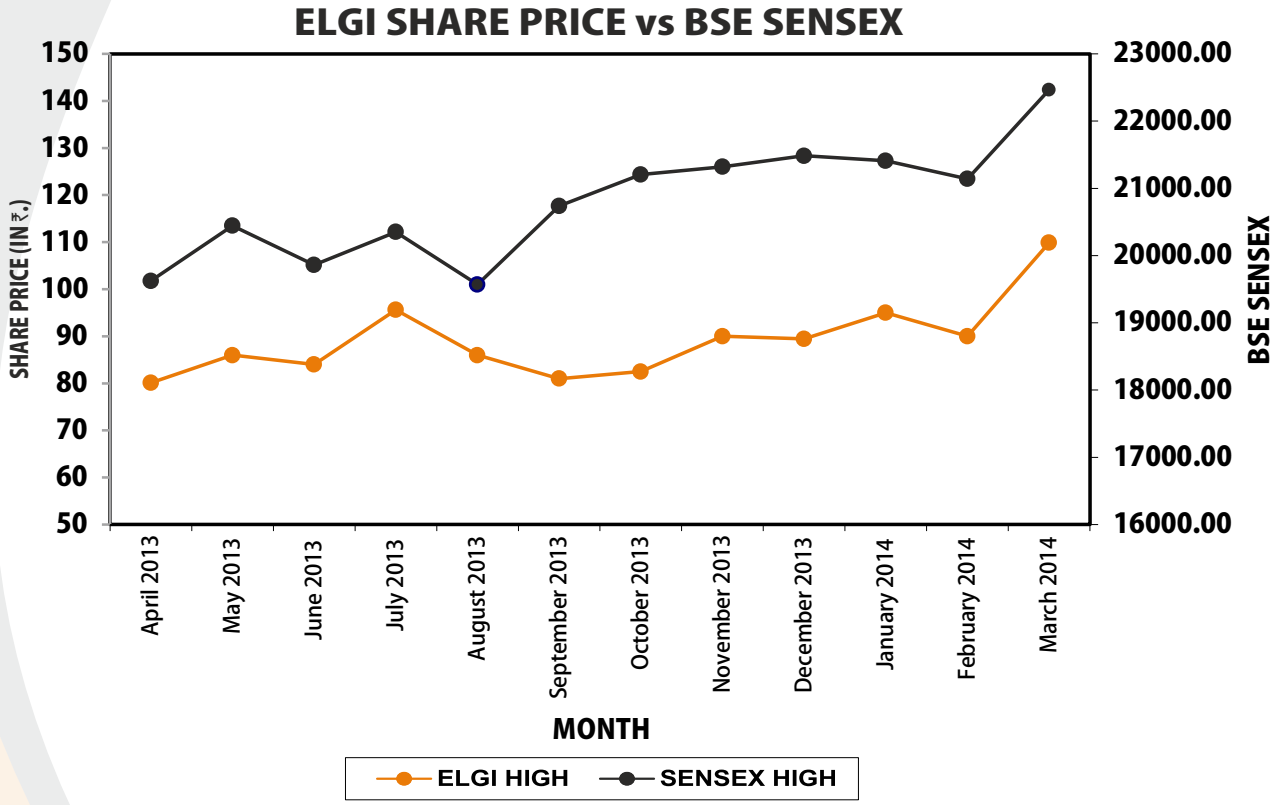
Type of Security: **Equity**

Stock Code:
BSE Limited : **522074**
National Stock Exchange of India Limited : **ELGIEQUIP**

ISIN number allotted for equity shares : **INE 285A01027**
(Fully paid Re. 1/- each)

Stock Price Data:
For the Period: April 2013 to March 2014

Month	NSE			BSE		
	HIGH	LOW	QTY	HIGH	LOW	QTY
APRIL	80.00	73.50	35,994	80.10	73.55	38,875
MAY	89.40	74.75	2,08,053	86.00	75.00	93,248
JUNE	84.00	73.80	1,92,518	84.00	74.00	3,97,646
JULY	95.50	76.05	28,15,548	95.60	75.85	29,02,314
AUGUST	85.00	76.70	1,61,290	86.00	76.25	67,335
SEPTEMBER	80.50	76.20	1,09,674	81.00	76.50	39,032
OCTOBER	82.20	77.65	1,59,320	82.50	77.20	46,043
NOVEMBER	99.65	79.70	6,84,424	90.00	80.55	1,03,230
DECEMBER	89.00	81.25	7,66,724	89.45	81.50	3,78,220
JANUARY	95.00	83.60	3,29,761	95.00	84.50	1,23,107
FEBRUARY	91.00	86.45	1,84,066	90.00	86.00	66,180
MARCH	109.40	88.00	9,28,448	109.90	88.00	2,83,200
Total			**65,75,826**			**45,38,430**



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 :

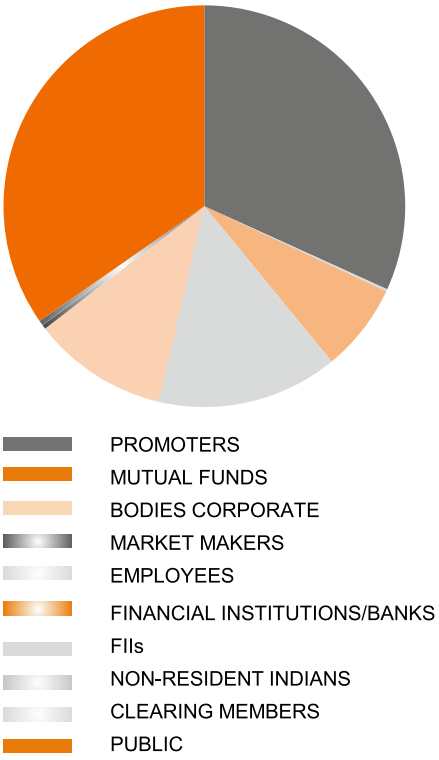
Mr. S. Sriram
Chief Financial Officer
Elgi Equipments Ltd
Elgi Industrial Complex
Trichy Road, Singanallur
Coimbatore - 641005
e-mail : investor@elgi.com
Tel: 91- 422- 2589136, 2589187
Fax : 91-422-2573697

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 Agent, Link Intime India Private Limited and approved by the Share holder and Investor Grievance 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 Shareholder and Investor Grievance Committee generally meets as and when required to effect the shares received for transfer in physical form.

Categories of Shareholders as on 31st March 2014

Category	No. of Shares	(₹.1/- each) % To Total
Promoters	5,03,67,220	31.79
Financial Institutions/Banks	1,48,853	0.09
Mutual Funds	1,64,36,822	10.37
Foreign Institutional Investors	2,11,50,354	13.35
Bodies Corporate	1,72,25,997	10.87
Non Resident Indians	5,23,090	0.33
Market Makers	1,338	0.00
Clearing Members	1,03,820	0.07
Employees	5,98,494	0.38
Public	5,18,98,520	32.75
TOTAL	**15,84,54,508**	**100.00**



Distribution of Shares as on 31st March 2014

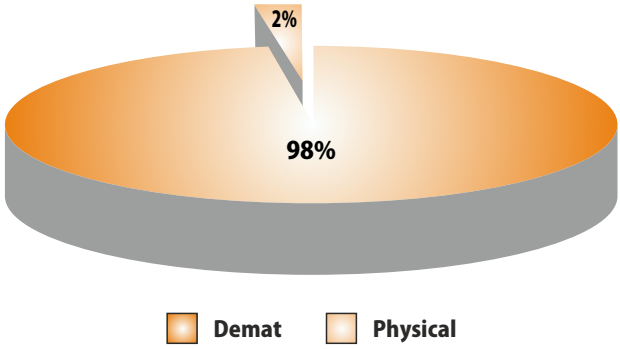
No. of shares	₹.1/- Fully Paid up			
	No. of holders	% of holders	No. of shares	% of total shares
1 to 5000	19,955	95.11	77,43,568	4.89
5001 to 10000	386	1.84	28,02,044	1.77
10001 to 20000	260	1.24	38,04,514	2.40
20001 to 30000	94	0.45	23,86,834	1.51
30001 to 40000	54	0.26	19,58,782	1.24
40001 to 50000	36	0.17	16,65,498	1.05
50001 to 100000	73	0.35	54,63,906	3.44
100001 & above	123	0.58	13,26,29,362	83.70
Total	**20,981**	**100.00**	**15,84,54,508**	**100.00**

Dematerialisation 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 2013-14, 4,31,487 shares were dematted. As on 31st March,2014, out of 15,84,54,508 shares, total shares in demat form is 15,46,15,595 Shares and 38,38,913 shares in physical form. This represents 97.58% shares of the company are in demat form and 2.42% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

Elgi Demat Percentage



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.

Plant locations

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

Address for Correspondence:

Mr. S. Sriram
Chief Financial 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

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(I)(D) of the Listing Agreement and I hereby affirm compliance with the said code of conduct for the Financial Year 2013-14.

Place: Coimbatore
Date: 29/05/2014

Jairam Varadaraj
Managing Director

Report on Corporate Governance 31.03.2014

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, 2014 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 Investors' Relation 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
29/05/2014

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

Ten Years Performance

(₹. In Million)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Revenue from Operations	**13,504**	11,445	9,917	9,410	6,783	5,544	5,050	3,795	3,131	2,865
Total Income	**13,595**	11,608	10,064	9,528	6,807	5,590	5,098	3,818	3,180	2,912
Total Expenditure	**12,511**	10,451	8,816	8,048	5,803	4,854	4,441	3,403	2,818	2,509
PBDIT	**1,084**	1,157	1,248	1,480	1,004	736	657	415	362	403
Depreciation / Amortisation	**262**	182	135	115	108	90	77	75	98	101
Interest Income(+)/Expenditure(-)	**(97)**	(45)	(7)	(4)	44	8	10	5	5	7
Profit Before Tax	**725**	931	1,106	1,361	940	654	589	345	269	309
Income Tax	**269**	329	350	472	361	247	171	111	93	95
Profit After Tax	**455**	602	756	890	579	407	419	234	177	214
Dividend (%)	**100**	100	100	100	200	130	120	100	100	100
Capital Employed (LT)	**6,781**	6,534	3,976	3,383	2,648	1,967	1,671	1,344	1,199	1,182
Net Worth	**4,636**	4,336	3,976	3,383	2,621	1,967	1,671	1,342	1,197	1,094
Total Loan Funds	**2,145**	2,198	-	-	28	-	-	2	46	89
Gross Fixed Assets	**5,773**	4,669	2,404	2,071	1,810	1,581	1,383	1,289	1,196	1,136
Net Block incl. Capital WIP	**4,772**	3,726	1,162	904	731	666	516	400	365	405
Investments	**149**	149	149	173	143	143	143	144	143	205
Current Assets	**6,484**	6,332	4,819	4,581	4,270	2,526	2,746	2,068	1,661	1,419
Current Liabilities	**4,696**	3,823	2,196	2,329	2,497	1,372	1,759	1,274	928	824
Net Working Capital	**1,788**	2,509	2,624	2,252	1,773	1,154	987	794	733	595
Total Assets Excl. Pre-operative exps.	**11,758**	10,549	6,216	5,746	5,133	3,310	3,414	2,603	2,159	2,019

Note: 2013-14 is strictly not comparable with the previous years due to acquisition of companies viz Rotair S.p.a and Pattons Inc made during the year 2012-13.

Analysis of Performance

RATIO CATEGORY / RATIO	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
OPERATIONAL PERFORMANCE								
Material Consumption ratio (%)	**58.26**	59.45	61.63	59.94	60.56	62.35	63.80	63.06
Regular Personnel expenses	**16.67**	13.30	10.24	8.42	7.80	8.15	7.16	7.92
VRS & ESPS	-	-	-	0.52	1.20	-	-	0.12
Profit sharing expenses (%)	**0.73**	1.06	0.87	1.35	1.72	1.45	1.52	1.42
Other Expenses ratio (%)	**17.56**	17.73	16.30	15.43	14.40	15.77	15.63	17.36
Interest component ratio (%)	**0.73**	0.39	0.07	0.04	0.01	0.03	0.08	0.10
Depreciation component ratio (%)	**1.96**	1.60	1.37	1.23	1.55	1.50	1.39	1.83
Tax component ratio (%)	**1.90**	2.68	3.29	4.66	5.03	4.10	3.04	2.65
Other Income / Total Income (%)	**1.25**	1.60	1.57	1.36	0.52	0.99	1.03	0.77
Sales (net) per employee (₹ in million)	**6.54**	5.99	5.90	5.90	4.54	3.92	3.98	3.45
FINANCIAL STRUCTURING								
Long Term Debt Equity Ratio	**0.46**	0.51	-	-	-	-	-	0.00
Net Working Capital / Total Assets	**0.25**	0.24	0.65	0.66	0.67	0.59	0.59	0.59
Investments / Total Assets	**0.02**	0.02	0.04	0.05	0.05	0.07	0.09	0.11
Inventory / Current Assets	**0.25**	0.37	0.25	0.25	0.19	0.38	0.26	0.27
Trade Receivables/ Current Assets	**0.51**	0.35	0.27	0.25	0.21	0.32	0.34	0.32
LIQUIDITY								
Current Ratio	**1.38**	1.66	2.20	1.97	1.71	1.84	1.56	1.62
Liquidity Ratio	**0.84**	1.05	1.65	1.47	1.39	1.33	1.16	1.19
EFFICIENCY								
Current Assets Turnover Ratio (CATR)	**2.09**	2.30	2.10	2.12	1.99	2.09	2.09	2.03
Average Current Assets - no. of days	**175**	158	174	173	184	175	175	180
Average Inventory - No. of days								
RM & Components	**53**	45	47	44	43	43	39	43
WIP	**9**	8	6	5	5	6	6	6
Finished Goods	**26**	16	8	7	10	14	15	13
Trade Receivables turnover ratio (DTR)	**5.99**	7.60	8.45	9.67	8.30	6.78	6.98	6.34
Trade Receivables - no of days of net sales	**61**	48	43	38	44	54	52	58
Trade Creditors' Turnover Ratio (TCTR)	**4.57**	6.31	7.16	5.63	4.20	4.33	4.01	4.10
Trade Creditors - no of days	**80**	58	51	65	87	84	91	89
Capital Turnover Ratio	**2.01**	2.45	2.68	3.10	2.92	3.03	3.34	2.98
Net Fixed Assets Turnover Ratio (NFATR)	**3.89**	6.33	10.08	11.85	9.89	9.47	11.10	9.93
Gross Fixed Assets Net Turnover ratio (GFATR)	**2.56**	3.63	4.41	4.82	3.98	3.72	3.77	3.05
PROFITABILITY								
Gross Profit Margin (%)	**8.10**	10.18	12.66	15.81	14.88	13.36	13.03	10.97
PBIT Margin (%)	**5.80**	7.95	10.47	13.48	12.53	10.86	10.43	8.27
Pre-tax Profit Margin (%)	**5.11**	7.59	10.40	13.45	13.10	10.87	10.48	8.25
Net Profit Margin (%)	**3.21**	4.91	7.10	8.79	8.07	6.77	7.45	5.59
Post Tax Margin from Operations (%)	**2.57**	4.18	6.51	8.55	8.24	6.72	7.49	5.61
ROTA (%)	**15.73**	21.56	33.72	48.97	43.56	40.46	43.56	32.11
ROCE (%)	**12.35**	18.56	30.25	45.26	38.98	35.91	38.90	27.23
SHAREHOLDER' EARNINGS								
RONW (%)	**10.15**	14.48	20.54	29.64	25.25	22.40	27.80	18.44
Earnings Per Share (current equity) (₹)	**2.87**	3.80	4.77	5.62	7.34	6.49	6.67	3.73
Dividend Per Share (₹)	**1.00**	1.00	1.00	1.90	1.83	1.30	1.20	1.01
Dividend Payout Ratio (%)	**34.79**	26.33	20.97	17.81	24.99	20.01	17.98	26.79
Price Earnings Ratio (current equity)	**28.94**	22.14	15.65	21.53	9.20	6.39	8.94	16.62
Dividend Yield	**1.20**	1.19	1.34	0.83	2.72	3.13	2.01	1.61
Dividend to Net Worth Ratio (%)	**3.42**	3.65	3.98	4.68	5.52	4.14	4.51	4.67
Book Value per share (₹)	**29.26**	27.36	25.09	21.35	33.21	31.36	26.64	21.39

Note:2013-14 is strictly not comparable with the previous years due to acquisition of companies viz Rotair S.p.a and Pattons Inc made during the year 2012-13.

Independent Auditor's Report

To the Members of ELGI EQUIPMENTS LIMITED.

Report on the Financial Statements

1. We have audited the accompanying financial statements of ELGI EQUIPMENTS LIMITED("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 and Circular No. 8/2014 dated 04th April 2014 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by 'the Companies(Auditor's Report) (Amendment) Order 2004' ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 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 paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

(a). we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b). in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;[and proper returns adequate for the purposes of our audit have been received from branches not visited by us];

(c). the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];

(d). in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, 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.

(e). on the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

R. Jayachandran
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

The Annexure referred to in paragraph 7 of our report of even date to the members of ELGI Equipments Limited on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of the fixed assets have been disposed off during the year and therefore does not affect the going concern assumption.

ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventories.

iii. (a) The Company has granted loan to Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the Year was ₹. 106.04 million (PY ₹. 46.63 million) and the year end balance of loans granted to the Company was ₹.102.24 million (PY ₹. 8.09 million).

(b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(c) The Company is in regular receipt of principal repayment and interest on the above loans.

(d) There is no overdue amount of loans granted to Companies, listed in the register maintained under section 301 of the Companies Act, 1956.

(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

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, for the purchase of inventories & fixed assets and payment for expenses and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.

v. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in to the register maintained under section 301 of the Companies, 1956 Act have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements exceeding Rs. 5 lakhs each have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

ix. (a) According to the information and explanations given to us and the records of the Company, in our opinion, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Salestax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth Tax, Service Tax, Sales Tax, Customs duty, Excise Duty and cess were in arrears, as at 31st of March, 2014 for a year of more than six months from the date they became payable.

(c) Disputed Central Excise and Sales tax aggregating ₹. 598.06 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	STAT (AB)-CBE
Sales Tax	LST & Penalty	574.36	The High Court of Madras
Sales Tax	CST & Penalty	29.87	STAT (AB)-CBE
Sales Tax	LST	3.28	JC (APPEALS)-CBE
	Total	616.00	
Central Excise	Excise Duty & Penalty	11.60	Dy. Commnr.Appeals
Central Excise	Excise Duty & Penalty	3.01	CESTAT
	Total	14.61	
	Grand Total	630.61	

x. The Company does not have any accumulated loss at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities/investments.

xiii. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of Para 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in Shares, securities, debentures, mutual funds and other Investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the Company.

xv. Based on the information and explanations given to us, in our opinion, the terms and conditions on which the Company has given Guarantees for the loans taken by the subsidiaries during the year, are not prima facie prejudicial to the interests of the Company

xvi. The Company has not obtained any long term loans during the year under audit.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long term investment by the Company.

xviii. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act 1956.

xix. The Company has not issued any debentures during the year under audit.

xx. The Company has not raised any money by public issue during the year.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been 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. : 003496S

R. Jayachandran
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

Balance Sheet as at 31st March, 2014

[₹. In Million]

Particulars	Note No.	31-03-14	31-03-13
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	2	**158.45**	158.45
(b) Reserves and Surplus	3	**4802.01**	4204.74
(3) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	**100.13**	48.24
(4) CURRENT LIABILITIES			
(a) Short-term borrowings	5	**923.68**	198.34
(b) Trade payables	6	**1204.32**	1092.94
(c) Other current liabilities	7	**296.10**	318.40
(d) Short-term provisions	8	**471.23**	488.27
TOTAL		**7955.92**	6509.38
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	**1566.37**	935.56
(ii) Intangible assets	9	**2.82**	3.31
(iii) Capital work-in-progress		**847.95**	749.23
(b) Non-current investments	10	**868.93**	850.92
(c) Long term loans and advances	11	**221.76**	244.69
(d) Other non-current assets	12	**2.00**	1.61
(2) CURRENT ASSETS			
(a) Inventories	13	**1051.93**	993.01
(b) Trade receivables	14	**1784.08**	1494.95
(c) Cash and cash equivalents	15	**219.14**	236.39
(d) Short-term loans and advances	16	**1385.77**	995.53
(e) Other current assets	17	**5.17**	4.18
TOTAL		**7955.92**	6509.38

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

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March, 2014

[₹. In Million]

Particulars		Note No.	31-03-14	31-03-13
I. REVENUE FROM OPERATIONS		**18**	**8283.30**	8165.39
II. OTHER INCOME		**19**	**57.65**	129.87
III. TOTAL REVENUE	**(I +II)**		**8340.95**	8295.26
IV. EXPENSES:				
Cost of materials consumed		**20**	**3936.26**	3885.01
Purchase of Traded goods		**21**	**991.19**	959.17
Changes in inventories of finished goods, work-in-progress and Traded goods		**22**	**(30.99)**	15.60
Employee benefit expenses		**23**	**908.50**	935.69
Finance Cost		**24**	**7.77**	1.47
Depreciation and amortization expenses			**177.60**	142.70
Other expenses		**25**	**1262.02**	1384.95
TOTAL EXPENDITURE			**7252.35**	7324.59
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	**(III - IV)**		**1088.60**	970.67
VI. EXCEPTIONAL ITEMS			-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	**(V-VI)**		**1088.60**	970.67
VIII. EXTRAORDINARY ITEMS			-	-
IX. PROFIT BEFORE TAX	**(VII - VIII)**		**1088.60**	970.67
X. TAX EXPENSE:				
(1) Current Tax			**254.06**	253.85
(2) Deferred Tax			**51.89**	4.18
XI. PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(IX - X)**		**782.65**	712.64
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)**		**782.65**	712.64
XVI. EARNINGS PER EQUITY SHARE:			**(In ₹.)**	(In ₹.)
Nominal value of share			**1.00**	1.00
(1) Basic			**4.94**	4.50
(2) Diluted			**4.94**	4.50

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

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Notes to Financial Statements for the year ended 31st March, 2014

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").

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 Factory		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 XIV of the Companies Act, 1956 are adopted except for Computers which are depreciated over a period of 3 years at the rate of 33.33% per annum.

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. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline. 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.

Notes to Financial Statements for the year ended 31st March, 2014

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) Segment Reporting:

Segment information for reportable segments is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Company as a whole. Costs that are directly attributable to be business segments are charged to the respective segments. Unallocated income/expenditure include general corporate income/expenditure which are not allocable to any business segment.

1.11) Deferred Tax

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

1.12) 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.

1.13) Intangible Assets

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

1.14) 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, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
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

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, 2014, the amount of dividend per share recognized as distributions to equity shareholders is ₹.1/- (March 31, 2013: ₹. 1/-).

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

Particulars	31-03-14	31-03-13
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	31-03-14	%	31-03-13	%
Dark Horse Portfolio Investment Limited	**2,26,36,730**	14.29	2,26,36,730	14.29
SBI Emerging Businesses Fund	**1,26,72,358**	8.00	-	-
Jairam Varadaraj	**1,23,24,928**	7.78	1,23,24,928	7.78
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 31/03/2014.

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
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 (AS PER RBI NORMS)		
Transfer on amalgamation	**5.49**	5.49
e) GENERAL RESERVE		
As per the last Balance Sheet	**982.90**	911.60
Add: Transfer from profit & loss account	**78.30**	71.30
	1061.20	982.90
f) SURPLUS FROM PROFIT & LOSS ACCOUNT		
As per the last Balance Sheet	**2625.57**	2169.61
Add: Current year surplus	**782.65**	712.64
	3408.22	2882.25
Less: Proposed dividend (₹. 1/- per share)	**158.45**	158.45
Less: Provision for tax on dividend	**26.93**	26.93
Less: Transfer to general reserve	**78.30**	71.30
	3144.54	2625.57
Closing Balance (a+b+c+d+e+f)	**4802.01**	4204.74
4 DEFERRED TAX LIABILITIES		
As per the last Balance Sheet	**48.24**	44.06
Add: For the year	**51.89**	4.18
	100.13	48.24
5 SHORT TERM BORROWINGS		
Borrowings from Banks	**923.68**	198.34
	923.68	198.34
6 TRADE PAYABLES		
a) Acceptances	**213.76**	201.20
b) Dues to Micro, small and Medium Enterprises	**144.53**	151.04
c) Others	**846.03**	740.70
	1204.32	1092.94
7 OTHER CURRENT LIABILITIES		
a) Unclaimed dividends	**4.40**	3.96
b) Other payables		
i Advance from customers	**141.16**	168.67
ii Rent Advances	**1.54**	0.14
iii Dealers Deposits	**22.92**	22.31
iv Employee related expenses payable	**116.76**	120.09
v TDS Payable / Other Taxes Payable	**9.32**	3.23
	296.10	318.40

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
8 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	**23.46**	34.80
b) Provision for income tax	**262.39**	268.09
c) Proposed dividend	**158.45**	158.45
d) Provision for tax on dividend	**26.93**	26.93
	471.23	488.27

9 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Particulars	Land	Building	Plant & Machinery	Furniture & Office Equipments	Vehicle	Canteen Equipment	Total	Intangible Assets	Total
Gross Block									
Balance as at 1 April 2012	**118.89**	**202.82**	**1,625.49**	**132.13**	**4.19**	**2.98**	**2,086.50**	**67.98**	**2,154.48**
Additions	-	2.70	154.15	14.92	0.05	-	171.82	1.12	172.94
Deletions / write off	0.66	10.57	0.86	1.23	-	-	13.32	-	13.32
Balance as at 31 March 2013	**118.23**	**194.95**	**1,778.78**	**145.82**	**4.24**	**2.98**	**2,245.00**	**69.10**	**2,314.10**
Additions	51.25	284.97	458.94	16.99	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 Mar 2014	**169.48**	**479.75**	**2,170.90**	**160.77**	**4.65**	**3.23**	**2,988.78**	**73.86**	**3,062.64**
Accumulated depreciation									
Balance as at 1 April 2012	**-**	**129.33**	**957.52**	**86.83**	**2.84**	**1.88**	**1,178.40**	**61.54**	**1,239.94**
For the year	-	7.60	122.81	7.58	0.26	0.20	138.45	4.25	142.70
Deletions / write off	-	6.49	0.84	1.04	-	-	8.37	-	8.37
Balance as at 31 March 2013	**-**	**130.44**	**1,079.49**	**93.37**	**3.10**	**2.08**	**1,308.48**	**65.79**	**1,374.27**
For the year	-	22.61	137.38	11.39	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 Mar 2014	**-**	**152.95**	**1,160.46**	**102.85**	**3.35**	**2.80**	**1,422.41**	**71.04**	**1,493.45**
Net Block									
31 March 2013	**118.23**	**64.51**	**699.29**	**52.45**	**1.14**	**0.90**	**936.52**	**3.31**	**939.83**
31 March 2014	**169.48**	**326.80**	**1,010.44**	**57.92**	**1.30**	**0.43**	**1,566.37**	**2.82**	**1,569.19**

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	No. of Shares / Units	Face Value Per Share (In ₹.)	31-03-14	31-03-13
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%]			**165.56**	165.56
Elgi Compressors Trading (Shanghai) Co. Ltd (China) (Share 100%)			**28.68**	28.68
SAS Belair - (France) (Share 100%)	179721	1276.26	**229.37**	229.37
Elgi Compressor Do BRASIL IMP.E.EXP. Ltda Brazil (Share 100%)	356440	25.14	**8.96**	8.96
Elgi Australia Pty Ltd - Australia (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**	0.00
Adisons Precision Instruments Mfg. Co. Ltd.- [Share 100%]	743350	10.00	**89.06**	89.06
			724.92	705.92
ii INVESTMENT IN JOINT VENTURES				
ELGI Sauer Compressors Ltd [Share 26%]	169000	10.00	**1.69**	1.69
iii INVESTMENT IN OTHER BODIES CORPORATE				
Lakshmi Machine Works Ltd	50	10.00	**0.01**	0.01
State Bank of India	360	10.00	**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.	1248	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
Elgi Securities Ltd	99300	10.00	**0.00**	0.99
			17.51	18.50
Total (i+ii+iii)			**744.12**	726.11
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)			**868.93**	850.92

Notes to Financial Statements for the year ended 31st March, 2014

10.1 DETAILS OF INVESTMENT IN PARTNERSHIP FIRMS:

Name of the Firm	Name of the Partner	31-03-14 Capital Invested (₹. Million)	Share %	31-03-13 Capital Invested (₹. 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	31-03-14	31-03-13
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	**44.08**	48.34
10.3 AGGREGATE OF UNQUOTED INVESTMENTS		
Aggregate value of unquoted investments	**851.42**	833.41
11 LONG TERM LOANS AND ADVANCES		
a) Capital advances	**190.80**	214.82
b) Security deposits	**20.92**	18.11
c) Other loans and advances	**10.04**	11.76
	221.76	244.69
(All Loans and advances are unsecured and considered good.)		
12 OTHER NON-CURRENT ASSETS		
Long term trade receivables (on deferred credit terms)	**2.00**	1.61
	2.00	1.61
(All long term trade receivables are unsecured and considered good.)		
13 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
a) Raw materials	**599.02**	584.31
b) Work in progress	**183.36**	182.08
c) Finished goods	**204.16**	156.10
d) Traded goods	**28.63**	42.07
e) Stores & Spares	**7.18**	2.99
f) Loose Tools	**26.52**	24.52
g) Packing materials	**3.06**	0.94
	1051.93	993.01
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	**56.67**	48.34
b) Others	**1727.41**	1446.61
	1784.08	1494.95
(All trade receivables are unsecured and considered good.)		

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
15 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i) Balance with banks		
a) In current account	**61.88**	92.05
b) In deposits	**41.96**	42.40
ii) In Unclaimed dividend account	**4.40**	3.96
iii) Cash in hand	**0.29**	0.59
b) Other Bank Balances		
i. In deposits (having original maturity period of more than 3 months but less than 12 months)	**104.83**	97.39
ii. Cheques, drafts in hand	**5.78**	-
	219.14	236.39
16 SHORT-TERM LOANS AND ADVANCES		
a) Advances to :		
i) Subsidiaries	**821.50**	256.91
ii) Other Companies	**2.40**	40.40
iii) Suppliers	**11.39**	150.02
iv) Employees	**37.98**	38.85
b) Rent Advances	**2.50**	2.50
c) Cenvat / VAT Receivable & Service Tax credit (Net)	**53.76**	42.53
d) Advance Tax / TDS Receivable	**316.47**	319.96
e) Income / refund receivable	**26.58**	22.97
f) Insurance Premium Deposit	**0.42**	0.25
g) Prepaid expenses	**17.35**	24.75
h) Others	**95.42**	96.39
	1385.77	995.53
(All Loans and advances are unsecured and considered good.)		
17 OTHER CURRENT ASSETS		
Interest accrued	**5.17**	4.18
	5.17	4.18
18 REVENUE FROM OPERATIONS		
a) Sale of Products	**8603.52**	8610.36
b) Sale of Services	**90.45**	83.12
Gross Sales	**8693.97**	8693.48
Less:		
Excise Duty	**490.95**	560.13
Net Sales	**8203.02**	8133.35
Other operating revenue	**80.28**	32.04
	8283.30	8165.39
18.1 DETAILS OF PRODUCTS SOLD		
a) Air Compressors	**8203.02**	8037.95
b) Others	**0.00**	95.40
	8203.02	8133.35

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars		31-03-14	31-03-13
19	**OTHER INCOME**		
	a) Interest Income	**23.54**	50.38
	b) Dividend Income	**1.02**	9.25
	c) Rent receipts	**11.98**	7.33
	d) Profit on sale of assets	**5.15**	36.97
	e) Share of profit in partnership	**0.23**	0.23
	f) Miscellaneous income	**15.73**	25.71
		57.65	129.87
20	**COST OF MATERIALS CONSUMED**		
	Opening Stock of Raw Materials	**564.36**	545.49
	Purchases	**3943.46**	3903.88
		4507.82	4449.37
	Less:		
	Closing Stock of Raw Materials	**571.56**	564.36
		3936.26	3885.01
20.1	**Purchases include machining charges of ₹.63.66 Million (Previous year ₹.62.66 Million)**		
20.2	**DETAILS OF MATERIALS CONSUMED**		
	Description of the Item		
	1) Engines & Motors	**1052.87**	844.79
	2) Materials that do not individually account for 10% or more of total consumption	**2883.39**	3040.22
		3936.26	3885.01
21	**PURCHASE OF TRADED GOODS**		
	Description of the Item		
	1) Oil	**179.01**	195.80
	2) Materials that do not individually account for 10% or more of total consumption	**812.18**	763.37
		991.19	959.17
22	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**		
	Opening Stock of WIP	**152.91**	178.38
	Opening Stock of Finished Goods	**148.52**	146.66
	Opening Stock of Traded goods	**42.07**	34.06
		343.50	359.10
	Less:		
	Closing Stock of WIP	**158.67**	152.91
	Closing Stock of Finished Goods	**187.19**	148.52
	Closing Stock of Traded goods	**28.63**	42.07
		374.49	343.50
		(30.99)	15.60

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

	Particulars	31-03-14	31-03-13
23	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries & Wages	**722.64**	709.10
	Gratuity	**4.60**	17.84
	Performance Pay	**84.84**	98.57
	Contribution to Providend fund & Superannuation fund	**44.68**	43.48
	Welfare expenses	**44.56**	59.82
	MD's Remuneration (Excluding performance pay)	**7.18**	6.88
		908.50	935.69
24	**FINANCE COSTS**		
	Interest Expenses	**7.77**	1.47
		7.77	1.47
25	**OTHER EXPENSES**		
	Packing Charges	**142.71**	143.87
	Consumption of Stores	**57.60**	44.84
	Tools Consumed	**55.85**	52.84
	Commission and Discount	**105.70**	125.35
	Royalty Payments	**0.82**	4.65
	Power, Fuel & Lighting	**98.13**	78.44
	Transport Charges	**99.53**	110.17
	Postage, Telegrams & Telephones	**11.02**	13.71
	Travelling and Conveyance	**116.91**	128.02
	Insurance	**7.34**	8.47
	Advertisement and Publicity	**21.17**	18.45
	Repairs and Maintenance of		
	-Plant and machinery	**46.95**	52.74
	-Building	**20.89**	22.98
	-Other Assets	**19.25**	19.56
	Printing and Stationery	**7.60**	8.13
	Research and Development expenses (Refer note No.34)	**55.35**	57.08
	Bad Debts Written off	**5.44**	9.92
	After Sales Expenses	**103.10**	109.20
	Factory Expenses	**10.98**	13.79
	Rates & Tax	**6.32**	9.62
	Auditor's Remuneration		
	- Audit Fees	**1.21**	1.21
	- Other Services	**0.28**	0.13
	Miscellaneous Expenses	**42.84**	34.46
	Subscription, Periodicals & Filing Fees	**1.80**	3.00
	Donations	**41.41**	34.52
	Rent	**25.15**	24.17
	Legal and Consultancy Charges	**121.23**	206.57
	Directors' Sitting Fees	**0.58**	0.70
	Service Tax Payments	**0.93**	0.38
	Exchange Fluctuation (Gain) / Loss (net)	**(4.86)**	(10.39)
	Loss on Sale of Assets	**0.60**	0.63
	Excise Duty paid	**31.89**	39.36
	Bank charges	**6.30**	18.38
		1262.02	1384.95

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

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 is Pending
Sales Tax	LST & Penalty	**8.49**	**8.51**	STAT (AB)-Cbe
	LST & Penalty	**574.36**	**-**	High Court, Madras
	CST & Penalty	**29.87**	**20.66**	STAT (AB)-Cbe
	CST	**3.28**	**3.28**	JC (APPEALS)-Cbe
Central Excise	Excise Duty & Penalty	**11.60**	**0.00**	Dy. Commnr.Appeals
	Excise Duty & Penalty	**3.01**	**0.10**	CESTAT

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

b) Particulars	31-03-14	[₹. In Million] 31-03-13
i) Guarantees and Letter of credit	**334.08**	79.9
ii) Estimated amount of contracts remaining to be executed on capital account	**1066.97**	1254.59

In addition to the above, the Company has given SBLCs / LOCs of USD 2 Million, USD 28.5 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.

27 Details of security given for borrowings:

Borrowing from Banks	Details of Security
Fund Based and Non-Fund Based Limits from Banks	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.

Particulars		31-03-14	[₹. In Million] 31-03-13
a) The Principal amount due to Supplier under the Act.	S 22 (i)	**144.53**	151.04
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, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
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	**9.20%**	8.20%
Salary escalation rate	**6.00%**	6.00%
Attrition rate	**3.00%**	3.00%
Expected rate of return on plan asset	**8.85%**	9.30%
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)- RECONCILIATION OF OPENING AND CLOSING BALANCES		
PVO as at the beginning of the period	**96.16**	78.91
Interest cost	**7.55**	6.57
Current service cost	**9.36**	8.18
Past service cost- (non vested benefits)	**-**	-
Past service cost- (vested benefits)	**-**	-
Benefits paid	**(8.11)**	(6.61)
Actuarial loss/(gain) on obligation(balancing figure)	**(5.35)**	9.10
PVO as at the end of the period	**99.61**	96.16
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	**78.87**	66.99
Expected return on plan assets	**7.77**	6.47
Contributions	**17.52**	11.92
Benefits paid	**(8.11)**	(6.61)
Actuarial gain / (loss) on plan assets(balancing figure)	**(0.50)**	0.09
Fair value of plan assets as at the end of the period	**95.55**	78.87
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	**7.77**	6.47
Actuarial gain/(loss) on plan assets	**(0.50)**	0.09
Actual return on plan assets	**7.26**	6.57
V. ACTUARIAL GAIN / LOSS RECOGNISED		
Actuarial gain/ (loss) for the period - obligation	**5.35**	(9.10)
Actuarial gain/ (loss) for the period - plan assets	**(0.50)**	0.09
Total (gain)/ loss for the period	**(4.84)**	9.00
Actuarial (gain)/ loss recognised in the period	**(4.84)**	9.00

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	**99.61**	96.16
Fair value of plan assets	**95.55**	78.87
Differences	**4.06**	17.29
Unrecognised transitional liability	**-**	-
Unrecognised past service cost- non vested benefits	**-**	-
Liability recognised in the balance sheet	**4.06**	17.29
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	**9.36**	8.18
Interest cost	**7.55**	6.57
Expected return on plan assets	**(7.77)**	(6.47)
Net actuarial(gain)/loss recognised in the year	**(4.84)**	9.00
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	**4.30**	17.29
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
Opening net liability	**17.29**	11.91
Expense as above	**4.30**	17.29
Contribution paid	**(17.52)**	(11.91)
Closing net liability	**4.06**	17.29
IX. AMOUNT FOR THE CURRENT PERIOD		
Present value of obligation	**99.61**	96.16
Plan Assets	**95.55**	78.87
Surplus (Deficit)	**(4.06)**	(17.29)
Experience adjustments on plan liabilities- (loss) / gain	**(3.71)**	(9.02)
Experience adjustments on plan assets- (loss) / gain	**(0.50)**	0.09
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government of India Securities	**0.00%**	0.00%
State Government Securities	**0.00%**	0.00%
High Quality Corporate Bonds	**0.00%**	0.00%
Equity Shares of Listed Companies	**0.00%**	0.00%
Property	**0.00%**	0.00%
Special Deposit Scheme	**0.00%**	0.00%
Funds Managed by Insurer	**100.00%**	100.00%
Others (To Specify)	**0.00%**	0.00%
	100.00%	100.00%

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
30 EXPENDITURE IN FOREIGN CURRENCY		
1) Commission	**16.89**	19.45
2) Travelling expenses	**43.40**	59.70
3) Other expenses	**51.56**	73.54
	111.85	152.69
31 CIF VALUE OF IMPORTS		
1) Raw materials and components	**595.53**	476.12
2) Machinery spares	**8.07**	3.30
3) Capital goods	**26.01**	90.60
4) Traded goods	**195.04**	205.29
	824.65	775.31

32 DETAILS OF MATERIALS AND STORES CONSUMED	31-03-14 [₹. In Million]	%	31-03-13 [₹. In Million]	%
Imported	**783.82**	**15.82**	666.36	13.59
Indigenous	**4170.24**	**84.18**	4238.26	86.41
	4954.06	**100.00**	4904.62	100.00

Particulars	31-03-14	[₹. In Million] 31-03-13
33 DETAILS OF EARNINGS IN FOREIGN EXCHANGE CALCULATED ON FOB BASIS		
Earnings from Direct Exports	**1645.64**	1396.40
34 DETAILS OF R&D EXPENSES		
1) Capital	**9.32**	19.66
2) Salaries & wages	**137.77**	156.25
3) R & D materials	**55.35**	57.08
4) Maintenance	**0.79**	0.10
5) Other Expenses	**40.76**	31.30
	243.99	264.39

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.

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

35 As required by Ministry of Corporate Affairs General Circular No.2/2011 dated 8th February 2011, the Board of Directors has given its consent for not attaching the Balance Sheet of the Subsidiary Companies listed below:

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

However, the Company undertakes that the annual accounts of the Subsidiary Companies and the related detailed information will be made available to the Company's investors seeking such information at any point of time. The annual accounts of the subsidiary companies are kept open for inspection by any investor at the registered office of the Holding and Subsidiary Companies.

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	31-03-14	31-03-13
37 EARNINGS PER SHARE:		
Net profit (₹.in Million)	**782.65**	712.64
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 ₹.)	**4.94**	4.50
Number of shares after dilution (No. In Million) (When partly paid shares become fully paid shares)	**158.45**	158.45
Diluted Earnings per share (in ₹.)	**4.94**	4.50

Notes to Financial Statements for the year ended 31st March, 2014

38 DETAILS OF ACCOUNTING STANDARD (AS)18, RELATED PARTY DISCLOSURES [₹. In Million]

Particulars	Subsidiaries		Joint Venture & Others		Key Managerial Personnel*	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of Goods	**36.11**	15.97	**158.50**	163.12		
Sale of Goods	**745.30**	461.87	**134.69**	90.59		
Sale of Assets	**4.19**	-				
Receiving of Services	**4.59**	5.25	**5.23**	56.73		
Providing of Services	**19.15**	19.90	**4.94**	2.67		
Reimbursement of Expenses						
To related parties	**0.58**	0.09	**-**	-		
By related parties	**74.12**	86.58	**0.02**	-		
Finance	**97.04**	4.07	**-**	-		
Interest received	**0.78**	0.25	**-**	5.27		
Investments	**19.00**	200.11	**-**	0.02		
Remuneration					**9.59**	8.74
Receivable at the end of the year	**595.15**	283.53	**27.19**	83.78		
Payable at the end of the year	**16.42**	0.24	**-**	3.62		

* Includes performance linked pay paid during the year.

Name of related parties and description of relationship

1 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 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

2 Joint Venture : Elgi Sauer Compressors Limited

3. Other Companies / Firms in which Directors 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. Magna Electro Castings Limited
g. LGB Fuel Systems (P) Ltd.
h. Festo Controls (P) Ltd.
i. Mape Advisory Group (P) Ltd.
j. Mape Securities (P) Ltd.

4. Firms in which the Company is a partner
a. Elgi Services
b. L.G. Balakrishnan & Bros

5 Key Managerial Personnel : Mr. Jairam Varadaraj, Managing Director

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

Notes to Financial Statements for the year ended 31st March, 2014

STATEMENT IN PURSUANCE OF SECTION 212 OF THE COMPANIES ACT, 1956

[₹. In Million]

1. Name of the Subsidiary	ATS Elgi Limited	Elgi Equipments (ZHEJIANG) Limited	Elgi Compressors Trading (Shanghai) Co.Ltd	SAS Belair	Elgi Gulf (FZE)	Elgi Compressores Do BRASIL IMP. E. EXP. Ltda	Elgi 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
2. Financial Year of the Subsidiary ended on	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014
3. Holding Company's interest in the Subsidiary	90,000 Equity Shares of ₹. 10 each (100%)	Capital Invested (100%)	Capital Invested (100%)	179721 Equity Shares of ₹.1276.26 each (100%)	1 Share of INR ₹.17,77,500 (100%)	3,56,440 Equity Shares of ₹. 25.14 each (100%)	100 Equity Shares of ₹. 55.02 each (100%)	15,000 Equity Shares of ₹. 69.66 each (100%)	100% through Elgi Compressors Italy S.r.l.	10,000 Equity Shares of ₹ 55.96 (100%)	100% through Elgi Compressors USA Inc	100% through Patton's Inc.	7,43,350 Equity Shares of ₹. 10 each (100%)	Capital Invested (100%)
4. Net aggregate amount of the Profit/Loss of the Subsidiary not dealt within the Holding Company's Account														
a) For the current financial year of the Subsidiary Company	78.67 Million	(82.57) Million	(30.86) Million	(198.45) Million	68.87 Million	(8.76) Million	(32.83) Million	9.85 Million	43.69 Million	10.79 Million	(59.03) Million	(32.90) Million	(0.01) Million	(9.12) Million
b) For the previous financial year of the Subsidiary Company	123.04 Million	(39.66) Million	(61.48) Million	(93.61) Million	40.24 Million	(41.22) Million	(23.49) Million	(15.04) Million	19.68 Million	(28.68) Million	52.05 Million	(9.79) Million	(0.17) Million	-
5. Net aggregate amount of the Profit/Loss of the Subsidiary dealt within the Holding Company's Accounts														
a) For the current financial year of the Subsidiary Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) For the previous financial years of the Subsidiary Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Cash Flow Statement for the year ended 31st March, 2014

[₹. In Million]

Particulars		31-03-14		31-03-13
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		**1088.60**		970.67
Adjustments for:				
Depreciation	**177.60**		142.70	
(Profit)/Loss on sale of Investments	**0.45**		0.00	
(Profit)/Loss on sale of assets	**(5.00)**		(36.34)	
Bad debts written off	**5.44**		9.92	
Interest and Processing fees paid	**8.67**		2.42	
Dividend received	**(1.02)**		(9.25)	
Interest received	**(23.54)**		(50.38)	
		162.60		59.07
Operating Profit Before Working Capital Changes		**1251.20**		1029.74
Adjustments for:				
(Increase)/Decrease in Inventories	**(58.92)**		(66.15)	
(Increase)/Decrease in Trade Receivables	**(294.57)**		(312.31)	
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	**22.54**		(171.78)	
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	**(89.09)**		(92.87)	
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	**(182.02)**		(121.29)	
		(602.08)		(764.40)
Cash generated from Operations		**649.14**		265.34
Direct Taxes paid		**(245.00)**		(245.00)
Net Cash from Operating Activities (A)		**404.14**		20.34
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of Tangible & Intangible Assets		**(917.23)**		(847.45)
Sale of Tangible Assets		**15.59**		40.40
Purchase of Investments		**(19.00)**		(173.57)
Sale of Investments		**0.54**		0.00
Advances to Companies		**(56.15)**		14.13
Interest received		**22.55**		67.60
Dividend received		**1.02**		9.25
Net Cash Used in Investing Activities **(B)**		**(952.68)**		(889.63)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings		**725.34**		198.34
Interest and Processing fees paid		**(8.67)**		(2.42)
Dividend Paid & Dividend Tax paid		**(185.38)**		(184.16)
Net Cash used in Financing Activities (C)		**531.29**		11.76
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(17.25)**		(857.53)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		**236.39**		1093.93
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**219.14**		236.39

Note: Figures within brackets denote Cash outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Consolidated Financial Statements

ELGi™

ELGI EQUIPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

REPORT TO THE BOARD OF DIRECTORS OF ELGI EQUIPMENTS LIMITED.

1. We have audited the accompanying consolidated financial statements of ELGI EQUIPMENTS LIMITED("the Company"), and its subsidiaries and joint venture Companies; hereinafter referred to as "the Group" (refer Note No. 29 & 30 to the attached consolidated financial statements) which comprise the Consolidated Balance Sheet as at March 31,2014, and the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We did not audit the financial statements of following Subsidiary Companies viz., M/s Elgi Gulf FZE, M/s. Elgi Equipments (Zhejiang) Limited (China), M/s. Elgi Compressors Trading (Shanghai) Co. Ltd., (China), M/s. SAS Belair (France), M/s. Elgi Compressors Italy Spa, M/s. Rotair Spa Italy, M/s. Elgi Compressors USA Inc., M/s. Patton's Inc., M/s. Patton's Medical LLC (USA),Elgi Equipments Indonesia and a joint venture company M/s. Elgi Sauer Compressors Ltd., included in the consolidated financial statements, for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 notified Under section 211 (3C) of the Companies Act, 1956

7. 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 to in paragraph 5 above, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014

   (b) in the case of the Consolidated Statement Profit and Loss, of the profit of the group for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

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

R.Jayachandran
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

Balance Sheet as at 31st March, 2014

[₹. In Million]

Particulars	Note No.	31-03-14	31-03-13
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	**158.45**	158.45
(b) Reserves and Surplus	3	**4477.66**	4177.45
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	**2145.14**	2198.17
(b) Deferred tax liabilities (Net)	5	**113.87**	51.59
(c) Long term provisions	6	**166.96**	140.56
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	7	**1228.34**	678.47
(b) Trade payables	8	**1968.24**	1764.50
(c) Other current liabilities	9	**875.74**	534.53
(d) Short-term provisions	10	**624.09**	845.72
TOTAL		**11758.49**	**10549.44**
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	11	**2382.52**	1604.40
(ii) Intangible assets	11	**1528.27**	1366.12
(iii) Capital work-in-progress		**861.50**	755.13
(b) Non-current investments	12	**148.50**	149.49
(c) Deferred tax assets (net)	13	**116.12**	13.59
(d) Long term loans and advances	14	**235.33**	327.21
(e) Other non-current assets	15	**2.18**	1.61
(2) CURRENT ASSETS			
(a) Inventories	16	**2527.39**	2331.59
(b) Trade receivables	17	**2427.12**	2246.41
(c) Cash and cash equivalents	18	**687.53**	730.63
(d) Short-term loans and advances	19	**824.54**	1011.45
(e) Other current assets	20	**17.49**	11.81
TOTAL		**11758.49**	**10549.44**

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

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March, 2014

[₹. In Million]

Particulars		Note No.	31-03-14	31-03-13
I. REVENUE FROM OPERATIONS		**21**	**13504.03**	11445.19
II. OTHER INCOME		**22**	**91.41**	162.38
III. TOTAL REVENUE	**(I +II)**		**13595.44**	11607.57
IV. EXPENSES:				
Cost of materials consumed		**23**	**5961.14**	5450.27
Purchase of Traded goods		**24**	**1993.21**	1475.67
Changes in inventories of finished goods, work-in-progress and Traded goods		**25**	**(155.92)**	(167.28)
Employee benefit expenses		**26**	**2328.43**	1633.26
Finance Cost		**27**	**97.22**	44.56
Depreciation and amortization expenses			**262.42**	181.80
Other expenses		**28**	**2384.19**	2058.70
TOTAL EXPENDITURE			**12870.69**	10676.98
V. PROFIT BEFORE EXCEPTIONAL AND EXTRA ORDINARY ITEMS AND TAX	**(III - IV)**		**724.75**	930.59
VI. EXCEPTIONAL ITEMS			**-**	-
VII. PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX	**(V-VI)**		**724.75**	930.59
VIII. EXTRA ORDINARY ITEMS			**-**	-
IX. PROFIT BEFORE TAX	**(VII - VIII)**		**724.75**	930.59
X. TAX EXPENSE:				
(1) Current Tax			**310.66**	320.08
(2) Deferred Tax			**(41.36)**	8.64
XI. PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(IX - X)**		**455.45**	601.87
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)**		**455.45**	601.87
XVI. EARNING PER EQUITY SHARE:			**(in ₹.)**	(in ₹.)
Nominal value of share			**1.00**	1.00
(1) Basic			**2.87**	3.80
(2) Diluted			**2.87**	3.80

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

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

Notes to Financial Statements for the year ended 31st March, 2014.

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 2014.

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 2014 in the book of Subsidiaries are expensed out as revenue expenditure and are being amortized over a year of time (Maximum five Years) in the Consolidated Financial Statements depending upon the nature of the expenditure and evaluation of future benefits there from.

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, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
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) SECURITIES PREMIUM ACCOUNT	**409.37**	409.37
d) STATUTORY RESERVE (AMALGAMATION)	**5.49**	5.49
e) FOREIGN CURRENCY TRANSLATION RESERVE	**15.54**	(27.89)
f) GENERAL RESERVE		
As per the last Balance Sheet	**989.24**	916.72
Add: Transfer from profit & loss account	**86.18**	72.52
	1075.42	989.24
Less: Loss incurred by subsidiary after acquisition	**9.45**	5.98
	1065.97	983.26
g) SURPLUS FROM STATEMENT OF PROFIT & LOSS		
As per the last Balance Sheet	**2625.81**	2291.66
Add: Current year surplus	**455.45**	601.87
Less:	**3081.26**	2893.53
Proposed dividend (₹. 1/- per share)	**166.90**	166.90
Provision for tax on dividend	**28.30**	28.30
Transfer to general reserve	**86.18**	72.52
	2799.88	2625.81
Total (a+b+c+d+e+f+g)	**4477.66**	4177.45
4 LONG TERM BORROWINGS		
Borrowing from Bank	**2145.14**	2198.17
	2145.14	2198.17
5 DEFERRED TAX LIABILITIES (NET)		
As per the last Balance Sheet	**51.59**	44.14
Add: For the year*	**62.28**	7.45
	113.87	51.59

*Includes translation differences

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
6 LONG TERM PROVISIONS		
Deferred purchase consideration	**166.96**	140.56
	166.96	140.56
7 SHORT TERM BORROWINGS		
From Bank	**1228.34**	678.47
	1228.34	678.47
8 TRADE PAYABLE		
a) Acceptances	**250.14**	240.71
b) Dues to Micro, Small and Medium Enterprises	**174.28**	185.39
c) Others	**1543.82**	1338.40
	1968.24	1764.50
9 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts	**327.40**	-
b) Unclaimed dividends	**4.40**	3.96
c) Advance from customers	**161.51**	200.89
d) Rent Advances	**1.54**	0.14
e) Dealers Deposits	**29.59**	28.71
f) Employee related expenses payable	**204.11**	264.59
g) TDS Payable / Other Taxes payable	**20.23**	17.05
h) Other payables	**126.96**	19.19
	875.74	534.53
10 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	**45.34**	44.65
b) Deferred purchase consideration	**0.00**	244.98
c) Provision for income tax	**309.03**	334.88
d) Proposed dividend	**166.90**	158.45
e) Provision for tax on dividend	**28.30**	26.93
f) Others	**74.52**	35.83
	624.09	845.72

Notes to Financial Statements for the year ended 31st March, 2014

11 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Particulars	Land	Building	Plant & Machinery	Furniture & Office Equipments	Vehicle	Canteen Equipment	Total	Intangible Assets	Total
Gross Block									
Balance as at 1 April 2012	**192.16**	**220.95**	**1,698.38**	**169.30**	**4.19**	**2.98**	**2,287.96**	**115.74**	**2,403.70**
Additions	185.15	274.39	396.93	62.58	9.35	1.73	930.13	1,354.39	2,284.52
Deletions / write off	0.66	10.57	3.58	4.68	0.71	-	20.20	3.83	24.03
Translation differences	(2.34)	(2.36)	1.10	3.02	(0.02)	0.01	(0.59)	4.42	3.83
Balance as at 31 March 2013	**374.31**	**482.41**	**2,092.83**	**230.22**	**12.81**	**4.72**	**3,197.30**	**1,470.72**	**4,668.02**
Additions	51.25	298.24	577.44	46.64	2.88	1.20	977.65	20.71	998.36
Deletions / write off	-	0.17	73.63	3.19	-	-	76.99	6.68	83.67
Translation differences	20.52	38.37	42.32	10.82	1.19	0.17	113.39	75.88	189.27
Balance as at 31st Mar 2014	**446.08**	**818.85**	**2,638.96**	**284.49**	**16.88**	**6.09**	**4,211.35**	**1,560.63**	**5,771.98**
Accumulated depreciation									-
Balance as at 1 April 2012	**-**	**140.41**	**980.98**	**109.86**	**2.85**	**1.88**	**1,235.98**	**80.97**	**1,316.95**
For the year	-	25.36	300.92	33.96	7.19	0.20	367.63	28.51	396.14
Deletions / write off	-	6.49	2.91	4.48	0.71	-	14.59	3.83	18.42
From Revaluation Reserve	-	0.36	-	-	-	-	0.36	-	0.36
Translation differences	-	(0.03)	1.14	2.43	(0.02)	-	3.52	(1.05)	2.47
Balance as at 31 March 2013	**-**	**159.61**	**1,280.13**	**141.77**	**9.31**	**2.08**	**1,592.90**	**104.60**	**1,697.50**
For the year	-	36.00	178.79	31.25	1.82	2.93	251.49	11.63	262.42
From Revaluation Reserve	-	0.26	-	-	-	-	0.26	-	0.26
Deletions / write off	-	0.10	59.13	2.39	-	-	61.62	6.11	67.73
Translation differences	-	3.20	34.68	7.46	1.15	0.01	45.80	(77.76)	(31.26)
Balance as at 31st Mar 2014	**-**	**198.97**	**1,434.47**	**178.09**	**12.28**	**5.02**	**1,828.83**	**32.36**	**1,861.19**
Net Block									
31 March 2013	**374.31**	**322.80**	**812.70**	**88.45**	**3.50**	**2.64**	**1,604.40**	**1,366.12**	**2,970.52**
31 March 2014	**446.08**	**619.88**	**1,204.49**	**106.40**	**4.60**	**1.07**	**2,382.52**	**1,528.27**	**3,910.79**

Particulars	No. of Shares/ Units	Face Value per Share (in ₹.)	31-03-14	31-03-13
12 NON-CURRENT INVESTMENTS (AT COST)				
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	360	10.00	**0.12**	0.12
HDFC Bank Limited	2500	10.00	**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.	1248	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
Elgi Securities Ltd	99300	10.00	**0.00**	0.99
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**	0.02
			23.60	24.59

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
c) OTHER INVESTMENTS		
Investment in Government or Trust Securities	**0.09**	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)	**148.50**	149.49
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	**44.08**	48.34
12.2 AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		
Aggregate of unquoted investments	**130.99**	131.98
13 DEFERRED TAX ASSETS (NET)		
As per the last Balance Sheet	**13.59**	3.88
Add: For the year*	**102.53**	9.71
	116.12	13.59
*Includes translation differences		
14 LONG TERM LOANS AND ADVANCES		
a) Capital Advances	**190.80**	288.86
b) Security deposits	**30.63**	24.88
c) Other loans and advances	**13.90**	13.47
	235.33	327.21
All Loans and Advances are unsecured and considered good.		
15 OTHER NON-CURRENT ASSETS		
Long term trade receivable (on deferred credit terms)	**2.18**	1.61
	2.18	1.61
All long term trade receivables are unsecured and considered good.		
16 INVENTORIES		
a) Raw materials	**1109.68**	1081.83
b) Work in progress	**307.81**	378.24
c) Finished goods	**977.99**	646.28
d) Traded goods	**91.99**	194.24
e) Stores & Spares	**7.37**	3.07
f) Loose Tools	**28.89**	26.81
g) Packing materials	**3.66**	1.12
	2527.39	2331.59
Note : Raw materials, Work in progress & 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	**281.11**	114.80
b) Others	**2146.01**	2131.61
	2427.12	2246.41
All trade receivable are unsecured and considered good.		

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
18 CASH AND BANK BALANCES		
a) CASH AND CASH EQUIVALENTS		
i) Balance with banks		
a) In current account	**282.50**	313.40
b) In deposits	**287.69**	223.50
ii) In Unclaimed dividend account	**4.40**	3.96
iii) Cheques, drafts in hand	**5.78**	10.40
iv) Cash in hand	**2.33**	1.98
b) OTHER BANK BALANCES		
i) In deposits (having original maturity year of more than 3 months but less than 12 months)	**104.83**	177.39
	687.53	730.63
19 SHORT-TERM LOANS AND ADVANCES		
a) Advances to :		
i) Companies	**2.40**	40.40
ii) Suppliers	**69.15**	225.56
ii) Employees	**47.70**	43.17
b) Cenvat / VAT Receivable & Service Tax credit (Net)	**83.39**	70.65
c) Income / refund receivable	**44.73**	27.38
d) Advance Tax / TDS Receivable	**354.03**	388.08
e) Prepaid expenses	**127.02**	109.63
f) Insurance premium Deposit	**0.48**	0.25
g) Others	**95.64**	106.33
	824.54	1011.45
All Loans and Advances are unsecured and considered good.		
20 OTHER CURRENT ASSETS		
Interest accrued	**17.49**	11.81
	17.49	11.81
21 REVENUE FROM OPERATIONS		
a) Sale of Products	**13419.42**	11790.83
b) Sale of Services	**575.41**	275.40
Gross Sales	**13994.83**	12066.23
Less:		
Excise Duty	**576.58**	655.38
Net Sales	**13418.25**	11410.85
Other operating revenue	**85.78**	34.34
	13504.03	11445.19
22 OTHER INCOME		
a) Interest Income	**50.26**	77.34
b) Dividend Income	**1.09**	9.32
c) Rent receipts	**6.47**	4.56
d) Profit on sale of assets	**3.74**	37.66
e) Share of profit in partnership	**0.23**	0.23
f) Miscellaneous income	**29.62**	33.27
	91.41	162.38

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

	Particulars	31-03-14	31-03-13
23	**COST OF MATERIALS CONSUMED**		
	Opening Stock of Raw Materials	**1059.81**	704.50
	Purchases	**5984.78**	5805.58
		7044.59	6510.08
	Less:		
	Closing Stock of Raw Materials	**1083.45**	1059.81
		5961.14	5450.27
	Purchases include machining charges of ₹.80.57 Million (Previous year ₹.79.80 Million)		
24	**Purchase of Stock in Trade**		
	1) Oil	**179.01**	195.80
	2) Others	**1814.20**	1279.87
		1993.21	1475.67
25	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**		
	Opening Stock of WIP	**349.07**	186.30
	Opening Stock of Finished Goods	**288.87**	183.96
	Opening Stock of Traded goods	**544.06**	100.70
		1182.00	470.96
	Add: Stock on Acquisition	**-**	543.76
		1182.00	1014.72
	Less:		
	Closing Stock of WIP	**359.43**	349.07
	Closing Stock of Finished Goods	**608.88**	288.87
	Closing Stock of Traded goods	**369.61**	544.06
		1337.92	1182.00
		(155.92)	(167.28)
26	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries & Wages	**2095.00**	1336.69
	Gratuity	**5.98**	17.84
	Performance Pay	**97.90**	113.64
	Contribution to Provident fund & Superannuation fund	**55.17**	82.66
	Welfare expenses	**74.38**	82.43
		2328.43	1633.26
27	**FINANCE COSTS**		
	Interest Expenses	**97.22**	44.56
		97.22	44.56

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
28 OTHER EXPENSES		
Packing Charges	**188.56**	188.55
Consumption of Stores	**73.09**	55.79
Tools Consumed	**63.41**	65.07
Commission and Discount	**197.64**	190.09
Royalty Payments	**0.82**	4.65
Power, Fuel & Lighting	**128.20**	94.94
Transport Charges	**236.76**	192.10
Postage, Telegrams & Telephones	**37.43**	28.99
Travelling and Conveyance	**229.18**	203.79
Insurance	**72.15**	29.62
Advertisement and Publicity	**50.57**	38.48
Repairs and Maintenance of		
-Plant and machinery	**57.73**	63.28
-Building	**41.24**	33.03
-Other Assets	**85.18**	45.09
Printing and Stationery	**21.22**	14.76
Research and Development expenses	**61.85**	60.48
Bad Debts Written off	**19.48**	15.65
After Sales Expenses	**219.04**	175.43
Factory Expenses	**11.23**	19.20
Rates & Tax	**25.71**	21.17
Auditor's Remuneration		
-Audit Fees	**5.96**	8.28
-Other Services	**0.54**	1.11
Miscellaneous Expenses	**96.56**	58.77
Subscription, Periodicals & Filing Fees	**2.74**	3.49
Donations	**41.41**	34.52
Rent	**85.80**	74.46
Legal and Consultancy Charges	**264.56**	265.07
Directors' Sitting Fees	**0.64**	0.76
Service Tax Payments	**1.11**	0.68
Exchange Fluctuation (Gain) / Loss (net)	**10.37**	4.22
Loss on Sale of Assets	**0.60**	0.68
Excise Duty paid	**33.77**	42.93
Bank charges	**19.64**	23.57
	2384.19	2058.70

Notes on Accounts

29. The Subsidiary Companies considered in the Consolidated Financial Statements are:

S.No.	Name of the Subsidiares	Country of Incorporation	% of Ownership	Reporting Date	Difference in Reporting date
1.	ATS Elgi Limited	India	100	31/03/2014	-
2.	Adisons Precision Instruments Manufacturing Company Limited	India	100	31/03/2014	-
3.	Elgi Gulf (FZE)	U.A.E	100	31/03/2014	-
4.	Elgi Equipments (Zhejiang Limited)	China	100	31/03/2014	-
5.	Elgi Compressors Trading (Shanghai) Ltd.	China	100	31/03/2014	-
6.	SAS Belair	France	100	31/03/2014	-
7.	Elgi Compressores DO BRASIL IMP. E.EXP. Ltda	Brazil	100	31/03/2014	-
8.	Elgi Australia Pty Ltd	Australia	100	31/03/2014	-
9.	Elgi Compressors Italy S.r.l.	Italy	100	31/03/2014	-
10.	Rotair Spa	Italy	100	31/03/2014	-
11.	Elgi Compressors USA Inc.	USA	100	31/03/2014	-
12.	Patton's Inc.	USA	100	31/03/2014	-
13.	Patton's Medical LLC.	USA	100	31/03/2014	-
14.	PT Elgi Equipments Indonesia	Indonesia	100	31/03/2014	-

30 Joint Venture Company

Elgi Sauer Compressors Limited	India	26%	31/03/2014	-

31 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.

32 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 31/03/2014 as given in unconsolidated Financial Statements of Elgi Equipments Limited and its Subsidiaries.

The annual accounts of the above Subsidiary Companies are available for inspection by any shareholder at the Registered Office of the Holding and Subsidiary Companies.

33 Summary of Financial Information of Subsidiary Companies

[₹. In Million]

Name of the Subsidiary	ATS Elgi Limited	Elgi Equipments (ZHEJIANG) Limited	Elgi Compressors Trading (Shanghai) Co.Ltd	SAS Belair	Elgi Gulf (FZE)	Elgi Compressores Do BRASIL IMP. E. EXP. Ltda	Elgi 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. Ltd.	PT Elgi Equipments Indonesia
Reporting Currency	**INR**	**RMB**	**RMB**	**EURO**	**DHS**	**BRL**	**AUD**	**EURO**	**EURO**	**USD**	**USD**	**USD**	**INR**	**IDR**
Exchange Rate	**-**	**9.76**	**9.76**	**83.48**	**16.81**	**26.37**	**55.70**	**83.48**	**83.48**	**60.49**	**60.49**	**60.49**	**-**	**0.01**
Share Capital	0.90	165.56	28.68	184.39	1.78	8.96	0.01	1.04	41.93	0.56	-	-	7.43	19.05
Reserves and Surplus	673.88	(215.92)	(133.79)	(339.99)	175.02	(51.39)	(62.12)	(18.61)	457.31	(15.11)	1,149.66	(235.56)	73.57	(9.27)
Share Application Money pending allotment	-	-	-	-	-	-	-	17.57	-	-	-	-	-	-
Total Outside Liabilities	234.49	255.33	139.11	392.97	34.98	278.30	109.67	974.44	616.40	2,360.60	89.04	449.81	2.52	12.03
Total Assets	909.27	204.97	34.01	237.25	211.78	235.87	47.51	974.44	1,115.62	2,339.99	1,339.37	194.28	83.42	21.82
Investments other than investments in subsidiaries	-	-	-	0.10	-	-	0.05	-	0.02	-	-	-	0.11	-
Revenue from operations	1,255.38	152.67	48.25	581.48	376.87	257.45	40.22	-	1,462.20	181.79	1,264.87	435.09	-	4.46
Profit before Tax	108.45	(82.57)	(30.86)	(198.45)	68.87	(8.33)	(30.02)	9.85	72.96	2.50	(136.76)	(53.33)	(0.01)	(9.12)
Provision for Taxation	29.77	-	-	-	-	0.43	2.81	-	29.27	(8.29)	(77.73)	(20.43)	-	-
Profit after Tax	78.67	(82.57)	(30.86)	(198.45)	68.87	(8.76)	(32.83)	9.85	43.69	10.79	(59.03)	(32.90)	(0.01)	(9.12)

34 Segment Information

[₹. In Million]

PARTICULARS	Year Ended 31-03-14	31-03-13
1 Segment Revenue(Sales and income from Services)		
a) Compressors	11,754.29	9,556.58
b) Automotive Equipments	1,220.19	1,439.81
c) Others	529.55	448.80
Total Segment Revenue	13,504.03	11,445.19
Less: Inter Segment Revenue	-	-
Net Sales/Revenue from Operations	**13,504.03**	**11,445.19**
2 Segment Results (Profit before Interest and Tax)		
a) Compressors	648.34	672.60
b) Automotive Equipments	82.22	152.29
c) Others	-	(12.12)
Total Segment Results	**730.56**	**812.77**
Less:		
i) Interest Expense	97.22	44.56
ii) Unallocable expenditure net of other income	(91.41)	(162.38)
Total Profit Before Tax	**724.75**	**930.59**
3 Assets		
a) Compressors	10,557.95	9,416.26
b) Automotive Equipments	893.08	888.35
c) Others	42.84	81.69
d) Unallocable Corporate Assets	264.62	163.13
Total Assets	**11,758.49**	**10,549.44**
4 Liabilities		
a) Compressors	6,622.34	5,729.57
b) Automotive Equipments	217.52	288.97
c) Others	1.69	2.85
d) Unallocable Corporate Liabilities	280.83	192.15
Total Liabilities	**7,122.38**	**6,213.54**

35 Figures for the year ended March 2014 are strictly not comparable with the previous year due to acquisition made during 2012-13.

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

Cash Flow Statement

[₹. In Million]

Particulars		31-03-14		31-03-13
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit Before Tax		**724.75**		930.59
Adjustments for:				
Depreciation	**262.42**		181.80	
(Profit)/Loss on sale of investment	**0.45**		0.00	
(Profit)/Loss on sale of assets	**(3.59)**		(36.98)	
Bad debts written off	**19.48**		15.65	
Interest and Processing fees paid	**97.52**		45.51	
Dividend received	**(1.09)**		(9.32)	
Interest received	**(50.26)**		(77.34)	
Operating Profit Before Working Capital Changes		**324.93**		119.32
Adjustments for:		**1049.68**		1049.91
(Increase)/Decrease in Inventories	**(195.80)**		(1125.08)	
(Increase)/Decrease in Trade Receivables	**(200.19)**		(944.71)	
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	**91.31**		(247.91)	
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	**406.52**		62.22	
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	**99.01**		806.47	
		200.85		(1449.01)
Cash generated from Operations		**1250.53**		(399.10)
Direct Taxes Paid		**(276.04)**		(308.93)
Net Cash From Operating Activities (A)		**974.49**		(708.03)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of tangible & intangible Assets		**(1326.80)**		(2750.49)
Sale of tangible Assets		**20.88**		41.68
Purchase of Investments		**0.54**		(0.05)
Advances to Companies		**38.00**		18.20
Interest received		**44.58**		94.13
Dividend received		**1.09**		9.32
Net Cash Used in Investing Activities (B)		**(1221.71)**		(2587.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from (Repayment) of Long Term Borrowings		**(53.03)**		2198.17
Proceeds from Short Term Borrowings		**549.87**		587.23
Interest and Processing fees paid		**(97.52)**		(45.51)
Dividend paid		**(195.20)**		(197.90)
Net Cash used in Financing Activities (C)		**204.12**		2541.99
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(43.10)**		(753.25)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		**730.63**		1483.88
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**687.53**		730.63

Note:Figures within brackets denote Cash outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing Director

N. MOHAN NAMBIAR
Director

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

Place : Coimbatore
Date : 29/05/2014

R. SYAM KUMAR
Company Secretary

S. SRIRAM
Chief Financial Officer

R. JAYACHANDRAN
Partner
Membership No. 021848

ATS ELGI LIMITED

ANNUAL REPORT

ATS ELGI LIMITED

(CIN: U34300TZ2007PLC014125)

CHAIRMAN
Jairam Varadaraj

VICE-CHAIRMAN
Harjeet Singh Wahan

MANAGING DIRECTOR
Ramesh Ponnuswami

DIRECTOR
M. Ramprasad

AUDITOR
M/s. RJC Associates
Chartered Accountants
Coimbatore

REGISTERED OFFICE
S2/A11, Pollachi Main Road,
Kurichy Private Industrial Estate
Kurichy, Coimbatore - 641 021.
Ph : 0422 - 2589999
Fax : 0422 - 2589800

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1. Directors' Report
2. Auditor's Report
3. Annual Accounts

Directors' Report

Dear Shareholders

Your directors are pleased to submit the 7th Annual report with the Audited Annual Accounts of the company for the year ended 31st March, 2014.

(₹. In Million)

Particulars	31.03.2014	31.03.2013
Profit before Depreciation and Tax	**118.510**	184.630
Less: Depreciation	**10.063**	6.159
Profit Before Tax	**108.447**	178.471
Less: Provision for Tax (Net of Deferred Tax)	**29.774**	55.432
Net Profit	**78.674**	123.039
Add: Opening Balance in P & L Account	**413.208**	290.169
Amount available for Appropriations	**491.882**	413.208
The Directors recommend the following Appropriations		
Dividend	**49.500**	-
Dividend Tax	**8.415**	-
Transfer to General Reserve	**7.867**	-
Profit carried forward	**426.100**	413.208

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. The automotive industry went through its worst year in a decade. Passenger car sales were down by 6% and commercial vehicle sales were down by 20% compared to the previous year. Not only the number of new workshops activated by various vehicle manufacturers were lower than the previous year but the average investments in equipments per workshop were also lower. Though the business built its market share through the year, the above factors have resulted in considerable reduction in demand for equipments and the sales revenue was down significantly. The company continue its focus on new product launches in various segments and expand its after sales service related activities.

Future Plans

Growth in the automotive industry is expected to be marginally higher in the year 2014-15. While there is optimism in the industry, it is expected that for this optimism to translate into meaningful and sustainable growth, it will take at least a year. The company is well positioned to exploit business opportunities as and when demand for workshop equipment pick up.

International

International business has gone down by 11% over the previous year. During the past year most major markets where the Company exports its products have been affected by political uncertainty or poor economic growth. While the situation is expected to continue into the future, international business development will focus on introduction of new products in various markets in the coming year to help augment sales.

Dividend

For the financial year 2013-14 the Board of Director had recommended Dividend of ₹. 550 per share (5500%) on the paid up share capital of ₹. 9,00,000. Subject to the approval of share holders, an amount of ₹. 57.91 million will be paid as dividend including dividend distribution tax (Previous year ₹. Nil)

Directors

Mr. Harjeet Singh Wahan of your company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment

Statutory Auditors

The Auditors M/s. RJC Associates, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

Fixed Deposits

The Company has not accepted any deposits from the public during the year.

Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors confirm;

I. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

II. that the directors had 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 as on 31st March, 2014 and of the profit of the company for the year ended on that date.

III. that the directors had taken proper and sufficient care for the 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.

IV. that the Directors have prepared the annual accounts on a "going concern" basis.

Acknowledgements

The Board appreciates the continued support rendered by customers, suppliers, dealers, banks, financial institution, and investors and the faith reposed by the shareholders of the company.

The Board also thanks the employees for their dedicated and sincere services.

For and on behalf of the Board
JAIRAM VARADARAJ
Chairman

Coimbatore
29/05/2014

Annexure to the Directors' Report

I. Statement containing particulars pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

As a measure of Energy Conservation / Cost Saving Activities, the Company has made the following attempts during the year 2013-14;

Replaced the existing old screw compressor to new global series with drive 30 HP to 25 HP motor.

Replaced conventional tube lights to T5 tube lights in R & D work shop & Point Booth Assembly

Replaced the existing Halogen light (500W) in to CFL light.(18 W)

Replaced the existing MV Light (250W) in to CF light fitting (80 W) in assembly area - 30 nos

B. TECHNOLOGY ABSORPTION

CE Certification from TUV Nord,India has been obtained for the newly launched Four Ton Two Post Hydraulic Lift designed to meet EN 1493:2010

Developed Two Post Hydraulic Lift Base version for commercial vehicle segment.

Developed Two wheeler washing lift with reduced plunger diameter, oil capacity and suitable platform to lift 4 two wheelers. This will help improving productivity and efficiency of washing.

Developed CRS Electronic Measuring System with articulated arm concept aimed at 0.5 mm measuring accuracy in repairing of damaged vehicles.

Designed 3D Wheel Aligner with light weight and unbreakable target board.

EXPENDITURE ON R&D	2013-2014	(₹. in Million) 2012-2013
Capital	**1.352**	1.112
Revenue	**17.386**	12.484
Total	**18.738**	13.596
R & D Expenditure as a percentage of Turnover	**1.492%**	0.94%

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

I. Statement annexed to Director's Report showing the names and other particulars of every employee of the company pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975.

Name	Age	Designation	Remuneration (₹.In Million)	Qualification	Experience	DOJ	Previous Employment
Ramesh Ponnuswami	45	Managing Director	5.256	B.E., MBA.	22 years	07/11/2011	E.I.D. Parry (India) Ltd.

For and on behalf of the Board

JAIRAM VARADARAJ
Chairman

Place : Coimbatore
Date : 29/05/2014

INDEPENDENT AUDITOR'S REPORT

REPORT TO THE MEMBERS OF ATS ELGI LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of ATS ELGI LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act,1956 ("The Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular15/2013 dated 13 September 2013 and Circular No. 8/2014 dated 04th April 2014 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information 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:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014

   (b) in the case of the statement of Profit and Loss of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by 'the Companies(Auditor's Report) (Amendment) Order 2004' ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 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 paragraphs 4 and 5 of the Order.

8. **As required by Section 227(3) of the Act, we report that:**

   (a). we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b). in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];

   (c). the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];

   (d). in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act,1956 ("The Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular15/2013 dated 13 September 2013 and Circular No. 8/2014 dated 04th April 2014 of the Ministry of Corporate Affairs).

   (e). on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

R. Jayachandran
Partner
Membership No. 021848

Place: Coimbatore
Date: 29/05/2014

The Annexure referred to in paragraph 7 of our Report of even date to the members of ATS Elgi Limited on the accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

I (a) The Company has maintained proper records 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.

(c) No substantial part of fixed assets were disposed off during the year, hence it will not have any effect on the going concern assumptions.

II (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, 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) In our opinion and on the basis of our examination of the records, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventories.

III The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties, which are covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

V (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act,1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements exceeding rupees five lakh each have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

VI. The Company has not accepted any deposit s from the public covered under section 58A and 58AA of Companies Act, 1956 and the rules framed thereunder.

VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

VIII. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

IX. (a) According to the information and explanation given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

(b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.

(c) Disputed Sales Tax aggregating ₹. 13.36 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	CST	23.68	Sales Tax Appellate DC Coimbatore

X. The Company does not have any accumulated losses during the period. The Company has not incurred cash losses during the period covered by our audit and in the immediately preceding financial year.

XI. The Company has not taken any loans from Financial Institutions/Banks or has not issued any debentures during the year.

XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII. The Company is not a chit fund, nidhi, mutual benefit fund or a society, therefore the provision of Para 4(xiii) of the order are not applicable.

XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the Company.

XV. In our opinion, the Company has not given any guarantee for any loans taken by any other Companies from Banks or Financial Institutions.

XVI. The Company has not obtained any long term loan during the year under audit.

XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, as at 31st march 2014 we report that no funds raised on short-term basis have been used for long-term investment by the Company.

XVIII. The Company has not made any preferential allotments of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956

XIX. The Company has not issued any debentures during the year under audit.

XX. The Company has not raised any money by way of public issue, during the year.

XXI. To the best of our knowledge and belief and according to the information and explanation given to us, no material fraud on or by the Company, was 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. : 003496S

R. Jayachandran
Partner
Membership No. 021848

Place: Coimbatore
Date : 29/05/2014

Balance Sheet as at 31st March, 2014

[₹. In Million]

Particulars	Note No.	31-03-14	31-03-13
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	2	**0.900**	0.900
(b) Reserves and Surplus	3	**615.967**	595.208
(3) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	**13.688**	3.272
(4) CURRENT LIABILITIES			
(a) Trade payables	5	**150.860**	190.535
(b) Other current liabilities	6	**31.781**	27.003
(c) Short-term provisions	7	**96.073**	71.436
Total		**909.269**	888.354
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	8	**138.924**	49.160
(ii) Intangible assets	8	**-**	-
(iii) Capital work-in-progress		**12.623**	5.935
(b) Long term loans and advances	9	**5.087**	77.435
(2) CURRENT ASSETS			
(a) Inventories	10	**114.565**	121.004
(b) Trade receivables	11	**239.159**	229.795
(c) Cash and cash equivalents	12	**301.561**	300.087
(d) Short-term loans and advances	13	**86.550**	97.318
(e) Other current assets	14	**10.800**	7.620
Total		**909.269**	888.354

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

RAMESH PONNUSWAMI
Managing Director

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

R. JAYACHANDRAN
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

Statement of Profit and Loss for the year ended 31st March, 2014

[₹. In Million]

Particulars		Note No.	31-03-14	31-03-13
I. REVENUE FROM OPERATIONS		15	1,255.375	1,439.809
II. OTHER INCOME		16	25.532	27.459
III. TOTAL REVENUE	(I +II)		1,280.907	1,467.268
IV. EXPENSES:		17	582.364	666.616
Purchase of Traded goods		18	217.086	278.994
Changes in inventories of finished goods, work-in-progress and Traded goods		19	7.155	(21.461)
Employee benefit expenses		20	157.114	146.212
Depreciation and amortization expenses			10.063	6.159
Other expenses		21	198.679	212.278
TOTAL EXPENDITURE			1,172.460	1,288.797
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)		108.447	178.471
VI. EXCEPTIONAL ITEMS			-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V-VI)		108.447	178.471
VIII. EXTRAORDINARY ITEMS			-	-
IX. PROFIT BEFORE TAX	(VII - VIII)		108.447	178.471
X. TAX EXPENSE:				
(1) Current Tax			19.357	50.968
(2) Deferred Tax			10.417	4.464
XI. PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)		78.674	123.039
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)		78.674	123.039
XVI. EARNING PER EQUITY SHARE:			(in ₹.)	(in ₹.)
Nominal value of share			10.00	10.00
(1) Basic			874.16	1,367.10
(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

RAMESH PONNUSWAMI
Managing Director

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

R. JAYACHANDRAN
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

Notes to Financial Statements for the year ended 31st March, 2014

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").

1.2 Inventories

Inventories have been valued at lower of cost or 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 Factory	- at cost excluding selling 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 XIV of the Companies Act, 1956 are adopted except for Computers which are depreciated over a period of 3 years at the rate of 33.33% per annum.

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 on a time proportion 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 on 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 Profit and Loss Account.

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 Profit and Loss account. Outstanding liabilities and assets are restated at exchange rate prevailing at the end of the year. The resultant exchange variances are accounted as income or expenses 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 for in the accounts.

c) Leave Salary : Liability in respect of encashment of accumulated leave is provided based on actuarial valuation.

Notes to Financial Statements for the year ended 31st March, 2014

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 expense is recognized based on the present value of obligation determined in accordance with AS-15 (R) 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, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
2 SHARE CAPITAL		
AUTHORISED SHARE CAPITAL:		
1,00,000 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
Total Issued, subscribed and fully paid-up share capital	**0.900**	0.900

2.1 Note:

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, 2014, the amount of dividend per share recognized as distributions to equity shareholders is ₹ 550/- (March 31, 2013: ₹. 0/-).

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

Particulars	31-03-2014	31-03-2013
Number of equity shares at the beginning of the year (No. in Million)	**0.090**	0.090
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 (No. in Million)	**0.090**	0.090

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

Name of the share holder	31-03-2014	%	31-03-2013	%
ELGI EQUIPMENTS LTD	**90,000**	**100%**	90,000	100%

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
3 RESERVES AND SURPLUS		
A) Securities Premium Account	**180.000**	180.000
B) General Reserve		
As per the last Balance Sheet	**2.000**	2.000
Add: transfer from profit & loss account	**7.867**	-
	9.867	2.000
C) Surplus From Profit & Loss Account		
As Per The Last Balance Sheet	**413.208**	290.168
Add: Current Year Surplus	**78.674**	123.039
	491.882	413.208
Less: Proposed dividend	**49.500**	-
Less: Provision for tax on dividend	**8.415**	-
Less: Transfer to general reserve	**7.867**	-
	426.100	413.208
Closing Balance (a+b+c+d+e+f)	**615.967**	595.208
4 DEFERRED TAX LIABILITIES		
a) As per the last Balance Sheet	**3.272**	(1.192)
Add: For the Year	**10.417**	4.464
	13.688	3.272
5 TRADE PAYABLE		
a) Acceptances	**36.383**	39.512
b) Dues to Micro, small and Medium Enterprises	**29.741**	27.245
c) Others	**84.735**	116.500
	150.860	190.535
6 OTHER CURRENT LIABILITIES		
Other payables		
i Advance from customers	**12.574**	10.898
ii Dealers Deposits	**6.540**	6.281
iii Employee related expenses payable	**3.638**	2.181
iv TDS Payable / Other Taxes Payable	**9.028**	7.643
	31.781	27.003
7 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	**18.800**	20.468
b) Provision for income tax	**19.357**	50.968
c) Proposed dividend	**49.500**	-
d) Provision for dividend tax	**8.413**	-
	96.073	71.436

Notes to Financial Statements for the year ended 31st March, 2014

8 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Particulars	Building	Plant & Machinery	Furniture & Office Equipments	Total	Intangible Assets	Total
Gross Block						
Balance as at 1 April 2012	**1.504**	**52.865**	**6.781**	**61.150**	**3.341**	**64.491**
Additions	1.846	7.497	0.757	10.100	-	10.100
Deletions / write off	-	0.586	-	0.586	-	0.586
Balance as at 31 March 2013	**3.350**	**59.777**	**7.539**	**70.665**	**3.341**	**74.006**
Additions	3.300	97.134	1.467	101.901	-	101.901
Deletions / write off	-	2.913	-	2.913	-	2.913
Balance as at 31 March 2014	**6.649**	**153.998**	**9.006**	**169.653**	**3.341**	**172.994**
Accumulated depreciation						-
Balance as at 1 April 2012	**0.318**	**11.987**	**3.325**	**15.629**	**3.087**	**18.716**
For the year	0.192	5.003	0.709	5.905	0.254	6.159
Deletions / write off	-	0.029	-	0.029	-	0.029
Balance as at 31 March 2013	**0.510**	**16.961**	**4.034**	**21.505**	**3.341**	**24.846**
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 31 March 2014	**0.993**	**24.864**	**4.872**	**30.729**	**3.341**	**34.070**
Net Block						
31st March 2013	**2.839**	**42.816**	**3.505**	**49.160**	**-**	**49.160**
31st March 2014	**5.656**	**129.134**	**4.133**	**138.924**	**-**	**138.924**

[₹. In Million]

Particulars	31-03-14	31-03-13
9 LONG TERM LOANS AND ADVANCES		
a) Capital Advances	**-**	74.039
b) Security deposits	**3.187**	1.688
c) Other loans & advances	**1.900**	1.709
	5.087	77.435

All Loans and advances are unsecured and considered good.

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
10 INVENTORIES		
a) Raw materials	**43.408**	43.296
b) Work in progress	**6.834**	10.037
c) Finished goods	**26.494**	32.741
d) Traded goods	**34.666**	32.370
e) Stores & Spares	**0.189**	0.094
f) Loose Tools	**2.368**	2.291
g) Packing materials	**0.605**	0.175
	114.565	121.004
Note : Raw materials inventory include R & D Inventory also		
11 TRADE RECEIVABLES		
a) Trade receivables outstanding for more than 6 months from the date they became due for payment	**11.518**	12.064
b) Others	**227.641**	217.731
	239.159	229.795
All trade receivables are unsecured and considered good.		
12 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i) Balance with banks		
a) In current account	**71.150**	45.407
b) In deposits	**230.315**	174.604
ii) Cash in hand	**0.096**	0.076
b) Other Bank Balances		
In deposits (having original maturity year of more than 3 months but less than 12 months)	**-**	80.000
	301.561	300.087
13 SHORT-TERM LOANS AND ADVANCES		
a) Advances to Suppliers	**17.222**	7.811
b) Employee advances	**4.613**	3.196
c) Cenvat / VAT Receivable & Service Tax credit (Net)	**17.992**	10.236
d) Advance Tax / TDS Receivable	**24.717**	56.506
e) Income / refund receivable	**2.302**	1.269
f) Prepaid expenses	**1.552**	0.147
g) Others	**18.152**	18.152
	86.550	97.318
All Loans and advances are unsecured and considered good.		
14 OTHER CURRENT ASSETS		
Interest accrued	**10.800**	7.620
	10.800	7.620

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
15 REVENUE FROM OPERATIONS		
a) Sale of Products	**1,311.332**	1,509.938
b) Sale of Services	**29.052**	24.526
Gross Sales	**1,340.384**	1,534.463
Less:		
c) Excise Duty	**85.184**	94.654
Net Sales	**1,255.200**	1,439.809
d) Other operating revenue	**0.175**	-
	1,255.375	1,439.809
15.1 DETAILS OF PRODUCTS SOLD		
a) Automotive Equipments	**1,226.148**	1,415.284
16 OTHER INCOME		
a) Interest Income	**26.228**	26.182
b) Profit on sale/loss of assets (Net)	**(1.500)**	0.693
c) Miscellaneous income	**0.804**	0.584
	25.532	27.459
17 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	**41.225**	30.386
Purchases	**582.989**	677.455
	624.213	707.841
Less: Closing Stock of Raw Materials	**41.850**	41.225
	582.364	666.616
17.1 Purchases include machining charges of ₹.16.52 Million (Previous year ₹.17.14 Million)		
17.2 DETAILS OF MATERIALS CONSUMED		
1) Sheets, Plates & H Section	**120.423**	49.972
2) Materials that do not individually account for 10% or more of total consumption	**461.941**	616.644
	582.364	666.616
18 PURCHASE OF TRADED GOODS		
1) AUTOMOTIVE GARAGE EQUIPEMENTS	**217.086**	278.994
19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	**10.037**	7.721
Opening Stock of Finished Goods	**32.741**	16.271
Opening Stock of Traded goods	**32.371**	29.696
	75.149	53.688
Closing Stock of WIP	**6.834**	10.037
Closing Stock of Finished Goods	**3.554**	32.741
Closing Stock of Traded goods	**57.606**	32.371
	67.994	75.149
	7.155	(21.461)

Notes to Financial Statements for the year ended 31st March, 2014

[₹. In Million]

Particulars	31-03-14	31-03-13
20 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	**120.945**	110.678
Gratuity	**1.269**	-
Performance Pay	**11.659**	14.254
Contribution to Providend fund & Superannuation fund	**7.924**	7.329
Welfare expenses	**10.657**	9.533
MD's Remuneration (Excluding performance pay)	**4.658**	4.419
	157.114	146.212
21 OTHER EXPENSES		
Packing Charges	**27.001**	31.754
Consumption of Stores	**5.776**	6.155
Tools Consumed	**7.550**	9.517
Commission and Discount	**24.354**	29.632
Power, Fuel & Lighting	**7.007**	7.069
Transport Charges	**11.854**	15.874
Postage, Telegrams & Telephones	**2.702**	2.656
Travelling and Conveyance	**28.543**	30.154
Insurance	**0.844**	0.788
Advertisement and Publicity	**4.153**	1.742
Repairs and Maintenance of		
-Plant and machinery	**2.394**	2.087
-Building	**2.892**	2.820
-Other Assets	**2.604**	2.477
Printing and Stationery	**2.113**	1.819
Research and Development expenses	**6.502**	3.398
Bad Debts Written off	**2.405**	0.347
After Sales Expenses	**23.393**	24.170
Factory Expenses	**0.207**	0.398
Rates & Tax	**0.059**	0.152
Auditor's Remuneration		
-Audit Fees	**0.350**	0.350
-Other Services	**0.135**	0.028
Miscellaneous Expenses	**16.088**	15.370
Subscription,Periodicals & Filing Fees	**0.056**	0.052
Donations	-	0.003
Rent	**5.192**	2.745
Legal and Consultancy Charges	**10.480**	10.326
Directors' Sitting Fees	**0.060**	0.055
Sales Tax Payments	**0.508**	0.304
Exchange Fluctuation (Gain) / Loss (net)	**0.875**	4.704
Excise Duty paid	**1.345**	3.567
Bank charges	**1.235**	1.765
	198.679	212.278

Notes to Financial Statements for the year ended 31st March, 2014

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	23.68	13.36	Sales Tax Appellate DC, Coimbatore

The company has filed appeals with appropriate authorities of Sales-tax department against their claims

Particulars	31/03/14 (₹. In Million)	31-03-13 (₹. In Million)
b) Guarantees and Letter of credit	**21.541**	30.187

23 Details of estimated amount of contracts

Particulars	31-03-14 (₹. In Million)	31-03-13 (₹. In Million)
Estimated amount of contracts remaining to be executed on capital account	**9.430**	74.039

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

Particulars	Section	31-03-14 (₹. In Million)	31-03-13 (₹. In Million)
a) The Principal amount due to Supplier under the Act.	S 22 (i)	**29.741**	27.245
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, 2014

25 Details of disclosure as required under AS15 in respect of defined benefit plan (Gratuity)

(₹. In Million)

		31-03-14	31-03-13
		Gratuity (Funded)	
I	**PRINCIPAL ACTUARIAL ASSUMPTIONS**		
	[Expressed as weighted averages]		
	Discount Rate	**9.20%**	8.20%
	Salary escalation Rate	**6.50%**	6.00%
	Attrition rate	**3.00%**	3.00%
	Expected rate of return on Plan Assets	**8.75%**	9.25%
	In the following tables, all amounts are in Rupees, unless otherwise stated		
II	**CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:**		
	PVO as at the beginning of the period	**7.992**	9.331
	Interest Cost	**0.639**	0.805
	Current service cost	**1.306**	1.161
	Past service cost - (non vested benefits)	**-**	-
	Past service cost - (vested benefits)	**-**	-
	Benefits paid	**(0.392)**	(0.158)
	Actuarial loss/(gain) on obligation (balancing figure)	**0.973**	(3.145)
	PVO as at the end of the period	**10.520**	7.993
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	**18.931**	14.825
	Expected return on plan assets	**1.733**	1.474
	Contributions	**-**	2.734
	Benefits paid	**(0.392)**	(0.158)
	Actuarial gain/(loss) on plan assets [balancing figure]	**(0.082)**	0.058
	Fair value of plan assets as at the end of the period	**20.189**	18.932
IV	**ACTUAL RETURN ON PLAN ASSETS**		
	Expected return on plan assets	**1.733**	1.474
	Actuarial gain (loss) on plan assets	**(0.085)**	0.058
	Actual return on plan assets	**1.650**	1.532
V	**ACTUARIAL GAIN / LOSS RECOGNISED**		
	Actuarial gain / (loss) for the period - Obligation	**(0.973)**	3.145
	Actuarial gain / (loss) for the period - Plan Assets	**(0.082)**	0.058
	Total (gain) / loss for the period	**1.056**	(3.203)
	Actuarial (gain) / loss recognized in the period	**1.056**	(3.203)
	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	**10.520**	7.993
	Fair value of plan assets	**20.189**	18.932
	Difference	**9.669**	(10.939)
	Unrecognised transitional liability	**-**	-
	Unrecognised pas service cost - non vested benefits	**-**	-
	Liability recognized in the balance sheet	**9.669**	(10.939)

Notes to Financial Statements for the year ended 31st March, 2014

(₹. In Million)

	31-03-14	31-03-13
	Gratuity (Funded)	
VII EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	**1.306**	1.161
Interest Cost	**0.639**	0.805
Expected return on plan assets	**(1.733)**	(1.474)
Net actuarial (gain)/loss recognised in the year	**1.056**	3.203
Transitional Liability recognised in the year	**-**	-
Past service cost - (non vested benefits)	**-**	-
Past service cost - (vested benefits)	**-**	-
Effect of limit under paragraph 59(b)	**-**	-
Total	**-**	-
Expenses recognised in the statement of Profit and Loss	**1.269**	(2.712)
VIII MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
Opening net liability	**(10.938)**	(5.494)
Expenses as above	**1.269**	(2.712)
Contribution paid	**-**	(2.734)
Closing net liability	**(9.669)**	(10.939)
IX AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	**10.520**	7.993
Plan Assets	**20.189**	18.932
Surplus (Deficit)	**9.669**	10.939
Experience adjustments on plan liabilities - (loss)/gain	**(1.524)**	3.134
Experience adjustments on plan assets -(loss)/gain	**(0.082)**	0.058
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)	**-**	-
Total	**100.00%**	100.00%

Notes to Financial Statements for the year ended 31st March, 2014

26 Expenditure in Foreign Currency

Particulars	31.03.14 (₹. In Million)	31.03.13 (₹. In Million)
Travelling Expense	**1.782**	2.397

27 CIF Value of Imports

Particulars	31.03.14 (₹. In Million)	31.03.13 (₹. In Million)
1 Raw materials and components	**58.023**	12.510
2 Capital goods	**80.377**	-
3 Traded goods	**158.588**	34.062
Total	**296.988**	46.573

28 Details of R&D Expenses

Particulars	31-03-14 (₹. In Million)	31-03-13 (₹. In Million)
1) Capital	**1.352**	1.112
2) Salaries & wages	**9.679**	8.247
3) R&D materials	**6.502**	3.398
4) Other Expense	**1.204**	0.839
Total	**18.738**	13.596

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 Earning in Foreign Exchange Calculated On FOB basis

Particulars	31.03.14 (₹. In Million)	31.03.13 (₹. In Million)
Direct Exports	**71.665**	76.187

30 Details of Earnings per Share

Particulars	31.03.14 (₹. In Million)	31.03.13 (₹. In Million)
Net profit (₹. in Million)	**78.674**	123.039
Weighted average number of shares outstanding (No. in Million)	**0.090**	0.090
Nominal value per share (in ₹.)	**10.000**	10.000
Basic Earings Per share (in ₹.)	**874.155**	1367.100
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

Notes to Financial Statements for the year ended 31st March, 2014

32 Details of Accounting Standard (AS)18, Related Party Disclosures **(₹.In Million)**

Particulars	Holding Company		Other Companies / Firms		Key Managerial Personnel*	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of Goods	**5.866**	2.528	**1.832**	2.039		
Sale of Goods	**35.154**	13.190				
Receiving of Services	**19.147**	14.401				
Providing of Service	**0.411**	-				
Remuneration					**5.230**	6.359
Payables at the end of the year	**3.274**	4.158	**0.294**	0.396		
Receivables at the end of the year	**17.050**	0.836	**4.337**	-		

* Includes performance linked pay paid during the year.

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. Balakrshnan & Bros.

4. Key Managerial Personnel :
Jairam Varadaraj , Chairman
Hajeet Singh Wahan, Vice-Chairman
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		31-03-14		31-03-13
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		**108.447**		178.471
Adjustments for:				
Add: Prior Year Adjustments	-		(0.001)	
Depreciation	10.063		6.159	
Assets Condemned and Written off	-		-	
(Profit)/Loss on sale of assets	1.500		(0.693)	
Bad debts written off	2.405		0.347	
Interest and Processing fees Paid	1.235		1.765	
Dividend Received	-		-	
Interest Received	(26.228)	**(11.026)**	(26.182)	(18.606)
Operating Profit Before Working Capital Changes		**97.421**		159.865
Adjustments for:				
(Increase)/Decrease in Inventories	6.439		(34.965)	
(Increase)/Decrease in Trade Receivables	(11.769)		(77.024)	
Employees (ESPS - Elgi)				
(Increase)/Decrease in Loans and Advances,Other Current and non Current Assets	79.936		(80.908)	
Increase/(Decrease) in Trade payable,Current Liabilities and Provisions	(62.816)	**11.790**	38.391	(154.506)
		109.211		5.359
Cash Generated from Operations				
Direct Taxes Paid	(24.717)		(56.506)	
		(24.717)		(56.506)
Net Cash From Operating Activities (A)		**84.494**		(51.147)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of tangible Assets	(108.589)		(14.176)	
Sale of tangible Assets	0.575		1.250	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Loans to Companies	-		-	
Interest Received	26.228		26.182	
Dividend Received	-		-	
Net Cash Used in Investing Activities (B)		**(81.786)**		13.256
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Issue of Share Premium	-		-	
Proceeds from Short Term Borrowings	-		-	
Interest and Processing fees Paid	(1.235)	**(1.235)**	(1.765)	(1.765)
Dividend Paid				
Net Cash Used in Financing Activities (C)		**(1.235)**		(1.765)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**1.473**		(39.656)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		**300.087**		339.742
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		**301.561**		300.086

Note: Figures within Bracket denote Cash Outflow.

For and on behalf of the Board

"As per our report of even date"

JAIRAM VARADARAJ
Chairman

RAMESH PONNUSWAMI
Managing Director

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

R. JAYACHANDRAN
Partner
Membership No. 021848

Place : Coimbatore
Date : 29/05/2014

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

Overseas Fellow Subsidiaries

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USA	:	**Elgi Compressors USA Inc.,** 3335 Pelton St, Charlotte, NC 28217, USA. Tel:- +1 704 943 7966 Patton's Inc, 3201 South Boulevard, Charlotte, NC 28209, USA. Ph: +1-704-523-4122

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Ph: + 91-422-2589999, Fax: +91-422-2589800
E-mail: enquiry@ats-elgi.com Web: www.ats-elgi.com

ADISONS PRECISION INSTRUMENTS MFG.CO.LIMITED
Elgi Indusrial Complex, Singanallur, Coimbatore - 641 005. (CIN: U32109TZ1972PLC008922)

Joint Venture

ELGI SAUER COMPRESSORS LIMITED
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Ph: + 91-422-2589555, Fax: +91-422-2573697
E-mail: info@elgisauer.com Web: www.elgisauer.com

Factory & Registered Office:

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GLOBAL SUPPORT CENTRE
SF NO 221, 221/2 & 221/3,KOTHAVADI ROAD,
KODANGIPALAYAM VILLAGE, SINGARAMPALAYAM (PO)
KINATHUKKADAVU TALUK, COIMBATORE – 642109
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Division

PRESSURE VESSEL DIVISION
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Ph: 0422-2589777, Email: enquiry@elgi.com

MANUFACTURING ENGINEERING DIVISION
1246, Trichy Road, Coimbatore - 641 018.
Ph:0422-2589777, Email:enquiry@elgi.com

Toll Free Customer Care (in India): 1800-425-3544

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 (tick the correct box) : SB ☐ Current ☐ Cash Credit ☐

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

ATTENDANCE SLIP

ELGI EQUIPMENTS LIMITED

Singanallur, Coimbatore - 641 005, Tel: +91-422-2589555 Fax: +91-422-2573697
E-mail: investor@elgi.com Visit us at: www.elgi.com
(CIN: L29120TZ1960PLC000351)

54th ANNUAL GENERAL MEETING
25th September, 2014

DP ID	Folio No:
Client ID	No. of Shares

Name of the Member
Name of the Proxy

I hereby record my presence at the **54th ANNUAL GENERAL MEETING of the Company held on Thursday, 25th September, 2014 at 10.30 A.M. at Ardra Convention Centre, Kaanchan, 9 – North Huzur Road, Coimbatore – 641018**.

Member's / Proxy's Signature

Notes:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Electronic copy of the Annual Report for FY 2013-14 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and the Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E – VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	**USER ID**	**PASSWORD***
140812004	Folio No. / Client ID	PAN Number / Bank Account No. / Date of Birth

*** Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting. Commencement of e-voting**

The e-voting facility will be available during the following voting period :

Commencement of e-voting	**End of e-voting**
Friday, 19th September, 2014(from 9.00 AM)	Sunday, 21st Sepetember, 2014(upto 6.00 PM)

Note: Please refer the details and instructions from integral part of the Notice for the Annual General Meeting.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ELGI EQUIPMENTS LIMITED

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54th ANNUAL GENERAL MEETING
25th September, 2014

Name of the member(s) : .....

Registered Address : .....

.....

.....

Email ID : .....

Folio No./Client ID ..... DP ID : .....

I / We being the member(s) of ..... shares of ELGI Equipments Limited, hereby appoint:

1. Name : ..... Address .....

   .....

   Email ID : ..... Signature ..... or failing him;

2. Name : ..... Address .....

   .....

   Email ID : ..... Signature ..... or failing him;

3. Name : ..... Address .....

   .....

   Email ID : ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **54th Annual General Meeting of the Company, to be held on Thursday, September 25, 2014 at 10.30 AM at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore – 641018,** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O

S.No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	To consider the Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors thereon.	☐	☐
2.	To declare dividend for the year ended 31st March, 2014	☐	☐
3.	To appoint a Director in the place of Sudarsan Varadaraj (holding DIN 00133533) who retires by rotation and being eligible offers himself for re-appointment	☐	☐
4.	To re-appoint the Auditors and to fix their remuneration.	☐	☐
Special Business			
5.	Appointment of Dr. Ganesh Devaraj as an Independent Director	☐	☐
6.	Appointment of M. Ramprasad as an Independent Director	☐	☐
7.	Appointment of B. Vijayakumar as an Independent Director	☐	☐
8.	Appointment of N. Mohan Nambiar as an Independent Director	☐	☐

Signed this.....day of..... 2014.

Signature of the Shareholder .....

Affix Revenue Stamp not less than ₹ 0.15

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 54th Annual General Meeting.

3.* It is optional to put "✓" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in the above box before submission

ELGi's new air compressor plant at kinathukadavu, Coimbatore

ELGi's best-in-class foundry at kinathukkadavu, Coimbatore

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