

ELGI

Proceedings of the 50th Annual General Meeting of the Company held on Monday, 06TH Day of December, 2010 at 10 A.M. at "ARDRA BUILDING", No.9, North Huzur Road, Coimbatore - 641 018.

Election of Chairman

Dr. Jairam Varadaraj, Chairman occupied the Chair. With the requisite quorum the meeting commenced.

With the permission of the members present at the meeting, the Notice convening the meeting, the Directors' Report and Audited Accounts were taken as read.

Statutory Books were kept open for inspection by members.

The Auditors of the Company read the Auditors' Report for the year ending 31/03/2010.

MINUTES OF THE MEETING

ORDINARY BUSINESS

Subject No: 01

ADOPTION OF ACCOUNTS.

Resolution

The resolution was proposed by Mr. C.N. Subramanian and seconded by Mr. Vidhyashankar.

RESOLVED THAT the Audited Balance Sheet & Profit and Loss Account for the year ended 31st March, 2010 and the Auditors' Report and Directors' Report thereon, be and are hereby received and adopted."

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands.

Subject No: 02

CONFIRMATION OF INTERIM DIVIDENDS PAID AS FINAL DIVIDEND.

Resolution

The resolution was proposed by Mr. Vidhyasankar and seconded by Mr. Raghupathy.

For ELGI EQUIPMENTS LIMITED



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COMPANY SECRETARY
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During this Financial Year 2009-10, keeping in view the 50th Golden Jubilee year the Board of Directors had recommended and paid Interim Dividends upto 200% on the paid up share capital of 78.16 million (pre-merger) of the Company.

The outflow including dividend distribution tax was Rs. 169.35 million as against a total of Rs. 95.40 million paid for the previous financial year 2008-09. Hence the Board of directors recommended to confirm the interim dividend paid as the final dividend for this financial year 2009-10.

RESOLVED THAT the Interim Dividends recommended by the Board of Directors at their meeting held on 31/10/2009 (75% - I interim dividend) & 29/04/2010 (125% - II interim dividend) be treated as the Final Dividend for the financial year 2009-10.

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands.

Subject No: 03 (i)

RETIREMENT OF DIRECTORS (SRI. B. VIJAYAKUMAR)

Resolution

The resolution was proposed by Mr. Vidhyasankar and seconded by Mr. Raghupathy.

RESOLVED THAT Sri. B. Vijayakumar, who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company."

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands.

Subject No: 03 (ii)

RETIREMENT OF DIRECTORS (SRI. N. MOHAN NAMBIAR)

Resolution

The resolution was proposed by Mr. Gopal and seconded by Mr. M.D. Selvaraj.

RESOLVED THAT Sri. N. Mohan Nambiar, who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company."

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands.

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Subject No: 04

APPOINTMENT OF AUDITORS & FIXING THEIR REMUNERATION.

The resolution was proposed by Mr. Sundararaj and seconded by Mr. V.N. Ramasamy.

Resolution

RESOLVED THAT the retiring Auditor, M/s. RJC Associates, Chartered Accountants, Coimbatore be and is hereby reappointed as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses incurred by them in connection with the Audit."

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands.

SPECIAL BUSINESS

Subject No: 05

ALTERATION OF ARTICLES OF ASSOCIATION (Insertion of New Articles 27 & 28)

Resolution

The resolution was proposed by Mr. K. Jagannathan and seconded by Mr. V.N. Ramasamy.

RESOLVED THAT subject to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting the following new Article(s) 27 & 28 after the existing Articles 26.

27. Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves or any Capital Redemption Reserve Account or in the hands of the Company and available for dividends or representing premiums received on the issue of shares and standing to the credit of share premium account be capitalized and distributed amongst such of the shareholders as bonus shares as would be entitled to receive the same.
28. Subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act and subject to the Articles of Association, the Board or a committee of the Board may, from time to time, create, offer and issue to or for the benefit of the employees

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including Directors and Whole-time directors of the Company and its subsidiaries such number of equity shares / bonds / equity warrants/options/any other security convertible or non-convertible of the Company, for subscription on such terms and conditions and at such price as may be determined by the Board or a Committee of the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking *pari passu* with the existing equity shares of the Company.

All such issue as above are to be made in pursuance of Employees' Stock Option (ESOP) Scheme or Employees Stock Purchase Scheme (ESPS) to be drawn up and approved by the Board or a Committee thereof.

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as a Special Resolution.

Subject No: 06

ALTERATION OF AUTHORISED SHARE CAPITAL (Rs. 10 Crores to Rs. 30 Crores)

Resolution

The resolution was proposed by Mr. Raghupathy and seconded by Mr. M.D. Selvaraj.

RESOLVED THAT pursuant to Section 94(1) and other applicable provisions if any, of the Companies Act, 1956, that the Authorised Share Capital of the Company be and is hereby altered by converting 55,00,000 12% Cumulative Redeemable Preference Shares of Rs.10/- each into 5,50,00,000 Equity Shares of Re.1/- each and 30,00,000 5% Redeemable Preference Shares of Rs.10/- each into 3,00,00,000 Equity Shares of Re.1/- each and that accordingly the Authorised Share Capital be altered as Rs. 30,00,00,000/- (Rupees Three Hundred Millions only) divided into 30,00,00,000 (Three Hundred Millions only) equity shares of Re.1/- each. "

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as an Ordinary Resolution.

Subject No: 07

ALTERATION OF MEMORANDUM OF ASSOCIATION (Clause V)

Resolution

The resolution was proposed by Mr. Balasubramanian and seconded by Mr. Gopal.

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RESOLVED TAHT Clause V of the Memorandum of Association be and is hereby altered in the following manner

The existing Clause V of the Memorandum of Association be deleted and the following new Clause V be substituted thereof.

- V. The Authorised share capital of the Company is Rs.30,00,00,000 (Rupees Three Hundred Millions only) divided into 30,00,00,000 (Three Hundred Million only) Equity Shares of Re. 1/- each and the Company shall have power to increase or reduce the Capital and will be at liberty to issue any shares with special rights or privileges as to voting, dividend, capital or otherwise or to subject the same to any restrictions, limitations or conditions as the Company deems fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 (including any amendment to or re-enactment thereof) and as the Company deems fit and necessary.

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as an Ordinary Resolution.

Subject No: 08

ALTERATION OF ARTICLES OF ASSOCIATION (Article - 2)

Resolution

The resolution was proposed by Mr. P. Senthilkumar and seconded by Mr. C. Karuppannan.

RESOLVED THAT Article 2 of the Articles of Association be and is hereby altered in the following manner;

The existing Article 2 of the Articles of Association be deleted and the following new Article 2 be substituted thereof.

2. The Authorised share capital of the Company is Rs.30,00,00,000 (Rupees Three Hundred Millions only) divided into 30,00,00,000 (Three Hundred Million only) Equity Shares of Re. 1/- each and the Company shall have power to increase or reduce the Capital and will be at liberty to issue any shares with special rights or privileges as to voting, dividend, capital or otherwise or to subject the same to any restrictions, limitations or conditions in such manner as may be permitted by the Companies Act, 1956 (including any amendment to or re-enactment thereof) and as the Company deems fit and necessary

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The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as a Special Resolution.

Subject No: 09

ISSUE OF BONUS SHARES

Resolution

The resolution was proposed by Mr. Thirumalaiswamy and seconded by Mr. N. Shanmugasundaram.

RESOLVED THAT subject to the Memorandum and Articles of Association of the Company and subject to such consents and approvals as may be required and subject to the compliance with relevant guidelines issued by the Securities and Exchange Board of India (SEBI), the Companies Act 1956 and the Foreign Exchange Management Act, 1999 an amount of Rs.78,935,454/- out of the amount standing to the credit of Share Premium Account as on 31st March 2010 be capitalized and transferred from the said account to the equity share capital account and be applied to payment in full for the allotment of 78,935,454 fully paid equity shares of the face value of Re.1/- each as bonus shares to the holders of the existing equity shares of the Company, whose names appear on the Register of Members of the Company or whose names appear as the beneficial owners of the equity shares of the Company on the records of the Depositories as on such date (hereinafter referred to as the "Record Date") as may be fixed by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) in the proportion of ONE new equity share for every ONE existing equity share of the Company held by them, on the following terms and conditions:

1. That the new equity shares so allotted shall be treated as an increase in the nominal amount of the paid up capital of the Company held by each member and not as income.
2. That the new equity shares to be allotted as bonus shares will be allotted subject to the terms of the Memorandum and Articles of Association of the Company, and shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up equity shares of the company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of the new equity shares pursuant to this resolution is made.
3. That the issue and allotment of the bonus shares in favour of non resident members of the Company shall be made in accordance with the guidelines issued by the Reserve Bank of India from time to time.

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4. That in the case of shares held in dematerialized form, the intimation of allotment of the bonus shares shall be sent, while in case of shares held in physical form, share certificates shall be issued directly instead of allotment letter within the Statutory time limit

RESOVLED FURTHER that the Board be and is hereby authorized:

1. To apply for listing of the new equity shares issued as bonus shares along with the existing share capital of the Company to the Stock Exchange(s) where the Company's shares are listed / traded and to make an application to the depositories for crediting the Bonus shares to the individual depository accounts of the allottees;
2. To modify the terms and conditions, quantum and amount to be capitalized, and number of new equity shares to be allotted, relating to the aforesaid issue of bonus shares, if the circumstances so arise as would necessitate these and to settle all questions or difficulties that may arise with regard to the allotment and issue of the said new equity shares in such manner as they shall determine in their absolute discretion.

RESOLVED FURTHER THAT the Board be and is hereby authorized to prepare and file the necessary forms, documents, with Registrar of Companies and other authorities and to do all such acts, deeds and things as may be required or deemed necessary in this regard

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as a Special Resolution.

Subject No: 10

ISSUE OF SHARES TO EMPLOYEES

Resolution

The resolution was proposed by Mr. Vinod Krishnan and seconded by Mr. R. Narayanasamy.

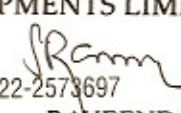
RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include ESPS Compensation Committee which the Board may

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constitute having independent Directors in majority to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue/allot not more than 1,000,000 (One Million) Equity shares of Re.1/- each in one or more trenches to eligible employees (both present and future) and Directors of the Company whether working in India or outside India and whether they are shareholders of the Company or not through Employee Stock Purchase Scheme (ESPS) on such terms and conditions as may be fixed or determined by the Board.

RESOLVED FURTHER THAT the said equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf .

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as a Special Resolution.

Subject No: 11

EMPLOYEE STOCK PURCHASE SCHEME

Resolution

The resolution was proposed by Mr. RM. Adaikkalavan and seconded by Mr. AN. Annamalai.

RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the

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Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include ESPS Compensation Committee which the Board may constitute having independent Directors in majority to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of ESPS proposed in the Resolution number 10 in this Notice within the overall limit mentioned therein to employees/Directors of the Company's direct and Indirect subsidiaries, whether Indian or Foreign Subsidiaries, existing and as and when formed and whether they are shareholders of the Company or not as may time to time be allowed under prevailing laws, rules and regulations and /or amendments thereto and on such terms and conditions as may be fixed or determined by the Board on the basis of Salient Features of ESPS mentioned in aforesaid resolution and its annexure.

RESOLVED FURTHER THAT the said Equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf .

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company unless otherwise decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

Subject No: 12

REVISION IN MD REMUNERATION

Resolution

The resolution was proposed by Mr. J. Seetharam and seconded by Mr. A. Duraiswamy.

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RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, the remuneration payable to Dr. Jairam Varadaraj, Managing Director of the Company, be and is hereby revised on the following terms, with retrospective effect from 01st April, 2010.

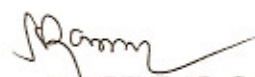
The total remuneration would be Rs. 86 lakh per annum of which 30% would be variable component. All other terms and conditions shall remain the same as approved by the shareholders at their meeting held on 22nd July, 2006.

FURTHER RESOLVED THAT in addition to above, Leave Encashment, Gratuity and other special perquisites, if any, shall be the same structure as applicable to other senior managerial personnel of the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem expedient in the interest of the Company.

The resolution was put to vote by the Chairman and declared, carried unanimously on show of hands as a Special Resolution.

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