

Annual Report
2012 - 2013



ELGi  **i** TM

ELGI EQUIPMENTS LIMITED

53rd Annual General Meeting

Date : 1st Day of August, 2013
Day : Thursday
Time : 4.30 PM

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

**Book Closure dates: 20th July, 2013 to 1st August, 2013
(both days inclusive)**

Board of Directors

Managing Director

Dr. Jairam Varadaraj

Non-Executive Directors

Dr. T. Balaji Naidu
Dr. Ganesh Devaraj
Mr. N. Mohan Nambiar
Mr. M. Ramprasad
Mr. Sudarsan Varadaraj
Mr. B. Vijayakumar

Chief Financial Officer

Mr. S. Sriram

Company Secretary

Mr. R. Syam Kumar

Statutory Auditor

M/s. RJC Associates
Chartered Accountants

Cost Auditor

Dr. G.L. Sankaran
Cost & Management Accountant

Bankers

Central Bank of India
State Bank of India
The Hongkong and Shanghai Banking
Corporation 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.

Contents	Page No.
Notice of the 53 rd Annual General Meeting	4
Management Discussion and Analysis	6
Directors' Report	8
Corporate Governance Report	13
Auditor's Report	23
Annual Accounts	26
Cash Flow Statement	45
Consolidated Financial Statements	46
Annual Report of ATS Elgi Limited	62

ELGiTM

Year at a glance - Consolidated Financial Statements

(₹. In Million)

Particulars	2012-13	2011-12
Net Sales	11,445.2	9,916.9
Other Income	162.4	147.2
Total Income	11,607.6	10,064.1
Total Expenditure		
a) (Increase) / Decrease in Inventories	(167.3)	(147.1)
b) Consumption of Raw Materials	6,925.9	6,224.3
c) Staff Cost - Salaries (Inclusive of Performance Pay)	1,633.3	1,095.0
d) Other Expenditure	2,058.7	1,643.5
Interest Expenditure	44.6	7.1
Depreciation / Amortisation	181.8	135.2
Total Expenditure	10,677.0	8,958.0
Profit / Loss before Tax	930.6	1,106.1
Provision for Taxation	328.7	350.4
Net Profit	601.9	755.6
Paid up Equity Share Capital	158.5	158.5
Reserves excluding Revaluation Reserves	4,147.8	3,788.2
Capital Expenditure	2750.5	394.9
Cash Flow from operations	(708.0)	494.1
Basic EPS (in ₹.)	3.8	4.8
Dividend per Share (in ₹.)	1.0	1.0
No. of Shareholders	22,125	23,689
No. of Employees	2,057	1,738

Notice of the 53rd Annual General Meeting

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 53rd Annual General Meeting of the Shareholders of Elgi Equipments Limited will be held on Thursday, the 1st Day of August, 2013 at 4.30 PM at 'ARDRA', No.9, North Huzur Road (Near Codissia Building), Coimbatore- 18, to transact the following business:

ORDINARY BUSINESS:

1. To consider the Statement of Profit and Loss for the financial year ended 31st March, 2013, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.
2. To declare dividend for the year ended 31st March 2013.
3. To appoint a Director in the place of Mr. B. Vijayakumar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. N. Mohan Nambiar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.

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.**
- 2) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th Day of July, 2013 to 1st Day of August, 2013 (both days inclusive).
- 3) The dividend proposed to be declared at the meeting, will be made payable on or before 26-08-2013 to those members whose names appear on the Register of Members of the Company on 20-07-2013.
- 4) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services 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.

- 5) Members are requested to notify immediately the change, if any, in their residential address and bank accounts to the Company's Registrar & Share Transfer Agent - **M/s. Link Intime India Pvt. Limited, Investor Relation Center, "Surya", 35 May Flower Avenue, Behind Senthil Nagar, Sowripalayam, Coimbatore- 641028.**
- 6) Members and / or their Proxies should bring the Attendance Slips duly filled in for attending the meeting.
- 7) Members are requested to quote ledger folio numbers in all correspondence with the Company.
- 8) Unclaimed Interim Dividend up to the financial year 2005-06 has been transferred to the Investor Education & Protection Fund as notified by the Government.
- 9) Members who are having multiple accounts are requested to intimate the Company, the ledger folios of such accounts to enable the Company to consolidate all shareholdings into one account.
- 10) Members are requested to bring their personal copy of this Annual Report to the Meeting.
- 11) Pursuant to the provisions of Section 109A of the Companies Act, 1956, Members are requested to file Nomination Forms in respect of their shareholdings. Any Member wishing to avail this facility may submit to the Company's Registrar & Share Transfer Agent the prescribed Statutory (Form 2B). For any assistance Members shall get in touch with the Company's Registrar & Share Transfer Agent.
- 12) 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 (₹.10/- face value) to the Company's Registrar & Share Transfer Agent immediately.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 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:-

Sl. No	Name	Qualification	Experience	Directorships in other Public Limited Companies incorporated in India	Membership of Committees in other Public Limited Companies incorporated in India
1.	Mr.B. Vijayakumar	B.Sc.	More than 26 years experience as an industrialist	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. BCW V Tech India Private Limited (Subsidiary of L.G. Balakrishnan & Bros Ltd) 9. Renold Chain India Private Limited (Subsidiary of Renold holding PLC)	Shareholders and Investors Committee Shareholders and Investors Committee Audit Committee
2.	Mr.N. Mohan Nambiar	B.A.(Eco.)	More than 40 years experience as an industrialist	1. Lakshmi Apparels and Wovens Ltd. 2. The Palaniandavar Mills Ltd. 3. Adwaith Lakshmi Industries Ltd.	Shareholders and Investors Committee

By Order of the Board
For ELGIEQUIPMENTS LIMITED

R. SYAMKUMAR
 Company Secretary

Place : Coimbatore
 Date : 09/05/2013

Management Discussion and Analysis

The year under review was turbulent with global economic uncertainty. The Company's performance affirmed the strategy of keeping an eye on the future and at the same time ring-fencing the present. The Company's performance in the international markets contributed significantly to the top line and ensured overall growth.

The Company has acquired during the year 100% stake in Rotair SPA, Italy and Pattons Inc. USA. With these acquisitions the Company has got access to new technologies, product lines and well entrenched distribution and service systems besides gaining a strong foothold in markets where it is not currently present.

COMPRESSORS

The compressor business accounted for 83% of the total sales of the Company. It accounts for 83% of the profits of the Company and 87% of the capital employed. This business presently employs 1688 people and grew by 15%.

PERFORMANCE

Domestic business remained stagnant through the year, with marked growth during the end of the year. While the overall business kept pace in line with the industrial activity in India, the water well business picked up towards the end of the year. After-market business grew significantly in line with the Company's overall strategy of service focus.

Sales of indigenously developed line of oil free compressors launched during the previous year gained momentum and is expected to contribute considerably in the future.

International business has grown well with significant contribution from Middle East and Asian Countries. The Company had maintained its level of business despite the slowdown in industrial activity across China and the resultant price pressure. However the growth has been sustained in other South East Asian markets.

Considering the current economic conditions in other regions, the focus is now on strengthening distribution, improving sales productivity and getting prepared for the recovery.

OPPORTUNITIES

With the acquisition of businesses in US and Italy, Elgi has established notable presence in the identified strategic countries. Having successfully completed validation of the products in these markets, the Company is poised for a significant growth. Sale of compressors with life time warranties in certain markets, is expected to influence product sales as well as aftermarket business. Markets showing signs of revival in select segments promise growth potential.

THREATS

Though commodity prices are expected to remain stable, if the economic recovery is not sustained, volatility in prices will tend to erode margins. While cost reduction projects are constantly being undertaken, any uptrend in prices cannot be recovered in the interim.

Developing international markets combined with the integration of the acquired entities will be a challenge in the short term.

ATS-ELGI

The automotive equipment business accounted for 13% of the total sales of the Company. This business accounts for 16% of the profits of the Company and 9% of the capital employed. The business employs 369 people. This year the business has grown by 11%.

PERFORMANCE

The performance of the business is tightly linked with the performance of the automotive industry. Passenger car sales growth was on a downward trend since the start of the financial year except for a brief respite during October, ultimately resulting in the first decline in annual car sales in a decade. Consequently this resulted in an overall reduction in activation of new dealerships and in turn reduced demand for garage equipments. Despite the tough market conditions the business grew due to increased market share in new garages, increased revenue from other industry segments, introduction

of new products and continuous expansion and focus on after sales service. The business also expanded its range of products and market share in the growing commercial vehicles segment.

OPPORTUNITIES

The passenger car market growth is expected to be flat or marginally higher in the year 2013-14 and the overall industry sentiment continues to be weak. Growth opportunities for the business lies in workshop expansions by Original Equipments Manufacturers (OEMs) who have entered the country in recent years with their aggressive new model launch plans.

Industry estimates suggest volume growth in commercial vehicles would be driven by Light Commercial Vehicles which mainly caters to intra-city movement of mostly goods and also used as taxis in rural areas. Since the Company's thrust area is this segment, the business will have a portfolio balance to manage its business from the vagaries of the economy.

THREATS

While the factors such as fuel prices, interest rates and slow growth rate remain as underlying threats, the industry is plagued by high discounts, inventory and chronic over capacity. Low demand coupled with a capacity overhang, particularly in passenger vehicles and intensifying competition is likely to reduce industry operating margins.

OVERALL PERSPECTIVES

The global economy has yet to shake off the fallout from the economic crisis. While the mature economies are slowly healing and growing gradually, the upturn remains weak and uneven. Though the projections indicate positive trends, potential growth rates may be lower than the estimates.

The current state of economy in India remaining unpredictable, indications suggest that macro conditions will

improve in the coming quarters. While the Company continue to remain cautious, signs of improvement are foreseen in some segments pointing to a better than average performance in the ensuing year.

In the international markets the Company expects to improve its performance sizably thus derisking the threat of dependence on the domestic market.

The proposed foundry unit is nearing completion and expected to start commercial production by the second quarter of the ensuing financial year. Construction at the green field site is under progress and expected to get completed by the end of the financial year.

HUMAN RESOURCE DEVELOPMENT

The process of communicating the ELGi's Vision and Values was undertaken. Workshops to facilitate internalization of Values are now underway, and will be an ongoing process.

To meet the demand for trained workforce in our greenfield foundry, our first batch of workmen are being trained in collaboration with PSG College of Technology.

The hiring challenges at our overseas locations have kept us busy. In this connection, our attempt to use social media to attract talent is beginning to show results.

With our recent acquisitions in Europe and the USA, cross cultural learning and the understanding of local laws, practices and customs has become necessary, and we are making progress.

An ombudsman committee has been established to address internal grievances.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 53rd Annual Report of the Company along with the audited accounts for the year ended 31st March, 2013.

Financial results

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

(₹. In Million)

Particulars	2012-13	2011-12
Profit before Depreciation and Tax	1113.37	1175.55
Less: Depreciation	142.70	118.23
Profit before Tax	970.67	1057.32
Less: Provision for Tax (Net of Deferred Tax)	258.03	297.09
Net Profit	712.64	760.23
Add: Opening Balance in P & L Account	2169.61	1669.64
Amount available for Appropriations	2882.25	2429.87
The Directors recommend the following Appropriations		
Dividend	158.45	158.45
Dividend Tax	26.93	25.71
Transfer to General Reserve	71.30	76.10
Profit carried to Balance Sheet	2625.57	2169.61

Dividend

For the financial year 2012-13, the Board of Directors had recommended dividend of ₹.1/- per share (100 %) on the paid up share capital of ₹.15,84,54,508. Subject to the approval of shareholders, an amount of ₹.185.38 Million will be paid as dividend including Dividend Distribution Tax (previous year ₹.184.16 Million).

Review of Operations

During the year under review, the Company recorded net sales of ₹.8165 million as against ₹.7948 million with an increase of 3%. The details of division wise performance with 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 Statement of Profit & Loss 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, Consolidated Financial Statements 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 31st March, 2013 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 current state of economy in India remaining unpredictable, indications suggest that macro conditions will improve in the coming year. While the Company continues to remain cautious, signs of improvement are foreseen in some segments pointing to a better than average performance in the ensuing year.

b. International

The Company achieved significant milestones during the year by acquiring 100% stake in M/s. Rotair Spa, Italy and

M/s. Patton's Inc, USA. With these acquisitions, ELGI has notable presence in the identified strategic markets. The Company is poised for a significant growth.

Capital Expenditure and funding

The Capital Expenditure incurred and funded for the year is ₹.847.45 Million, of which ₹. 289.12 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 through out 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 1,45,776 shares. With this, the total number of shares dematted as on 31st March 2013 are 15,41,84,708 Shares which represent 97.31 % of the shares of the Company.

Fixed Deposits

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

Directors

In accordance with the provisions of Articles of Association of the Company Mr. B. Vijayakumar and Mr. N. Mohan Nambiar, Directors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment as Directors of your Company.

None of your retiring directors are disqualified from being reappointed.

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 judgements 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.

Cost Auditor

Approval of the Government of India through the Ministry of Company Affairs was granted for the appointment of Dr. G.L. Sankaran as the Cost Auditor of your Company for the financial year ended 31st March 2013.

Secretarial Audit

A qualified Practicing Company Secretary carries out a Share Capital Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

The Company has complied with all the provisions of listing agreement in the current year.

Human Resources and Industrial Relations

The Company continues to enjoy cordial relations with its employees at all levels. The total strength of employees (including all Subsidiaries) as on 31st March, 2013 was 2057.

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 Practising 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 for the 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, and service providers.

For and on behalf of the Board

Place : Coimbatore
Date : 09/05/2013

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 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 2012-13

As a measure of Energy Conservation/Cost Saving Activities, the Company has made the following attempts during the year 2012-13;

1. Energy Audit was carried out by an external agency and the saving proposals were executed.
2. The Company had initiated "Energy Management System" ISO 50001 : 2011 Certification Process to optimize the energy cost of manufacturing processes.
3. The Company is certified for ISO 14001:2004 Standards and executed "Environment Management Programme" for various manufacturing processes.
4. Introduced Solar lights in the main gangways to utilize Natural resources (Solar energy).
5. Utilized "Endurance Testing Compressed Air" for the plant by modifying the Plant Air Circuit Header lines.
6. Introduced High speed Diesel which improved the fuel efficiency by 6% and savings in Diesel Cost.

B. Technology Absorption

1. Research & Development

- a) Developed Global Series oil-free two-stage screw compressors in the power range of 90-315 kW.
- b) Developed Global Series oil-free single-stage screw compressors of power range 90-160 kW.
- c) Developed oil-free 50 HP reciprocating compressor.
- d) Developed high pressure reciprocating compressor for Nuclear Power Corporation.
- e) Developed electric powered 22 kW trolley mounted screw compressor for marble mining segment.

2. Technology absorption, adaptation and innovation

- a) Launched two-stage, high pressure skid mounted DS 1200-325 (diesel powered) compressor for water-well segment, and very well received.
- b) Received approval from Indian Railways for the "Common Compressor" developed for 3-phase and conventional locomotives.
- c) Reciprocating compressor developed for GM locomotives has been cleared by RDSO.
- d) Electric powered Global Series screw compressor (30-160 kW) and belt-driven Encap series screw compressor (15-30 kW) entered production.
- e) Air-oil separator tanks used in Global Series compressors are certified for CE and ASME standards.

EXPENDITURE ON R & D	(₹. In Million)	
	2012-2013	2011-2012
Capital	19.66	33.06
Revenue	244.73	199.89
Total	264.39	232.95
R & D Expenditure as a percentage of Turnover	3.25%	2.94%

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
Dr. Jairam Varadaraj	51	Managing Director	8.74	B.Com., MBA., Phd(USA)	24	29/05/1992	NIL
Mr. Sreenivasa Rao	48	Executive Director Operations	5.80*	B.Com AICWAI, MBA	27	01/06/2006	Rane Brake Linings Ltd.
Mr. V.T. Govinda Rajan	54	Executive Director ISAMME & EUROPE	6.91	B.E., PGDBM	31	03/01/2007	Rane TRW Steering System Ltd.
Dr. Rajendra Singh	55	Director Technology	8.38	B.E., MS.,	36	22/09/2010	Indian Railways Delphi - TVS Continental Automotive
Mr. K. Chandran	55	Director Corporate - Strategy & AMEROPA	6.38	B.Tech (Mechanical), PGD (Marketing)	29	07/07/2011	HCL Technologies
Mr. Harjeet Singh Wahan	66	Executive Director - Quality & EBS	5.50*	B.E. (Elec.), DBM	39	14/05/2012	ATS Elgi Limited

* Remuneration for part of the Financial Year 2012-13.

Note :

1. The nature of employment of Dr. Jairam Varadaraj, Managing Director of the Company is contractual.
2. Remuneration includes salary, allowances, contribution to Provident Fund, Superannuation Fund, other taxable perquisites and also performance linked pay paid during the year.
3. Dr. Jairam Varadaraj is related to Mr. Sudarsan Varadaraj and Dr.T.Balaji Naidu as per Schedule IA of the Companies Act, 1956.

For and on behalf of the Board

Place : Coimbatore
Date : 09/05/2013

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 and 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. Dr. Jairam Varadaraj is the Executive Director and all other Directors are Non-Executive Directors.

The Board met 6 times during the financial year on 14th May 2012, 6th August 2012, 29th August 2012, 02nd November 2012, 28th November 2012 and 25th January 2013. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 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
Dr. Jairam Varadaraj	Managing Director - Promoter	4	Yes	8	-	4
Mr. Sudarsan Varadaraj	Non-Executive - Promoter	2	No	7	-	3
Dr. T. Balaji Naidu	Non-Executive - Promoter	5	No	2	-	1
Mr. B. Vijayakumar	Non-Executive - Independent	4	No	9	-	3
Mr. N. Mohan Nambiar	Non-Executive- Independent	5	Yes	3	1	1
Mr. M. Ramprasad	Non-Executive- Independent	4	Yes	1	1	-
Dr. Ganesh Devaraj	Non-Executive- Independent	4	No	-	-	1

Excludes directorships in Private Companies and Foreign Companies

\$ Only Audit Committee and Investor Grievance Committee are considered.

Dr. Jairam Varadaraj is related to Mr. Sudarsan Varadaraj and Dr. T. Balaji Naidu as per Schedule IA of the Companies Act, 1956.

COMMITTEES OF 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 14th May 2012, 6th August 2012, 2nd November 2012 and 25th January 2013. The Composition of the Audit Committee and the attendance of each member of the Committee during the year is given below.

Name of the Members	Chairman/Member	No. of Meetings attended
Mr. M. Ramprasad	Chairman	4
Mr. N. Mohan Nambiar	Member	3
Dr. Ganesh Devaraj	Member	4

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Statutory Auditors, 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 2012-13 before it was placed in the Board.

REMUNERATION COMMITTEE

The Committee comprises of 3 Non-Executive Independent Directors, namely Mr. M. Ramprasad (Chairman), Dr. Ganesh Devaraj and Mr. N. Mohan Nambiar.

This Committee would basically look into and determine the Company's policy on remuneration packages to the Managing Director. During the year under review, the committee had met one time on 6th August 2012. All the members of the committee were present in the meeting.

The Managing Director is 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.

Dr. Jairam Varadaraj, Managing Director was paid remuneration of ₹. 8.74 Million for the year ended 31st March, 2013 including ₹. 1.44 Million towards Performance Pay. His appointment is for a period of 5 years from 01/04/2011.

The Company does not pay remuneration to any of its Non-Executive Directors barring sitting fees for attending the meeting(s).

The details of the sitting fees paid during the year ended 31st March 2013 to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees (In ₹.)
Mr. N. Mohan Nambiar	160000
Mr. M. Ramprasad	160000
Dr. Ganesh Devaraj	160000
Mr. B. Vijayakumar	80000
Dr. T. Balaji Naidu	100000
Mr. Sudarsan Varadaraj	40000

Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2013:-

Name of the Director	No of Shares held (as on 31.03.2013)
Mr. M. Ramprasad	8000
Mr. B. Vijayakumar	50000
Dr. T. Balaji Naidu	31000
Mr. Sudarsan Varadaraj	41786

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

SHARE HOLDERS' COMMITTEE

This Committee was constituted with Mr. N. Mohan Nambiar as Chairman and Dr. Jairam Varadaraj and Dr. Balaji Naidu as members.

Compliance Officer: Mr. S. Raveendar, Company Secretary was compliance officer up to 06/08/2012, and Mr. R. Syam Kumar, took over on 06/08/2012.

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. During the year ended 31st March 2013, 26 meetings of the Committee were held.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2013 was 66. There were no outstanding complaints as on 31st March 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

GENERAL BODY MEETINGS

Location and time for last three AGMs held

Year	Location	Date	Time
2011-12	ARDRA, No-9 North Huzur Road, Coimbatore - 641018	06.08.2012	16:30 hrs
2010-11	---do---	29.07.2011	16:30 hrs
2009-10	---do---	06.12.2010	10:00 hrs

Details of Special Resolutions passed at the last three Annual General Meetings.

(i) 50th AGM held on 6th December, 2010

- Alteration of the Articles of Association by inserting new clauses relating to issue of bonus shares and issue of shares under ESOP/ESPS Scheme.
- Alteration of the Capital clause of the Articles of Association.
- Authority to issue of Bonus Shares in the ratio of one equity share for every one equity share held.
- Authorising the Board of Directors to issue and allot upto 1 Million Equity Shares of ₹.1/- each under Employee Stock Purchase Scheme to the employees of the Company.
- Authorising the Board of Directors to issue and allot upto 1 Million Equity Shares of ₹.1/- each under Employee Stock Purchase Scheme to the employees of the subsidiaries.
- Payment of revised remuneration from 1st April 2010 to Dr. Jairam Varadaraj, Managing Director

An Extra Ordinary General Meeting was held on 29th July 2010 under the direction of the Hon'ble High Court of Judicature at Madras and the shareholders have approved the Scheme of Amalgamation of M/s.Elgi Industrial Products Limited with the Company in terms of Section 391 to 394 of the Companies Act, 1956 effective from 1st April 2009.

(ii) 51st AGM held on 29th July, 2011

Dr. Jairam Varadaraj was reappointed as Managing Director for a further period of 5 years w.e.f. 01/04/2011.

(iii) 52nd AGM held on 06th August, 2012

No Special Resolution was passed during last Annual General Meeting.

No special resolutions were put through postal ballot during last year.

DISCLOSURES:

- Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Kindly refer to the notes forming part of accounts for the details of related party transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interest of the Company at large.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

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.

- Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company conducts regular 'employee meets' every quarter where all the employees have a chance to interact directly with the Managing Director of the Company. Besides this the Managing Director is reachable via e-mail and landline. Any issue brought to the attention of the management, whether resolved or not is placed before the Audit Committee for its perusal and comments.

- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49.

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the agreement.

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement.

1. Company has a Remuneration Committee comprising 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 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 (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) 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

53rd Annual General Meeting

Date and Time : 1st Day of August, 2013 at 4.30 PM
 Venue : ARDRA, No-9 North Huzur Road
 Coimbatore - 641018.

FINANCIAL CALENDAR

Period of reporting	Proposed Board meeting dates
Quarter ending 30th June 2013	1st week of August 2013
Quarter ending 30th September 2013	1st week of November 2013
Quarter ending 31st December 2013	1st week of February 2014
Year ending 31st March 2014	1st week of May 2014

Date of Book Closure : 20-07-2013 to 01-08-2013 (both days inclusive)
 Dividend Payment Date : 26-08-2013.

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 (Eqst), Mumbai - 400 051

Note:

Annual listing fees for the year 2013-14 were paid to Bombay Stock Exchange Limited & National Stock Exchange of India Limited. Vide SEBI Order No. WTM/RKA/MRD/12/2013 dated 03.04.2013, Coimbatore Stock Exchange Ltd (CSX) ceased to be a Recognized Stock Exchange. Hence no listing agreement compliances are applicable with respect to CSX.

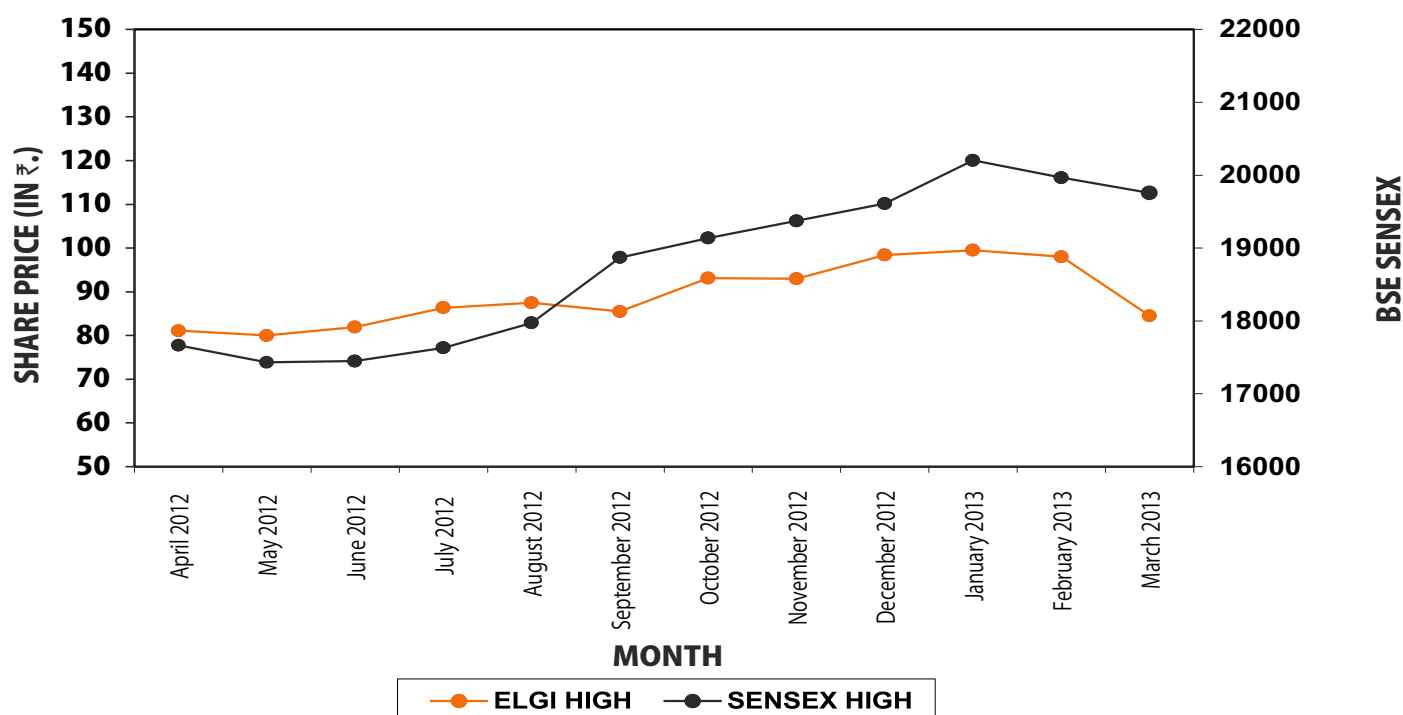
STOCK MARKET DATA

Stock Code - ₹.1/-Fully Paid : 522074 - Bombay Stock Exchange Limited
 : ELGIEQUIP - National Stock Exchange of India Limited

Stock Price Data: (₹. 1/- fully paid up)

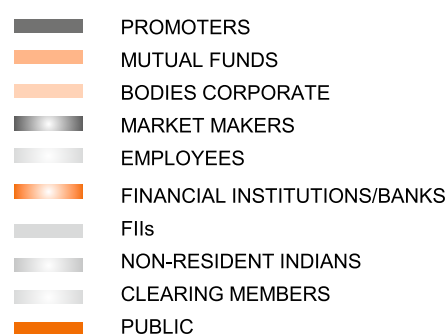
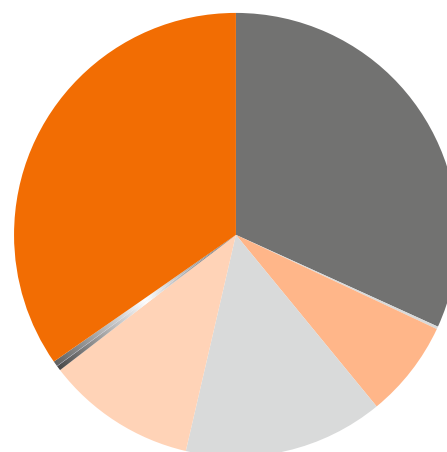
For the Period: April 2012 to March 2013

Month	NSE			BSE		
	HIGH	LOW	QTY	HIGH	LOW	QTY
APRIL 2012	82.45	74.55	1,92,150	81.10	75.00	1,61,588
MAY	80.25	74.60	3,95,964	80.00	74.10	4,03,281
JUNE	82.85	77.00	1,58,150	81.90	77.00	3,70,402
JULY	85.90	80.00	9,74,396	86.35	80.00	11,65,043
AUGUST	88.50	76.70	13,31,464	87.50	76.80	1,02,646
SEPTEMBER	84.05	77.15	1,67,150	85.50	77.05	5,61,979
OCTOBER	93.20	82.00	21,11,341	93.15	70.00	16,88,218
NOVEMBER	93.40	80.00	19,31,023	93.00	84.50	10,63,870
DECEMBER	98.45	87.00	8,36,915	98.40	87.00	4,17,272
JANUARY 2013	99.45	86.00	41,29,495	99.50	86.05	44,60,563
FEBRUARY	99.40	79.50	7,66,177	98.00	80.00	7,28,440
MARCH	86.50	74.60	1,59,298	84.50	74.00	1,01,038
Total			1,31,53,523			1,12,24,340

ELGI SHARE PRICE vs BSE SENSEX

Categories of Shareholders as on 31st March 2013

Category	No. of Shares	(₹.1/- each) % To Total
Promoters	5,03,67,408	31.79
Financial Institutions/Banks	2,96,480	0.19
Mutual Funds	1,12,30,813	7.09
Foreign Institutional Investors	2,30,65,193	14.56
Bodies Corporate	1,73,35,289	10.94
Non Resident Indians	5,61,623	0.35
Market Makers	2,141	0.00
Clearing Members	14,919	0.01
Employees	6,14,846	0.39
Public	5,49,65,796	34.68
TOTAL	15,84,54,508	100.00

**Distribution of Shares as on 31st March 2013**

No. of shares	₹.1/- Fully Paid up			
	No. of holders	% of holders	No. of shares	% of total shares
1 to 5000	21,058	95.18	83,26,196	5.25
5001 to 10000	407	1.84	29,34,662	1.85
10001 to 20000	264	1.19	39,29,878	2.48
20001 to 30000	104	0.47	26,72,490	1.69
30001 to 40000	51	0.23	18,48,868	1.17
40001 to 50000	36	0.16	16,51,965	1.04
50001 to 100000	79	0.36	58,91,250	3.72
100001 & above	126	0.57	13,11,99,199	82.80
Total	22,125	100.00	15,84,54,508	100.00

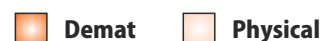
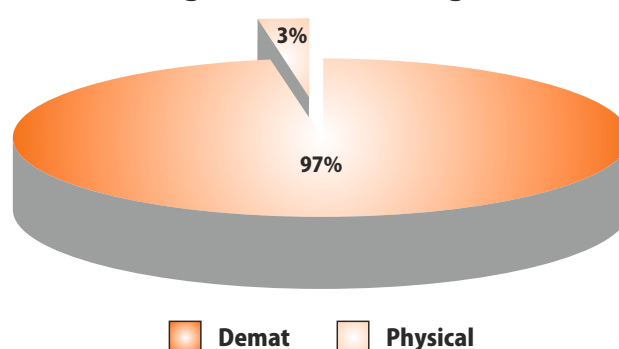
Dematerialisation of Shares and liquidity

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 2012-13, 1,45,776 shares were dematted. As on 31st March, 2013, out of 15,84,54,508 shares, total shares in demat form is 15,41,84,708 shares and 42,69,800 shares in physical form. This represents 97.31% shares of the Company are in demat form and 2.69% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

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

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

Elgi Demat Percentage

**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: isrl@intimespectrum.com

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

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.

ISIN number allotted for equity shares (₹. 1/- each) : INE285A01027

Plant locations

1. Elgi Equipments Limited

Elgi Industrial Complex
Trichy Road, Singanallur
Coimbatore - 641005

2. Pressure Vessel Division

1473, Trichy Road
Coimbatore - 641 018.

Correspondence address Compliance Officer's Details

R. Syam Kumar

Company Secretary
Elgi Equipments Ltd
Elgi Industrial Complex
Trichy Road, Singanallur
Coimbatore - 641005
e-mail: investor@elgi.com
Contact Nos. of Secretarial Department
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 2012-2013.

Place: Coimbatore

Date: 09/05/2013

Jairam Varadaraj

Managing Director

Report on Corporate Governance 31.03.2013**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, 2013 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
09/05/2013

MD Selvaraj

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

Ten Years Performance

(₹. In Million)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Revenue from Operations	11445.19	9916.88	9410.40	6783.45	5543.75	5050.33	3794.89	3130.94	2865.06	2919.40
Total Income	11607.57	10064.05	9527.64	6807.15	5590.10	5098.02	3818.08	3180.23	2912.05	2956.28
Total Expenditure	10450.62	8815.61	8047.95	5802.99	4854.09	4441.43	3402.76	2817.88	2508.58	2581.71
PBDIT	1156.95	1248.44	1479.69	1004.16	736.01	656.59	415.32	362.35	403.47	374.57
Depreciation / Amortisation	181.80	135.23	114.71	107.64	90.42	77.22	75.42	98.49	101.00	93.31
Interest Income(+)/ Expenditure(-)	-44.56	-7.12	-3.53	43.92	8.48	9.99	5.24	5.33	6.79	9.80
Profit Before Tax	930.59	1106.09	1361.45	940.44	654.07	589.36	345.14	269.19	309.26	291.06
Income Tax	328.72	350.43	471.54	361.21	246.65	170.65	111.02	92.50	95.08	100.35
Profit After Tax	601.87	755.66	889.91	579.23	407.42	418.71	234.12	176.69	214.18	190.71
Dividend (%)	100.00	100.00	100.00	200.00	130.00	120.00	100.00	100.00	100.00	120.00
Capital Employed (LT)	6534.07	3976.33	3383.23	2648.80	1967.29	1670.92	1343.54	1198.62	1182.35	983.90
Net Worth	4335.90	3976.33	3383.23	2621.23	1967.29	1670.92	1341.83	1196.91	1093.50	939.68
Total Loan Funds	2198.17	0.00	0.00	27.57	0.00	0.00	1.82	46.31	88.85	45.51
Gross Fixed Assets	4669.01	2403.75	2071.40	1810.18	1580.94	1383.22	1288.70	1196.16	1136.07	1071.22
Net Block incl. Capital WIP	3725.65	1162.46	904.11	731.70	666.44	516.43	400.36	365.30	404.88	420.97
Investments	149.49	149.44	173.47	142.99	142.99	142.98	143.68	143.18	205.21	131.85
Current Assets	6331.89	4819.28	4581.40	4270.21	2525.89	2745.51	2068.06	1660.74	1418.98	1215.52
Current Liabilities	3823.22	2195.51	2329.48	2496.80	1371.94	1758.58	1274.28	927.64	824.36	757.59
Net Working Capital	2508.67	2623.77	2251.92	1773.41	1153.95	986.93	793.78	733.10	594.62	457.93
Total Assets Excl. Pre-operative exps.	10549.44	6215.98	5745.75	5132.78	3309.60	3413.82	2603.34	2159.32	2018.78	1758.65

Note :

2012-13 is strictly not comparable with previous years due to acquisition of companies viz Rotair Spa and Patton's Inc during the course of the year and to the extent of changes done as per the revised Schedule VI of the Companies Act, 1956.

Analysis of Performance

RATIO CATEGORY / RATIO	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATIONAL PERFORMANCE								
Material Consumption ratio (%)	59.45	61.63	59.94	60.56	62.35	63.80	63.06	62.59
Regular Personnel expenses (%)	13.30	10.24	8.42	7.80	8.15	7.16	7.92	8.33
VRS & ESPS (%)	0.00	0.00	0.52	1.20	0.00	0.00	0.12	1.65
Profit sharing expenses (%)	1.06	0.87	1.35	1.72	1.45	1.52	1.42	0.61
Other Expenses ratio (%)	17.73	16.30	15.43	14.40	15.77	15.63	17.36	17.11
Interest component ratio (%)	0.39	0.07	0.04	0.01	0.03	0.08	0.10	0.13
Depreciation component ratio (%)	1.60	1.37	1.23	1.55	1.50	1.39	1.83	2.99
Tax component ratio (%)	2.68	3.29	4.66	5.03	4.10	3.04	2.65	2.65
Other Income / Total Income (%)	1.60	1.57	1.36	0.52	0.99	1.03	0.77	1.71
Sales (net) per employee (₹. in million)	5.99	5.90	5.90	4.54	3.92	3.98	3.45	2.89
FINANCIAL STRUCTURING								
Long Term Debt Equity Ratio	0.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Working Capital / Total Assets	0.24	0.65	0.66	0.67	0.59	0.59	0.59	0.59
Investments / Total Assets	0.02	0.04	0.05	0.05	0.07	0.09	0.11	0.12
Inventory / Current Assets	0.37	0.25	0.25	0.19	0.38	0.26	0.27	0.25
Trade Receivables/ Current Assets	0.35	0.27	0.25	0.21	0.32	0.34	0.32	0.40
LIQUIDITY								
Current Ratio	1.66	2.20	1.97	1.71	1.84	1.56	1.62	1.79
Liquidity Ratio	1.05	1.65	1.47	1.39	1.33	1.16	1.19	1.35
EFFICIENCY¹								
Current Assets Turnover Ratio (CATR)	2.30	2.10	2.12	1.99	2.09	2.09	2.03	2.18
Average Current Assets - No. of days	158	174	173	184	175	175	180	167
Average Inventory - No. of days								
RM & Components	45	47	44	43	43	39	43	47
WIP	8	6	5	5	6	6	6	7
Finished Goods	16	8	7	10	14	15	13	15
Trade Receivables turnover ratio (DTR)	7.60	8.45	9.67	8.30	6.78	6.98	6.34	6.85
Trade Receivables - No. of days of net sales	48	43	38	44	54	52	58	53
Trade Creditors Turnover Ratio (TCTR)	6.31	7.16	5.63	4.20	4.33	4.01	4.10	4.09
Trade Creditors - No. of days	58	51	65	87	84	91	89	89
Capital Turnover Ratio	2.45	2.68	3.10	2.92	3.03	3.34	2.98	2.78
Net Fixed Assets Turnover Ratio (NFATR)	6.33	10.08	11.85	9.89	9.47	11.10	9.93	8.06
Gross Fixed Assets Turnover ratio (GFATR)	3.63	4.41	4.82	3.98	3.72	3.77	3.05	2.68
PROFITABILITY								
Gross Profit Margin (%)	10.18	12.66	15.81	14.88	13.36	13.03	10.97	11.61
PBIT Margin (%)	7.95	10.47	13.48	12.53	10.86	10.43	8.27	7.73
Pre-tax Profit Margin (%)	7.59	10.40	13.45	13.10	10.87	10.48	8.25	7.73
Net Profit Margin (%)	4.91	7.10	8.79	8.07	6.77	7.45	5.59	5.08
Post Tax Margin from Operations (%)	4.18	6.51	8.55	8.24	6.72	7.49	5.61	4.41
ROTA (%)	21.56	33.72	48.97	43.56	40.46	43.56	32.11	29.60
ROCE (%)	18.56	30.25	45.26	38.98	35.91	38.90	27.23	22.61
SHAREHOLDER EARNINGS								
RONW (%)	14.48	20.54	29.64	25.25	22.40	27.80	18.44	16.42
Earnings Per Share (current equity) (₹.)	3.80	4.77	5.62	7.34	6.49	6.67	3.73	2.82
Dividend Per Share (₹.)	1.00	1.00	1.90	1.83	1.30	1.20	1.01	1.00
Dividend Payout Ratio (%)	26.33	20.97	17.81	24.99	20.01	17.98	26.79	35.48
Price Earnings Ratio (current equity)	22.14	15.65	21.53	9.20	6.39	8.94	16.62	20.37
Dividend Yield	1.19	1.34	0.83	2.72	3.13	2.01	1.61	1.74
Dividend to Net Worth Ratio (%)	3.65	3.98	4.68	5.52	4.14	4.51	4.67	5.24
Book Value per share (₹.)	27.36	25.09	21.35	33.21	31.36	26.64	21.39	19.08

Notes :

1. Turnover of the Companies acquired during the year is annualized for reckoning the Efficiency ratios.
2. 2012-13 is strictly not comparable with previous years due to acquisition of companies viz Rotair Spa and Patton's Inc during the course of the year and to the extent of changes done as per the revised Schedule VI of the Companies Act, 1956.

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 March 31, 2013, 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"). 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 March 31, 2013
- (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 subsection (3C) of section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

R. Jayachandran
Partner
Membership No. 021848

Place : Coimbatore
Date : 09/05/2013

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, 2013.

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 is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 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 ₹. 46.63 million and the year end balance of loans granted to the Company was ₹. 8.09 million.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the Company 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.
- 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 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 ₹. 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, Sales-tax, 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 Income tax, Wealth Tax, Service Tax, Sales Tax, Customs duty, Excise Duty and cess were in arrears, as at 31st of March, 2013 for a period of more than six months from the date they became payable.

(c) Disputed Central Excise and Sales tax aggregating ₹. 24.23 million have not been deposited since matters are pending with relevant forum as indicated below:

Name of the Statute	Nature of the dues	Demand Amount	(₹. In Million)
			Forum where dispute is pending
Sales Tax	LST & Penalty	8.49	STAT (AB)-CBE
Sales Tax	CST & Penalty	29.87	STAT (AB)-CBE
Sales Tax	LST	3.02	JC (APPEALS)-CBE
Sales Tax	CST	5.14	JC (APPEALS)-CBE
Total		46.52	
Central Excise	Excise Duty & Penalty	11.16	Dy. Commnr.Appeals
Central Excise	Excise Duty & Penalty	3.01	CESTAT
Total		14.17	
Grand Total		60.69	

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 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(xiii) 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 terms and conditions, on which the Company has given guarantee for the loan taken by other Company from a bank or financial institution is not prejudicial to the interest 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, 2013, 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 Act.

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.

Place : Coimbatore
Date : 09/05/2013

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

R.Jayachandran
Partner
Membership No. 021848

Balance Sheet as at 31st March, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	2	158.45	158.45
(b) Reserves and Surplus	3	4204.74	3677.48
(2) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	48.24	44.06
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	5	198.34	0.00
(b) Trade payables	6	1092.94	981.89
(c) Other current liabilities	7	225.06	209.64
(d) Short-term provisions	8	581.61	574.30
TOTAL		6509.38	5645.82
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	935.56	907.17
(ii) Intangible assets	9	3.31	6.44
(iii) Capital work-in-progress		749.23	73.80
(b) Non-current investments	10	850.92	650.79
(c) Long term loans and advances	11	244.69	71.91
(d) Other non-current assets	12	1.61	2.61
(2) CURRENT ASSETS			
(a) Inventories	13	993.01	926.86
(b) Trade receivables	14	1494.95	1192.56
(c) Cash and cash equivalents	15	236.39	1093.93
(d) Short-term loans and advances	16	995.53	698.35
(e) Other current assets	17	4.18	21.40
TOTAL		6509.38	5645.82

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
Regn. No. : 003496S
Chartered Accountants

Place : Coimbatore
Date : 09/05/2013

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, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. REVENUE FROM OPERATIONS	18	8165.39	7947.81
II. OTHER INCOME	19	129.87	119.85
III. TOTAL REVENUE	(I + II)	8295.26	8067.66
IV. EXPENSES:			
Cost of materials consumed	20	3885.01	3913.34
Purchase of Traded goods	21	959.17	1103.22
Changes in inventories of finished goods, work-in-progress and Traded goods	22	15.60	(128.13)
Employee benefit expenses	23	935.69	745.87
Finance Cost	24	1.47	0.00
Depreciation and amortization expense		142.70	118.23
Other expenses	25	1384.95	1257.81
TOTAL EXPENDITURE		7324.59	7010.34
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	970.67	1057.32
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V - VI)	970.67	1057.32
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	(VII - VIII)	970.67	1057.32
X. TAX EXPENSE:			
(1) Current Tax		253.85	286.00
(2) Deferred Tax		4.18	11.09
XI. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	712.64	760.23
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)	712.64	760.23
XVI. EARNINGS PER EQUITY SHARE:		(In ₹.)	(In ₹.)
Nominal value of share		1.00	1.00
(1) Basic		4.50	4.80
(2) Diluted		4.50	4.80

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
Regn. No. : 0034965
Chartered Accountants

Place : Coimbatore
Date : 09/05/2013

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, 2013

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 referred to in the Section 211 (3C) of the Companies Act 1956, wherever applicable.

1.2) Inventories

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

- a) Purchased items - at FIFO - Net of CENVAT and VAT
- b) Work-in-Progress - Purchase cost net of CENVAT and VAT plus proportionate overheads
- c) Manufactured items - at cost excluding selling at Factory overheads and VAT.
- d) Traded Items - at cost and net of VAT.
- e) Inventory 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 and short term investments are valued at cost or fair value whichever is lower.

1.8) Employee Benefits

- a) **Provident Fund:** Provident Fund contribution is as per the rates prescribed by the Employees Provident Fund Act 1952 and the same is charged to revenue account.
- b) **Superannuation:** Company has an arrangement with Life Insurance Corporation of India for providing Superannuation benefits to employees

Notes to Financial Statements for the year ended 31st March, 2013

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, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
-------------	----------	----------

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, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹.1/- (March 31, 2012: ₹.1/-).

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

Particulars	31-03-13	31-03-12
-------------	----------	----------

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	31-03-13	%	31-03-12	%
Dark Horse Portfolio Investment Limited	2,26,36,730	14.29	2,26,36,730	14.29
Dr. Jairam Varadaraj	1,23,24,928	7.78	1,23,54,878	7.80
Gagandeep Credit Capital Pvt. Limited	81,52,575	5.15	83,82,386	5.29

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 31/03/2013.

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
3 RESERVES AND SURPLUS		
a) CAPITAL RESERVE	181.41	181.41
b) CAPITAL REDEMPTION RESERVE	0.00	0.00
c) SECURITY PREMIUM RESERVE	409.37	409.37
d) STATUTORY RESERVE (AS PER RBI NORMS)		
Transfer on amalgamation	5.49	5.49
e) GENERAL RESERVE		
As per the last Balance Sheet	911.60	835.50
Add: transfer from profit & loss account	71.30	76.10
	<u>982.90</u>	<u>911.60</u>
f) SURPLUS FROM PROFIT & LOSS ACCOUNT		
As per the last Balance Sheet	2169.61	1669.64
Add: Current year surplus	712.64	760.23
	<u>2882.25</u>	<u>2429.87</u>
Less: Proposed dividend (₹. 1/- per share)	158.45	158.45
Less: Dividend tax provision	26.93	25.71
Less: Transfer to general reserve	71.30	76.10
	<u>2625.57</u>	<u>2169.61</u>
Closing Balance (a+b+c+d+e+f)	<u>4204.74</u>	<u>3677.48</u>
4 DEFERRED TAX LIABILITIES		
As per the last Balance Sheet	44.06	32.97
Add: For the Year	4.18	11.09
	<u>48.24</u>	<u>44.06</u>
5 SHORT TERM BORROWINGS		
Borrowings from Banks	198.34	0.00
	<u>198.34</u>	<u>0.00</u>
6 TRADE PAYABLES		
a) Acceptances	201.20	197.41
b) Dues to micro, small and medium Enterprises	151.04	137.56
c) Others	740.70	646.92
	<u>1092.94</u>	<u>981.89</u>
7 OTHER CURRENT LIABILITIES		
a) Unpaid dividends	3.96	3.35
b) Other payables		
i Advance from customers	168.67	152.65
ii Rent Advances	0.14	0.14
iii Dealers Deposits	22.31	21.69
iv Employee related expenses payable	9.52	8.22
v Leave Salary Payable	17.23	17.54
vi TDS / Other Taxes Payable	3.23	6.05
	<u>225.06</u>	<u>209.64</u>

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
8 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	128.14	89.25
b) Provision for income tax	268.09	300.89
c) Proposed dividend	158.45	158.45
d) Provision for dividend tax	26.93	25.71
	581.61	574.30

9 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/12	During the year		As at 31/03/13	As at 01/04/12	During the year		As at 31/03/13	As at 31/03/13	As at 31/03/12
		Additions	Deductions			Additions	Deductions			
Tangible Assets :										
Land	118.88	-	0.66	118.22	-	-	-	-	118.22	118.88
Buildings	200.94	2.70	10.58	193.06	129.32	7.60	6.48	130.44	62.62	71.62
Plant & Equipments	1,626.15	154.15	0.86	1,779.44	957.53	122.82	0.84	1,079.51	699.93	668.62
Furniture & Office Equipments	132.45	14.92	1.23	146.14	86.83	7.58	1.03	93.38	52.76	45.62
Motor Vehicles	4.19	0.05	-	4.24	2.85	0.25	-	3.10	1.14	1.34
Canteen Equipments	2.97	-	-	2.97	1.88	0.20	-	2.08	0.89	1.09
Tangible Assets Total	2,085.58	171.82	13.33	2,244.07	1,178.41	138.45	8.35	1,308.51	935.56	907.17
Intangible assets	67.98	1.12	-	69.10	61.54	4.25	-	65.79	3.31	6.44
Grand Total	2,153.56	172.94	13.33	2,313.17	1,239.95	142.70	8.35	1,374.30	938.87	913.61
Previous Year	1,842.82	325.63	14.89	2,153.56	1,136.45	118.23	14.73	1,239.95	913.61	706.35

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	No. of Shares / Units	Face Value Per Share (In ₹.)	31-03-13	31-03-12
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	79.55
Elgi Compressors Trading (Shanghai) Co. Ltd (China) (Share 100%)			28.68	28.68
SAS Belair (France) (Share 100%)	179721	1276.26	229.37	116.87
Elgi Compressores 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 Italy S.r.l. [Share 100%]	15000	69.66	1.04	0.00
Elgi Compressors USA Inc. [Share 100%]	10000	55.96	0.56	0.00
Adisons Precision Instruments Mfg. Co. Ltd. [Share 100%]	743350	10.00	89.06	89.06
			705.92	505.81
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	0.01
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	0.99	0.99
			18.50	18.48
Total (i+ii+iii)			726.11	525.98
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)			850.92	650.79

Notes to Financial Statements for the year ended 31st March, 2013

10.1 DETAILS OF INVESTMENT IN PARTNERSHIP FIRMS:

Name of the Firm	Name of the Partner	31-03-13 Capital Invested (₹. Million)	Share %	31-03-12 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

Particulars	[₹. In Million]	
	31-03-13	31-03-12
10.2 DETAILS OF MARKET VALUE FOR QUOTED SHARES		
a) Total Cost of Quoted Securities	17.51	17.49
b) Total Market value of Quoted Securities	48.34	40.41
10.3 AGGREGATE VALUE OF UNQUOTED INVESTMENTS		
Aggregate value of unquoted investments	833.41	633.30
11 LONG TERM LOANS AND ADVANCES		
a) Capital advances	214.82	51.51
b) Security deposits	18.11	10.76
c) Other loans and advances	11.76	9.64
	<u>244.69</u>	<u>71.91</u>
(All Loans and advances are unsecured and considered good.)		
12 OTHER NON-CURRENT ASSETS		
Long term trade receivables (on deferred credit terms)	1.61	2.61
	<u>1.61</u>	<u>2.61</u>
(All long term trade receivables are unsecured and considered good.)		
13 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
a) Raw materials	584.31	545.50
b) Work-in-progress	182.08	178.38
c) Finished goods	156.10	146.66
d) Traded goods	42.07	34.06
e) Stores & Spares	2.99	2.74
f) Loose Tools	24.52	18.54
g) Packing materials	0.94	0.98
	<u>993.01</u>	<u>926.86</u>
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	48.34	34.94
b) Others	1446.61	1157.62
	<u>1494.95</u>	<u>1192.56</u>
(All trade receivables are unsecured and considered good.)		

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
15 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i) Balance with banks		
a) In current account	92.05	82.49
b) In deposits	42.40	982.25
ii) In Unpaid Dividend Account	3.96	3.35
iii) Cash in hand	0.59	0.85
b) Other Bank Balances		
In deposits (having original maturity period of more than 3 months but less than 12 months)	97.39	24.99
	236.39	1093.93
16 SHORT-TERM LOANS AND ADVANCES		
a) Rent Advance	2.50	2.50
b) Loans to Companies	48.49	76.16
c) Loans to Subsidiaries	248.82	39.91
d) Advances to Suppliers	150.02	112.95
e) Employee advances	38.85	35.02
f) Cenvat Receivable (Net)	14.43	18.35
g) VAT Receivable (Net)	11.72	16.34
h) Service Tax credit (Net)	16.38	7.30
i) Advance Tax / TDS Receivable	319.96	334.13
j) Income / refund receivable	22.97	9.22
k) Insurance premium Deposit	0.25	0.29
l) Prepaid expenses	24.75	12.94
m) Others	96.39	33.24
	995.53	698.35
(All Loans and advances are unsecured and considered good.)		
17 OTHER CURRENT ASSETS		
Interest accrued	4.18	21.40
	4.18	21.40
18 REVENUE FROM OPERATIONS		
a) Sale of Products	8610.36	8356.62
b) Sale of Services	83.12	67.43
Gross Sales	8693.48	8424.05
Less:		
c) Excise Duty	560.13	496.24
Net Sales	8133.35	7927.81
d) Other operating revenue	32.04	20.00
	8165.39	7947.81
18.1 DETAILS OF PRODUCTS SOLD		
a) Air Compressors	8037.95	7796.71
b) Others	95.40	131.10
	8133.35	7927.81

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
19 OTHER INCOME		
a) Interest Income	50.38	93.46
b) Dividend Income	9.25	4.65
c) Rent receipts	7.33	4.68
d) Profit on sale of assets	36.97	2.77
e) Share of profit in partnership	0.23	0.24
f) Miscellaneous income	25.71	14.05
	<u>129.87</u>	<u>119.85</u>
20 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	545.50	623.06
Purchases	3903.87	3835.78
	<u>4449.37</u>	<u>4458.84</u>
Less:		
Closing Stock of Raw Materials	564.36	545.50
	<u>3885.01</u>	<u>3913.34</u>
20.1 Purchases include machining charges of ₹.62.66 Million (Previous year ₹.70.89 Million)		
20.2 DETAILS OF MATERIALS CONSUMED		
1) Engines & Motors	844.79	1249.68
2) Materials that do not individually account for 10% or more of total consumption	3040.22	2663.66
	<u>3885.01</u>	<u>3913.34</u>
21 PURCHASE OF TRADED GOODS		
1) Oil	195.80	150.80
2) Materials that do not individually account for 10% or more of total consumption	763.37	952.42
	<u>959.17</u>	<u>1103.22</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	178.38	144.42
Opening Stock of Finished Goods	146.66	57.86
Opening Stock of Traded goods	34.06	28.69
	<u>359.10</u>	<u>230.97</u>
Less :		
Closing Stock of WIP	152.91	178.38
Closing Stock of Finished Goods	148.52	146.66
Closing Stock of Traded goods	42.07	34.06
	<u>343.50</u>	<u>359.10</u>
	<u>15.60</u>	<u>(128.13)</u>

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
23 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	705.98	561.26
Bonus	3.12	3.01
Gratuity	17.84	11.87
Performance Pay	98.57	66.20
Contribution to Provident fund & Superannuation fund	43.48	37.18
Welfare expenses	59.82	59.92
MD's Remuneration (Excluding performance pay)	6.88	6.43
	<u>935.69</u>	<u>745.87</u>
24 FINANCE COSTS		
Interest Expenses	1.47	0.00
	<u>1.47</u>	<u>0.00</u>
25 OTHER EXPENSES		
Packing Charges	143.87	144.24
Consumption of Stores	44.84	48.59
Tools Consumed	52.84	64.79
Commission and Discount	125.35	109.81
Royalty Payments	4.65	4.13
Power, Fuel & Lighting	78.44	72.98
Transport Charges	110.17	102.34
Postage, Telegrams & Telephones	13.71	14.80
Travelling and Conveyance	128.02	113.13
Insurance	8.47	7.52
Advertisement and Publicity	18.45	17.88
Repairs and Maintenance of		
-Plant and Machinery	52.74	53.85
-Building	22.98	35.57
-Other Assets	19.56	19.70
Printing and Stationery	8.13	7.51
Research and Development Expenses (Refer Note No.34)	57.08	52.03
Bad Debts written off	9.92	12.90
After Sales Expenses	109.20	91.93
Factory Expenses	13.79	18.17
Rates & Tax	9.62	4.53
Auditor's Remuneration		
- Audit Fees	1.21	0.91
- Other Services	0.13	0.11
Miscellaneous Expenses	34.46	34.30
Subscription, Periodicals & Filing Fees	3.00	2.41
Donations	34.52	37.22
Rent	24.17	20.25
Legal and Consultancy Charges	206.57	130.47
Directors' Sitting Fees	0.70	0.58
Service Tax Payments	0.38	0.17
(Gain) / Loss on Exchange Fluctuation	(10.39)	(15.21)
Loss on Sale of Assets	0.63	0.00
Excise Duty paid	39.36	33.92
Assets condemned and written-off	0.00	0.10
Bank Charges	18.38	16.18
	<u>1384.95</u>	<u>1257.81</u>

Notes to Financial Statements for the year ended 31st March, 2013

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 dispute is pending
Sales Tax	LST & Penalty	8.49	8.51	STAT (AB)-Cbe
	CST & Penalty	29.87	22.40	STAT (AB)-Cbe
	LST	3.02	1.34	JC (APPEALS)-Cbe
	CST	5.14	4.10	JC (APPEALS)-Cbe
Central Excise	Excise Duty & Penalty	11.16	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	[₹. In Million]	
	31-03-13	31-03-12
i) Guarantees and Letter of credit	79.90	152.45
ii) Estimated amount of contracts remaining to be executed on capital account	1254.59	960.29

27 Details of security given for borrowings:

Borrowing from Banks

Fund Based and Non-Fund Based Limits from Banks

Details of Security

Pari-Passu charge on the Fixed Assets, Land & Building of the Company in Singanallur Village, Coimbatore and on 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		[₹. In Million]	
		31-03-13	31-03-12
a) The Principal amount due to Supplier under the Act.	S 22 (i)	85.30	73.15
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, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
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	8.20%	8.70%
Salary escalation rate	6.00%	6.50%
Attrition rate	3.00%	3.00%
Expected rate of return on plan asset	9.30%	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	78.91	63.54
Interest cost	6.57	5.22
Current service cost	8.18	6.76
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Benefits paid	-6.74	-2.85
Actuarial loss/(gain) on obligation(balancing figure)	9.24	6.23
PVO as at the end of the period	96.16	78.91
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	66.99	50.74
Expected return on plan assets	6.47	5.22
Contributions	11.92	13.68
Benefits paid	-6.74	-2.85
Actuarial gain / (loss) on plan assets(balancing figure)	-1.06	0.19
Fair value of plan assets as at the end of the period	77.58	66.99
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	6.47	5.22
Actuarial gain/(loss) on plan assets	-1.06	0.19
Actual return on plan assets	5.41	5.41
V. ACTUARIAL GAIN / LOSS RECOGNISED		
Actuarial gain/ (loss) for the period - obligation	-9.24	-6.23
Actuarial gain/ (loss) for the period - plan assets	-1.06	0.19
Total (gain)/ loss for the period	10.29	6.04
Actuarial (gain)/ loss recognised in the period	10.29	6.04
Unrecognised actuarial (gain)/loss at the end of the year	-	-

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	96.16	78.91
Fair value of plan assets	77.58	66.99
Differences	18.58	11.92
Unrecognised transitional liability	-	-
Unrecognised past service cost- non vested benefits	-	-
Liability recognised in the balance sheet	18.58	11.92
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	8.18	6.76
Interest cost	6.57	5.22
Expected return on plan assets	-6.47	-5.22
Net actuarial(gain)/loss recognised in the year	10.29	6.04
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	18.58	12.80
VIII.MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
Opening net liability	11.92	12.80
Expense as above	18.58	12.80
Contribution paid	-11.92	-13.68
Closing net liability	18.58	11.92
IX. AMOUNT FOR THE CURRENT PERIOD		
Present value of obligation	96.16	78.91
Plan Assets	77.58	66.99
Surplus (Deficit)	-18.58	-11.92
Experience adjustments on plan liabilities- (loss) / gain	-9.16	-8.48
Experience adjustments on plan assets- (loss) / gain	-1.06	0.19
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, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
30 EXPENDITURE IN FOREIGN CURRENCY		
1) Commission	19.45	18.76
2) Travelling expenses	59.70	43.73
3) Other expenses	73.54	63.42
	<u>152.69</u>	<u>125.91</u>
31 CIF VALUE OF IMPORTS		
1) Raw materials and components	476.12	505.79
2) Machinery spares	3.30	1.38
3) Capital goods	90.60	181.71
4) Traded goods	205.29	211.26
	<u>775.31</u>	<u>900.14</u>

32 DETAILS OF MATERIALS AND STORES CONSUMED	31-03-13		31-03-12	
	[₹. In Million]	%	[₹. In Million]	%
Imported	666.36	13.59	719.81	14.58
Indigenous	4238.26	86.41	4217.21	85.42
	<u>4904.62</u>	<u>100.00</u>	<u>4937.02</u>	<u>100.00</u>

Particulars	31-03-13	31-03-12
		[₹. In Million]
33 DETAILS OF EARNINGS IN FOREIGN EXCHANGE CALCULATED ON FOB BASIS		
Earnings from Direct Exports	1396.40	1235.15
34 DETAILS OF R&D EXPENSES		
1) Capital	19.66	33.06
2) Salaries & wages	156.25	95.37
3) R & D materials	67.18	73.66
4) Maintenance	0.10	6.40
5) Other Expense	21.20	24.46
	<u>264.39</u>	<u>232.95</u>

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.

In addition to the above, ₹. 14.08 million was paid during the Financial Year 2012-13 towards Performance Pay in respect of Financial Year 2011-12.

Notes to Financial Statements for the year ended 31st March, 2013

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

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.

Particulars		31-03-13	[₹. In Million] 31-03-12
37	EARNINGS PER SHARE:		
	Net profit (₹.in Million)	712.64	760.23
	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 ₹.)	4.50	4.80
	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 ₹.)	4.50	4.80

Notes to Financial Statements for the year ended 31st March, 2013

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

Particulars	Subsidiaries		Joint Venture & Others		Key Management Personnel*	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase of Goods	15.97	13.69	163.12	150.38		
Sale of Goods	461.87	137.98	90.59	115.81		
Receiving of Services	5.25	5.49	56.73	3.34		
Providing of Services	19.90	23.12	2.67	5.24		
Finance	4.07	4.01	0.00	0.00		
Interest received	0.25	0.15	5.27	0.00		
Investments	200.11	177.30	0.02	0.00		
Remuneration	0.00	0.00	0.00	0.00	8.74	9.69
Receivable at the end of the year	283.53	155.53	83.78	12.37		
Payable at the end of the year	0.24	6.63	3.62	2.45		

* Includes performance linked pay paid during the year.

Name of related parties and description of relationship

- | | | | |
|---|---|---|---|
| 1 | Holding Company | : | Elgi Equipments Limited |
| 2 | Subsidiaries including step down subsidiaries | : | a. Adisons Precision Instruments Manufacturing Company Limited
b. ATS Elgi Limited
c. Elgi-Gulf (FZE)
d. Elgi Equipments (Zhejiang) Limited (China)
e. Elgi Compressors Trading (Shanghai) Co. Ltd. (China)
f. SAS Belair (France)
g. Elgi Compressores DO BRASIL IMP. E.EXP. Ltda
h. Elgi 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) |
| 3 | Fellow Subsidiaries | : | Nil |
| 4 | Joint Venture | : | Elgi Sauer Compressors Limited |
| 5 | 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 |
| 6 | Firms in which the Company is a partner | : | a. Elgi Services
b. L.G. Balakrishnan & Bros. |
| 7 | Key Management Personnel | : | Dr. 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, 2013

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
2. Financial Year of the Subsidiary ended on	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013
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%)
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	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
b) For the previous financial year of the Subsidiary Company	118.53 Million	(32.45) Million	(26.80) Million	(86.56) Million	26.60 Million	(3.17) Million	(6.24) Million	-	-	-	-	-	(0.11) 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
b) For the previous financial years of the Subsidiary Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Cash Flow Statement for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	970.67	1057.32
Adjustments for:		
Depreciation	142.70	118.23
Assets condemned and written off	0.00	0.10
(Profit)/Loss on sale of assets	(36.34)	(2.77)
Bad debts written off	9.92	12.90
Interest and processing fees paid	2.42	1.19
Dividend received	(9.25)	(4.65)
Interest received	(50.38)	(93.46)
	<u>59.07</u>	<u>31.54</u>
Operating Profit before Working Capital changes	1029.74	1088.86
Adjustments for:		
(Increase)/Decrease in Inventories	(66.15)	(51.81)
(Increase)/Decrease in Trade Receivables	(312.31)	(260.61)
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	(171.78)	7.28
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	(92.87)	(143.79)
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	(121.29)	100.72
	<u>(764.41)</u>	<u>(348.21)</u>
Cash generated from operations	265.34	740.65
Direct Taxes paid	(245.00)	(298.00)
Net Cash From Operating Activities (A)	<u>20.34</u>	<u>442.65</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible & intangible Assets	(847.45)	(365.34)
Sale of tangible Assets	40.40	2.84
Purchase of Investments	(173.57)	(32.86)
Loans to Companies	14.13	(39.42)
Interest received	67.60	89.93
Dividend received	9.25	4.65
Net Cash used in Investing Activities (B)	<u>(889.63)</u>	<u>(340.20)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	198.34	0.00
Interest and Processing fees paid	(2.42)	(1.19)
Dividend paid & Dividend Tax paid	(184.16)	(184.16)
Net Cash used in Financing Activities (C)	<u>11.76</u>	<u>(185.35)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(857.54)</u>	<u>(82.90)</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<u>1093.93</u>	<u>1176.83</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>236.39</u>	<u>1093.93</u>

Note: Figures within brackets denote Cash outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing DirectorN. MOHAN NAMBIAR
DirectorFor RJC ASSOCIATES
Regn. No. : 003496S
Chartered AccountantsPlace : Coimbatore
Date : 09/05/2013R. SYAM KUMAR
Company SecretaryS. SRIRAM
Chief Financial OfficerR. JAYACHANDRAN
Partner
Membership No. 021848

Consolidated Financial Statements



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 31,2013, 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 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 Compressores DO BRASIL IMP.E.EXP. Ltda, M/s. Elgi Australia Pty Ltd., 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), 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, 2013
 - (b) in the case of the Consolidated Statement Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

R.Jayachandran
 Partner
 Membership No. 021848

Balance Sheet as at 31st March, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	158.45	158.45
(b) Reserves and Surplus	3	4177.45	3817.88
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	2198.17	0.00
(b) Deferred tax liabilities (Net)	5	51.59	44.14
(c) Long term provisions	6	140.56	0.00
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	7	678.47	91.24
(b) Trade payables	8	1764.50	1184.41
(c) Other current liabilities	9	400.66	244.66
(d) Short-term provisions	10	979.59	675.20
TOTAL		10549.44	6215.98
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	11	1604.40	1055.38
(ii) Intangible assets	11	1366.12	31.41
(iii) Capital work-in-progress		755.13	75.68
(b) Non-current investments	12	149.49	149.44
(c) Deferred tax assets (net)	13	13.59	3.88
(d) Long term loans and advances	14	327.21	78.30
(e) Other non-current assets	15	1.61	2.61
(2) CURRENT ASSETS			
(a) Inventories	16	2331.59	1206.51
(b) Trade receivables	17	2246.41	1317.35
(c) Cash and cash equivalents	18	730.63	1483.88
(d) Short-term loans and advances	19	1011.45	782.94
(e) Other current assets	20	11.81	28.60
TOTAL		10549.44	6215.98

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
Regn. No. : 003496S
Chartered Accountants

Place : Coimbatore
Date : 09/05/2013

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, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. REVENUE FROM OPERATIONS	21	11445.19	9916.88
II. OTHER INCOME	22	162.38	147.17
III. TOTAL REVENUE	(I + II)	11607.57	10064.05
IV. EXPENSES:			
Cost of materials consumed	23	5450.27	4870.24
Purchase of Traded goods	24	1475.67	1354.06
Changes in inventories of finished goods, work-in-progress and Traded goods	25	(167.28)	(147.12)
Employee benefit expenses	26	1633.26	1094.98
Finance Cost	27	44.56	7.12
Depreciation and amortization expense		181.80	135.23
Other expenses	28	2058.70	1643.45
TOTAL EXPENDITURE		10676.98	8957.96
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	930.59	1106.09
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V - VI)	930.59	1106.09
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	VII - VIII)	930.59	1106.09
X. TAX EXPENSE:			
(1) Current Tax		320.08	340.68
(2) Deferred Tax		8.64	9.75
XI. PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	601.87	755.66
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)	601.87	755.66
XVI. EARNINGS PER EQUITY SHARE		(In ₹.)	(In ₹.)
Nominal value of share		1.00	1.00
Basic		3.80	4.77
Diluted		3.80	4.77

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
Regn. No. : 003496S
Chartered Accountants

Place : Coimbatore
Date : 09/05/2013

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, 2013.

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 2013.

- 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 2013 in the book of Subsidiaries are expensed out as revenue expenditure and are being amortized over a period of time (Maximum five Years) in the Consolidated Financial Statements depending upon the nature of the expenditure and evaluation of future benefits 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, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
2. SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
30,00,00,000 Equity Shares of ₹.1/- each	300.00	300.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES		
15,84,54,508 Equity Shares of ₹. 1/- each fully paid	158.45	158.45
3 RESERVES AND SURPLUS		
a) CAPITAL RESERVE	181.41	181.41
b) CAPITAL REDEMPTION RESERVE	0.00	0.00
c) SECURITY PREMIUM RESERVE	409.37	409.37
d) STATUTORY RESERVE (AMALGAMATION)	5.49	5.49
e) FOREIGN CURRENCY TRANSLATION RESERVE	-27.89	19.50
f) GENERAL RESERVE		
As per the last Balance Sheet	916.72	839.24
Add: transfer from profit & loss account	72.52	77.48
	989.24	916.72
Less: Loss incurred by subsidiary after acquisition	5.98	6.27
	983.26	910.45
g) SURPLUS FROM STATEMENT OF PROFIT & LOSS		
As per the last Balance Sheet	2291.66	1801.84
Add: Current year surplus	601.87	755.66
Less:	2893.53	2557.50
Prior Year Adjustment	0.00	0.28
Proposed dividend (₹. 1/- per share)	166.90	161.83
Provision for Dividend Tax	28.30	26.25
Transfer to general reserve	72.52	77.48
	2625.81	2291.66
Total (a+b+c+d+e+f+g)	4177.45	3817.88
4 LONG TERM BORROWINGS		
Borrowings from Banks	2198.17	0.00
	2198.17	0.00
5 DEFERRED TAX LIABILITIES (NET)		
As per the last Balance Sheet	44.14	33.04
Add: For the year	7.45	11.10
	51.59	44.14

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
6 LONG TERM PROVISIONS		
Deferred purchase consideration	140.56	0.00
	<u>140.56</u>	<u>0.00</u>
7 SHORT TERM BORROWINGS		
a) From Banks	678.47	25.77
b) From Others	0.00	65.47
	<u>678.47</u>	<u>91.24</u>
8 TRADE PAYABLES		
a) Acceptances	240.71	220.99
b) Dues to Micro, Small and Medium Enterprises	185.39	164.11
c) Others	1338.40	799.31
	<u>1764.50</u>	<u>1184.41</u>
9 OTHER CURRENT LIABILITIES		
a) Unpaid dividends	3.96	3.35
b) Advance from customers	200.89	184.65
c) Rent Advances	0.14	0.14
d) Dealers Deposits	28.71	27.46
e) Employee related expenses payable	130.72	9.69
f) TDS / Other Taxes payable	17.05	8.23
g) Other payables	19.19	11.14
	<u>400.66</u>	<u>244.66</u>
10 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	169.94	137.78
b) Deferred purchase consideration	244.98	0.00
c) Provision for income tax	334.88	353.26
d) Proposed dividend	158.45	158.45
e) Provision for dividend tax	26.93	25.71
f) Others	44.41	0.00
	<u>979.59</u>	<u>675.20</u>

Notes to Financial Statements for the year ended 31st March, 2013

11 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Description of Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01-04-12	During the year		Translation difference	As at 31-03-13	As at 01-04-12	During the year			Translation difference	As at 31-03-13	As at 31-03-13	As at 31-03-12
		Additions	Deductions				Additions	On Revaluation	Deductions				
Tangible Assets :													
Land	192.16	185.15	0.66	(2.34)	374.31	-	-		-	-	-	374.31	192.16
Buildings	203.22	274.39	10.57	(2.36)	464.68	129.91	25.36		6.49	(0.03)	148.75	315.93	73.31
- Revaluation Reserve	17.73	-	-	-	17.73	10.50	-	0.36	-	-	10.86	6.87	7.23
Plant & Equipments	1,698.38	396.93	3.58	1.10	2,092.83	980.98	300.92		2.91	1.14	1,280.13	812.70	717.40
Furniture & Office equipments	169.26	56.11	4.68	3.05	223.74	109.86	31.75		4.48	2.44	139.57	84.17	59.02
Motor Vehicles	4.19	9.35	0.71	(0.02)	12.81	2.85	7.19		0.71	(0.02)	9.31	3.50	1.34
Others	3.02	8.20	-	(0.02)	11.20	1.88	2.41		-	(0.01)	4.28	6.92	4.92
Tangible assets total	2,287.96	930.13	20.20	(0.59)	3,197.30	1,235.98	367.63	0.36	14.59	3.52	1,592.90	1,604.40	1,055.38
Intangible Assets :													
Goodwill	18.12	1,333.10			1,351.22	-	-	-	-	-	-	1,351.22	18.12
Others	97.67	22.19	3.83	4.46	120.49	80.97	29.51	-	3.84	(1.05)	105.59	14.90	13.29
Intangible assets total	115.79	1355.29	3.83	4.46	1471.71	80.97	29.51	-	3.84	(1.05)	105.59	1366.12	31.41
Grand total	2,403.75	2,285.42	24.03	3.87	4,669.01	1,316.95	397.14	0.36	18.43	2.47	1,698.49	2,970.52	1,086.79
Previous Year	2,071.48	353.44	21.17	-	2,403.75	1,201.50	135.23	0.52	19.90	-	1,316.95	1,086.79	869.90

Note : Additions include assets taken over on acquisition of Companies viz. Rotair Spa and Patton's Inc.

Particulars	No. of Shares/ Units	Face Value per Share (in ₹.)	31-03-13	31-03-12
-------------	-------------------------	------------------------------------	----------	----------

12 NON-CURRENT INVESTMENTS (AT COST)**NON-TRADE INVESTMENTS****a) INVESTMENT PROPERTY****0.41**

0.41

b) INVESTMENT IN EQUITY INSTRUMENTS**i) INVESTMENT IN 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	0.01
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	0.99	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	0.00
			24.59	24.55

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
c) OTHER INVESTMENTS		
Investment in Government or Trust Securities	0.09	0.08
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)	149.49	149.44
12.1 DETAILS OF MARKET VALUE FOR QUOTED SHARES		
a) Total Cost of Quoted Securities	17.51	17.49
b) Total Market value of Quoted Securities	48.34	40.41
12.2 AGGREGATE VALUE OF UNQUOTED INVESTMENTS		
Aggregate value of unquoted investments	131.98	131.95
13 DEFERRED TAX ASSETS (NET)		
As per the last Balance Sheet	3.88	3.88
Add: For the year (including assets taken over on acquisition)	9.74	0.00
	13.59	3.88
14 LONG TERM LOANS AND ADVANCES		
a) Capital Advances	288.86	51.51
b) Security deposits	24.88	13.20
c) Other loans and advances	13.47	13.59
	327.21	78.30
(All Loans and Advances are unsecured and considered good.)		
15 OTHER NON-CURRENT ASSETS		
Long term trade receivables (on deferred credit terms)	1.61	2.61
	1.61	2.61
(All long term trade receivables are unsecured and considered good.)		
16 INVENTORIES		
a) Raw materials	1081.83	704.50
b) Work-in-progress	378.24	186.30
c) Finished goods	646.28	190.75
d) Traded goods	194.24	100.70
e) Stores & Spares	3.07	2.81
f) Loose Tools	26.81	20.42
g) Packing materials	1.12	1.03
	2331.59	1206.51
Note : Raw materials, Work-in-progress and Finished goods Inventories include R & D inventory also.		
17 TRADE RECEIVABLES		
a) Trade receivables outstanding for more than 6 months	114.80	110.53
b) Others	2131.61	1206.82
	2246.41	1317.35
(All trade receivables are unsecured and considered good.)		

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
18 CASH AND BANK BALANCES		
a) CASH AND CASH EQUIVALENTS		
i) Balance with banks		
a) In current account	313.40	206.41
b) In deposits	223.50	1242.77
ii) In Unpaid Dividend Account	3.96	3.35
iii) Cheques, drafts in hand	10.40	5.25
iv) Cash in hand	1.98	1.11
b) OTHER BANK BALANCES		
i) In deposits (having original maturity period of more than 3 months but less than 12 months)	177.39	24.99
	730.63	1483.88
19 SHORT-TERM LOANS AND ADVANCES		
a) Loans to Companies	40.40	58.60
b) Advances to Suppliers	225.56	134.82
c) Employee advances	43.17	45.93
d) Cenvat Receivable (Net)	16.28	19.29
e) VAT Receivable (Net)	36.02	16.34
f) Service Tax credit (Net)	18.35	8.90
g) Income / refund receivable	27.38	10.03
h) Advance Tax / TDS Receivable	388.08	392.66
i) Prepaid expenses	73.48	19.08
j) Insurance premium Deposit	0.25	0.29
k) Others	142.48	77.00
	1011.45	782.94
(All Loans and Advances are unsecured and considered good.)		
20 OTHER CURRENT ASSETS		
Interest accrued	11.81	28.60
	11.81	28.60
21 REVENUE FROM OPERATIONS		
a) Sale of Products	11790.83	10379.17
b) Sale of Services	275.40	90.65
Gross Sales	12066.23	10469.82
Less:		
c) Excise Duty	655.38	572.94
Net Sales	11410.85	9896.88
d) Other operating revenue	34.34	20.00
	11445.19	9916.88
22 OTHER INCOME		
a) Interest Income	77.34	115.01
b) Dividend Income	9.32	5.32
c) Rent receipts	4.56	4.68
d) Profit on sale of assets	37.66	2.77
e) Share of profit in partnership	0.23	0.24
f) Miscellaneous income	33.27	19.15
	162.38	147.17

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
23 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	704.50	801.36
Purchases	5805.58	4773.38
	<u>6510.08</u>	<u>5574.74</u>
Less:		
Closing Stock of Raw Materials	1059.81	704.50
	<u>5450.27</u>	<u>4870.24</u>
Purchases include machining charges of ₹.79.80 Million (Previous year ₹.82.75 Million)		
24 PURCHASE OF STOCK-IN-TRADE		
1) Oil	195.80	150.80
2) Others	1279.87	1203.26
	<u>1475.67</u>	<u>1354.06</u>
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	186.30	158.95
Opening Stock of Finished Goods	183.96	92.50
Opening Stock of Traded goods	100.70	72.39
	<u>470.96</u>	<u>323.84</u>
Add : Stock on acquisition	543.76	0.00
	<u>1014.72</u>	<u>323.84</u>
Less :		
Closing Stock of WIP	349.07	186.30
Closing Stock of Finished Goods	634.53	183.96
Closing Stock of Traded goods	198.40	100.70
	<u>1182.00</u>	<u>470.96</u>
	<u>(167.28)</u>	<u>(147.12)</u>
26 EMPLOYEE BENEFIT EXPENSES		
a) Salaries & Wages	1317.95	862.65
b) Bonus	3.12	3.40
c) Gratuity	17.84	15.02
d) Performance Pay	113.64	85.57
e) Contribution to Provident fund & Superannuation fund	82.66	43.80
f) Welfare expenses	82.43	73.07
g) MD's Remuneration (Excluding performance pay)	15.62	11.47
	<u>1633.26</u>	<u>1094.98</u>
27 FINANCE COSTS		
Interest Expenses	44.56	7.12
	<u>44.56</u>	<u>7.12</u>

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
28 OTHER EXPENSES		
Packing Charges	188.55	180.93
Consumption of Stores	55.79	58.45
Tools Consumed	65.07	72.44
Commission and Discount	190.09	154.02
Royalty Payments	4.65	4.13
Power,Fuel & Lighting	94.94	82.58
Transport Charges	192.10	149.56
Postage, Telegrams & Telephones	28.99	23.84
Travelling and Conveyance	203.79	166.60
Insurance	29.62	10.74
Advertisement and Publicity	38.48	33.22
Repairs and Maintenance		
-Plant and Machinery	63.28	59.82
-Building	33.03	39.20
-Other Assets	45.09	22.81
Printing and Stationery	14.76	11.95
Research and Development Expenses	60.48	55.50
Bad Debts written off	15.65	13.91
After Sales Expenses	175.43	116.77
Factory Expenses	19.20	20.28
Rates & Tax	21.17	11.48
Auditor's Remuneration		
-Audit Fees	8.28	3.01
-Other Services	1.11	0.65
Miscellaneous Expenses	58.77	61.02
Subscription,Periodicals & Filing Fees	3.49	3.55
Donations	34.52	38.44
Rent	74.46	48.26
Legal and Consultancy Charges	265.07	158.10
Directors' Sitting Fees	0.76	0.63
Service Tax Payments	0.68	1.25
Loss on Exchange Fluctuation (net)	4.22	-15.14
Loss on Sale of Assets	0.68	0.00
Excise Duty paid	42.93	36.26
Assets condemned and written-off	0.00	0.10
Bank Charges	23.57	19.09
	2058.70	1643.45

Notes on Accounts

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

S.No.	Name of the Subsidiaries	Country of Incorporation	% of Ownership	Reporting Date	Difference in Reporting date
1.	ATS Elgi Limited	India	100	31/03/2013	-
2.	Adisons Precision Instruments Manufacturing Company Limited	India	100	31/03/2013	-
3.	Elgi Gulf (FZE)	U.A.E	100	31/03/2013	-
4.	Elgi Equipments (Zhejiang Limited)	China	100	31/03/2013	-
5.	Elgi Compressors Trading (Shanghai) Ltd.	China	100	31/03/2013	-
6.	SAS Belair	France	100	31/03/2013	-
7.	Elgi Compressores DO BRASIL IMP. E.EXP. Ltda	Brazil	100	31/03/2013	-
8.	Elgi Australia Pty Ltd	Australia	100	31/03/2013	-
9.	Elgi Compressors Italy S.r.l.	Italy	100	31/03/2013	-
10.	Rotair Spa	Italy	100	31/03/2013	-
11.	Elgi Compressors USA Inc.	USA	100	31/03/2013	-
12.	Patton's Inc.	USA	100	31/03/2013	-
13.	Patton's Medical LLC.	USA	100	31/03/2013	-

30 Joint Venture Company

Elgi Sauer Compressors Limited	India	26%	31/03/2013	-
--------------------------------	-------	-----	------------	---

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 31/03/2013 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 Ply 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.
Reporting Currency	INR	RMB	RMB	EURO	DHS	BRL	AUD	EURO	EURO	USD	USD	USD	INR
Exchange Rate	-	8.74	8.74	70.28	14.73	26.86	57.52	70.28	70.28	54.80	54.80	54.80	-
Share Capital	0.90	165.56	28.68	184.39	1.78	8.96	0.01	1.04	42.31	0.56	2.37	5.48	7.43
Reserves and Surplus	595.21	(135.80)	(95.57)	(146.92)	93.66	(43.40)	(30.42)	(14.98)	304.17	(28.91)	1,515.60	(207.54)	73.85
Share Application Money pending allotment	-	-	-	-	-	-	-	17.57	-	-	-	-	-
Total Outside Liabilities	292.25	208.88	151.07	174.33	38.40	173.30	86.98	777.39	667.27	2,006.12	108.35	385.01	2.52
Total Assets	888.35	238.63	84.19	211.81	133.83	138.86	56.57	781.02	1,013.75	1,977.77	1,626.32	182.95	83.80
Investments other than investments in subsidiaries	-	-	-	0.09	-	-	0.06	-	0.02	-	-	5.43	0.11
Turnover	1,467.27	146.97	111.78	451.04	252.98	68.26	41.06	0.02	649.31	4.88	480.46	150.75	0.12
Profit before Tax	178.47	(39.66)	(61.48)	(93.61)	40.24	(41.22)	(23.49)	(15.04)	26.12	(41.24)	73.03	(15.87)	(0.17)
Provision for Taxation	55.43	-	-	-	-	-	-	-	6.44	(12.56)	20.98	(6.08)	-
Profit after Tax	123.04	(39.66)	(61.48)	(93.61)	40.24	(41.22)	(23.49)	(15.04)	19.68	(28.68)	52.05	(9.79)	(0.17)

34 Segment Information

[₹. In Million]

PARTICULARS	Year Ended	
	31-03-13	31-03-12
1 Segment Revenue(Sales and income from Services)		
a) Compressors	9556.58	8286.51
b) Automotive Equipments	1439.81	1299.66
c) Others	448.80	330.72
Total Segment Revenue	11445.19	9916.88
Less: Inter Segment Revenue	-	-
Net Sales/Revenue from Operations	11445.19	9916.88
2 Segment Results (Profit before Interest and Tax)		
a) Compressors	672.60	805.54
b) Automotive Equipments	152.29	151.27
c) Others	-12.12	9.23
Total Segment Results	812.77	966.04
Less:		
i) Interest Expense	44.56	7.12
ii) Unallocable expenditure net of other income	-162.38	-147.17
Total Profit Before Tax	930.59	1106.09
3 Assets		
a) Compressors	9416.26	5224.93
b) Automotive Equipments	888.35	716.61
c) Others	81.69	121.12
d) Unallocable Corporate Assets	163.13	153.32
Total Assets	10549.44	6215.98
4 Liabilities		
a) Compressors	5729.57	1926.67
b) Automotive Equipments	288.97	256.12
c) Others	2.85	12.72
d) Unallocable Corporate Liabilities	192.15	44.14
Total Liabilities	6213.54	2239.65

On 29th August 2012, the Company acquired 100% stake in Rotair Spa Italy, through a new subsidiary Elgi Compressors Italy S.r.l. and on 28th November 2012, the Company acquired 100% stake in Patton's Inc., USA through its new subsidiary, Elgi Compressor USA Inc. Hence financial results for the year is not strictly comparable with the previous year.

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

Cash Flow Statement

[₹. In Million]

Particulars	31-03-13	31-03-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	930.59	1106.09
Adjustments for:		
Depreciation	181.80	135.23
Assets condemned and written off	-	0.10
(Profit)/Loss on sale of assets	(36.98)	(2.77)
Bad debts written off	15.65	13.91
Interest and processing fees paid	45.51	17.09
Dividend received	(9.32)	(5.32)
Interest received	(77.34)	(115.01)
	<u>119.32</u>	<u>43.23</u>
Operating Profit before Working Capital changes	1049.91	1149.32
Adjustments for:		
(Increase)/Decrease in Inventories	(1125.08)	(58.90)
(Increase)/Decrease in Trade Receivables	(944.71)	(171.68)
(Increase)/Decrease in Long term Loans and Advances and Other non Current Assets	(247.91)	3.35
(Increase)/Decrease in Short term Loans and Advances and Other Current Assets	62.22	(45.39)
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	806.47	(37.09)
	<u>(1449.01)</u>	<u>(309.71)</u>
Cash generated from operations	(399.10)	839.61
Direct Taxes paid	(308.93)	(345.53)
Net Cash from Operating Activities (A)	(708.03)	494.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible & intangible Assets	(2750.49)	(394.91)
Sale of tangible Assets	41.68	3.55
Purchase of Investments	(0.05)	21.68
Loans to Companies	18.20	20.37
Interest received	94.13	108.68
Dividend received	9.32	5.32
Net Cash used in Investing Activities (B)	(2587.21)	(235.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	2198.17	-
Proceeds from Short Term Borrowings	587.23	21.83
Interest and processing fees paid	(45.51)	(17.09)
Dividend paid	(197.90)	(186.13)
Net Cash used in Financing Activities (C)	2541.99	(181.39)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(753.25)	77.38
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1483.88	1406.50
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	730.63	1483.88

Note: Figures within brackets denote Cash outflow.

For and on behalf of the Board

" As per our report of even date"

JAIRAM VARADARAJ
Managing DirectorN. MOHAN NAMBIAR
DirectorFor RJC ASSOCIATES
Regn. No. : 003496S
Chartered AccountantsPlace : Coimbatore
Date : 09/05/2013R. SYAM KUMAR
Company SecretaryS. SRIRAM
Chief Financial OfficerR. JAYACHANDRAN
Partner
Membership No. 021848



ATS ELGI LIMITED

ANNUAL REPORT



ATS ELGI LIMITED

CHAIRMAN

Dr. Jairam Varadaraj

VICE-CHAIRMAN

Mr. Harjeet Singh Wahan

MANAGING DIRECTOR

Mr. Ramesh Ponnuswami

DIRECTOR

Mr. 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

Contents

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

Directors' Report

Dear Shareholders

Your directors are pleased to submit the 6th Annual report with the Audited Annual Accounts of the company for the year ended 31st March, 2013.

(₹. In Million)

Particulars	31.03.2013	31.03.2012
Profit before Depreciation and Tax	184.630	174.284
Less: Depreciation	6.159	4.979
Profit Before Tax	178.471	169.305
Less: Provision for Tax (Net of Deferred Tax)	55.432	50.780
Profit after Tax	123.039	118.525
Profit brought forward	290.169	171.644
Profit carried to Balance sheet	413.208	290.169

Performance for the year

The performance of the Company is tightly interlinked with the performance of the automotive industry. Passenger car sales growth was on a downward trend since the start of the financial year except for a brief respite during October, ultimately resulting in the first decline in annual car sales in a decade. Consequently this resulted in an overall reduction in activation of new dealerships and in turn reduced demand for garage equipment. Despite the tough market conditions the business grew due to increased market share in new garages, increased revenue from other industry segments, introduction of new products and continuous expansion and focus on after sales service. The business also expanded its range of products and share in the growing commercial vehicles segment.

Future Plans

The passenger car market growth is expected to be flat to marginally higher in the year 2013-14 and the overall industry sentiment continues to be weak. Growth opportunities for the business lies in workshop expansions and new garage establishments by Original Equipments Manufacturers (OEMs) who have entered the country in recent years with their aggressive new model launch plans.

Industry estimates suggest volume growth in commercial vehicles would be driven by Light Commercial Vehicles which mainly depend on intra-city movement of mostly consumer non-discretionary items and rural taxis. Since the Company's thrust area is on this segment, the business may not be impacted much due to vagaries of the economy.

International

International business has grown by 18% 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

In order to conserve internal resources the Directors do not recommend any dividend for the financial year 2012-13.

Directors

Mr. Harjeet Singh Wahan was elevated as Non-Executive Vice-Chairman of the Company with effect from 14/05/2012 from the position of Managing Director of the Company.

Mr. Ramesh Ponnuswami was appointed as an Additional Director and as Managing Director of the Company on 14/05/2012.

Mr. Ramprasad Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

Statutory Auditors

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

Cost Auditor

Approval of the Government of India through the Ministry of Company Affairs was granted for the appointment of Dr. G.L.Sankaran as the Cost Auditor of your Company for the financial year ended 31st March 2013.

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 confirms;

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2013 and of the profit of the company for the year ended on that date.
- 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.
- 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.

Coimbatore
09/05/2013

For and on behalf of the Board
JAIRAM VARADARAJ
Chairman

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

Paint Booth Blower motor changed from 15HP to 10HP along with Auto cut-off provision.

Replacing the air circulator in to Ceiling Fans in fine product assembly area.

Auto water level cut-off for water pumps.

Replacing conventional tube lights in to LED tube lights for street lights and in office areas.

Old compressors replaced with new generation screw compressor of better efficiency in fine product assembly area.

B. TECHNOLOGY ABSORPTION

Under chassis washer released for production in Mar'13. The synchronization of this unit with our Auto Car washer minimized the washing time and consumes very less water compared to conventional washing.

Preparatory Station has been designed and developed for Body Shop application, the proto unit under validation and expected to release for production by Jul'13

New Generation 2D Wheel aligner has been developed with new aesthetic, compact & light weight construction. Proto under validation and expected to release for production by Sep'13.

EXPENDITURE ON R&D	2012-2013	(₹. in Million) 2011-2012
Capital	1.112	3.231
Revenue	12.484	10.746
Total	13.596	13.977
R & D Expenditure as a percentage of Turnover	0.94%	1.06%

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
Mr. Harjeet Singh Wahan	66	Managing Director	0.739*	B.E. (Elec.), D.B.M	39 years	01/08/2007	Elgi Equipments Ltd.

* Remuneration for the part of the financial year 2012-13

For and on behalf of the Board

Place : Coimbatore

JAIRAM VARADARAJ

Date : 09/05/2013

Chairman

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 March 31, 2013, 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"). 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 March 31, 2013
- (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 subsection (3C) of section 211 of the Companies Act, 1956;
 - (e). on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f). Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

R. Jayachandran
Partner
Membership No. 021848

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, 2013.

- 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 period. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets were disposed off during the period, 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) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 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 deposits from public and hence provisions of para of the said order are not applicable.
- 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 Income Tax,

Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable.

- (c) Disputed Sales Tax aggregating ₹. 8.651 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	8.651	Sales Tax Appellate DC Coimbatore

- X. The Company does not have any accumulated losses at the end of the financial year and 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 period.
- 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 order 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 period under audit.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- 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 and hence provisions of Clause (xviii) of para 4 of the order are not applicable.
- XIX. The Company has not issued any debentures, during the period.
- XX. During the period covered by our audit, the Company has not raised any money by way of public issue.
- 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 period.

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

R. Jayachandran
Partner
Membership No. 021848

Balance Sheet as at 31st March, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	2	0.900	0.900
(b) Reserves and Surplus	3	595.208	472.168
(2) NON-CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	3.272	(1.192)
(3) CURRENT LIABILITIES			
(a) Trade payables	5	190.535	149.523
(b) Other current liabilities	6	27.003	25.437
(c) Short-term provisions	7	71.436	81.162
Total		888.354	727.998
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	8	49.160	45.521
(ii) Intangible assets	8	-	0.254
(iii) Capital work-in-progress		5.935	1.860
(b) Long term loans and advances	9	77.435	3.326
(2) CURRENT ASSETS			
(a) Inventories	10	121.004	86.038
(b) Trade receivables	11	229.795	153.118
(c) Cash and cash equivalents	12	300.087	339.742
(d) Short-term loans and advances	13	97.318	90.942
(e) Other current assets	14	7.620	7.197
Total		888.354	727.998

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
Regn.No.:003496S

Place : Coimbatore
Date : 09/05/2013

R. JAYACHANDRAN
Partner
Membership No. 021848

Statement of Profit and Loss for the year ended 31st March, 2013

[₹. In Million]

Particulars	Note No.	31-03-13	31-03-12
I. REVENUE FROM OPERATIONS	15	1439.809	1299.655
II. OTHER INCOME	16	27.459	19.916
III. TOTAL REVENUE	(I + II)	1467.268	1319.571
IV. EXPENSES:			
Cost of materials consumed	17	666.616	575.377
Purchase of Traded Goods	18	278.994	236.150
Changes in inventories of finished goods, work-in-progress and Traded Goods	19	(21.461)	11.331
Employee benefit expense	20	146.212	128.753
Depreciation and Amortization expense		6.159	4.979
Other expenses	21	212.278	193.677
TOTAL EXPENSES		1288.797	1150.266
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	(III - IV)	178.471	169.305
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	(V - VI)	178.471	169.305
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX	(VII - VIII)	178.471	169.305
X. TAX EXPENSE:			
(1) Current tax		50.968	49.458
(2) Deferred tax		4.464	1.322
XI. PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(IX - X)	123.039	118.525
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)	123.039	118.525
XVI. EARNINGS PER EQUITY SHARE		(in ₹.)	(in ₹.)
Nominal value of share		10	10
(1) Basic		1367.10	1316.95
(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
Regn.No.:003496S

Place : Coimbatore
Date : 09/05/2013

R. JAYACHANDRAN
Partner
Membership No. 021848

Notes to Financial Statements for the year ended 31st March, 2013

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 on the basis of a going concern and in accordance with the accounting standards referred to in the Section 211(3C) of the Companies Act 1956, wherever applicable.

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 items at Branches/ Foreign Branches - at cost including applicable taxes and duties.

1.3 Depreciation

Depreciations 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 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 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, 2013

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, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12		
2 SHARE CAPITAL				
Authorised Share Capital:	1.000	1.000		
1,00,000 equity shares of ₹.10/- each				
Issued, subscribed and fully paid-up shares.				
90,000 equity shares of ₹.10/- each fully paid	0.900	0.900		
Par Value of Shares (In ₹.)	10	10		
2.1 Terms/Rights attached to Equity Shares.				
The 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.				
2.2 Reconciliation of the shares at the beginning and at the end of the reporting period:				
Particulars	31-03-13	31-03-12		
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	31-03-13	%	31-03-12	%
Elgi Equipments Limited, Singanallur, Coimbatore - 641 005	90,000	100%	90,000	100%
3 RESERVES AND SURPLUS				
a) Capital Reserve	-		-	
b) Capital Redemption Reserve	-		-	
c) Security premium reserve	180.000		180.000	
d) Statutory reserve (Amalgamation)	-		-	
e) General reserve	2.000		2.000	
f) Surplus from Profit & Loss account				
As per the last Balance Sheet	290.169		171.925	
Add: Current year surplus	123.039		118.525	
	413.208		290.450	
Less:				
Proposed dividend	-		-	
Dividend tax provision	-		-	
Transfer to general reserve	-		-	
Prior Year Adjustments	-		0.281	
	413.208		290.169	
Total [a+b+c+d+e+f]	595.208		472.168	

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
4 DEFERRED TAX LIABILITIES (NET)		
As per the last Balance Sheet	-1.192	-2.514
Add / Less - for the Year	4.464	1.322
	<u>3.272</u>	<u>-1.192</u>
5 TRADE PAYABLES		
a) Due to Micro, Small and Medium Enterprises	27.245	26.550
b) Others	163.290	122.973
	<u>190.535</u>	<u>149.523</u>
6 OTHER CURRENT LIABILITIES		
a) Advance from customers	10.898	14.311
b) Dealers Deposits	6.281	5.681
c) Employee related expenses payable	2.181	1.454
d) TDS Payable	1.635	1.173
e) Sales tax, Service tax collection & payment	6.008	2.818
	<u>27.003</u>	<u>25.437</u>
7 SHORT TERM PROVISIONS		
a) Provisions for employee benefits	20.468	28.934
b) Provision for income tax	50.968	49.458
c) Provision for fringe benefit	-	2.769
	<u>71.436</u>	<u>81.162</u>

8 TANGIBLE & INTANGIBLE ASSETS

[₹. In Million]

Description of Assets	GROSS VALUE			DEPRECIATION			NET BLOCK		
	As at 01/04/12	During the year		As at 31/03/13	As at 01/04/12	During the year		As at 31/03/13	As at 31/03/12
		Additions	Deletions			Additions	Deletions		
Tangible Assets									
Building	1.504	1.846		3.350	0.318	0.192		0.510	1.186
Plant & Equipments	52.865	7.497	0.586	59.777	11.987	5.003	0.029	16.961	42.816
Furniture & Office Equipments	6.781	0.757		7.539	3.325	0.709		4.034	3.457
Tangible Assets Total	61.150	10.100	0.586	70.665	15.629	5.905	0.029	21.505	49.160
Intangible Assets	3.341	-		3.341	3.087	0.254		3.341	0.254
Grand Total	64.491	10.100	0.586	74.006	18.716	6.159	0.029	24.846	49.160
Previous year	51.126	13.366	-	64.491	13.738	4.979	-	18.717	37.388

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
9 LONG TERM LOANS AND ADVANCES		
a) Capital advance	74.039	-
b) Security deposits	1.688	1.498
c) Other loans and advance	1.709	1.828
	<u>77.435</u>	<u>3.326</u>
Note : All advances are unsecured, considered good		
10 INVENTORIES		
a) Raw materials	43.296	30.386
b) Work in progress	10.037	7.721
c) Finished goods	32.741	16.271
d) Traded goods	32.371	29.696
e) Stores & Spares	0.094	0.062
f) Loose Tools	2.290	1.855
g) Packing materials	0.175	0.048
	<u>121.004</u>	<u>86.038</u>
Note : Raw material inventory includes R&D inventory also		
11 TRADE RECEIVABLES		
a) Trade receivables outstanding for more than 6 months	12.064	8.790
b) Others	217.731	144.328
	<u>229.795</u>	<u>153.118</u>
12 CASH AND BANK BALANCES		
a) Cash and cash equivalents		
i Balance with banks		
In current account	45.407	85.907
In deposits	174.604	253.749
[Includes ₹. 4.270 million(previous year : ₹. 2.249) with bank as margin money]		
ii Cash in hand	0.076	0.086
b) Other Bank Balance		
In deposits (having original maturity period more than 3 months but less than 12 months)	80.00	-
	<u>300.087</u>	<u>339.742</u>
13 SHORT-TERM LOANS AND ADVANCES		
Vat receivable (Net)	6.640	3.133
Cenvat Receivable (Net)	1.623	0.779
Service Tax credit	1.973	1.394
Income / refund receivable	1.269	0.803
Advance Tax / TDS Receivable	56.506	58.448
Prepaid expenses	0.147	0.121
Advances to Suppliers	7.811	0.000
Employee advances	3.196	2.536
others	18.152	23.729
	<u>97.318</u>	<u>90.942</u>
Note : All loans and advances are unsecured, considered good.		

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
14 OTHER CURRENT ASSETS		
Interest accrued	7.620	7.197
15 REVENUE FROM OPERATIONS		
a) Sale of Products	1509.938	1357.056
b) Sale of Services	24.526	18.882
Gross Sales	1534.463	1375.937
Less:		
c) Excise Duty	94.654	76.283
Net Sales	1439.809	1299.655
15.1 Details of products sold		
Automotive Equipments	1415.284	1280.770
16 OTHER INCOME		
a) Interest Income	26.182	18.036
b) Dividend Income	-	0.600
c) Profit on Sale of Assets	0.693	-
d) Other non operating income	0.584	1.280
	27.459	19.916
17 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	30.386	36.324
Purchases	677.455	569.438
Sub Total	707.841	605.763
Less: Closing stock of raw Material	41.225	30.386
	666.616	575.377
Note: Purchases include machining charges ₹.17.14 Million (Previous year ₹. 11.66 Million)		
17.1 DETAILS OF MATERIALS CONSUMED		
1) Sheets, Plates & H Section	49.972	43.760
2) Materials that do not individually account for 10% or more of total consumption	616.644	531.617
	666.616	575.377
18 PURCHASE OF TRADED GOODS		
Automotive Garage Equipments	278.994	236.150
19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening Stock of WIP	7.721	12.099
Opening Stock of Finished Goods	16.271	21.592
Opening Stock of Traded Goods	29.696	31.327
	53.688	65.018
Less :		
Closing Stock of WIP	10.037	7.721
Closing Stock of Finished Goods	32.741	16.271
Closing Stock of Traded Goods	32.371	29.696
	75.149	53.688
Total	(21.461)	11.331
20 EMPLOYEE BENEFIT EXPENSE		
a) Salaries & Wages	110.303	85.492
b) Bonus	0.374	0.393
c) Gratuity	-	2.861
d) Performance Pay	14.254	19.350
e) Contribution to Provident fund & Superannuation fund	7.329	6.454
f) Welfare expenses	9.533	9.159
g) MD's Remuneration	4.419	5.044
	146.212	128.753

Notes to Financial Statements for the year ended 31st March, 2013

[₹. In Million]

Particulars	31-03-13	31-03-12
21 OTHER EXPENSES		
Packing Charges	31.754	31.102
Consumption of Stores	6.155	5.619
Tools Consumed	9.517	7.594
Commission and Discount	29.632	28.300
Power,Fuel & Lighting	7.069	5.493
Transport Charges	15.874	17.056
Communication Cost	2.656	2.146
Travelling and Conveyance	30.154	25.227
Insurance	0.788	0.777
Advertisement and Publicity	1.742	3.572
Repairs and Maintenance of		
- Plant and Machinery	2.087	2.128
- Building	2.820	2.690
- Other Assets	2.477	2.140
Printing and Stationery	1.819	2.229
Research and Development expenses	3.398	3.472
Bad Debts Written off	0.347	0.063
After Sales Expenses	24.170	18.936
Factory Expenses	0.398	0.570
Rates & Tax	0.152	0.341
Auditor's Remuneration		
- Audit Fees	0.350	0.200
- Other Services	0.028	0.112
Miscellaneous Expenses	15.370	15.016
Donations	0.003	-
Subscription,Periodicals & Filing Fees	0.052	1.012
Rent	2.745	1.211
Legal and Consultancy Charges	10.326	8.277
Directors'Sitting Fees	0.055	0.035
Sales & Service Tax Payments	0.304	1.074
Loss on Exchange Fluctuation	4.704	3.289
Exercise Duty paid	3.567	2.335
Bank charges	1.765	1.661
Total	212.278	193.677

Notes to Financial Statements for the year ended 31st March, 2013

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	8.651	3.366	Sales Tax Appellate DC, Coimbatore
The company has filed appeals with appropriate authorities of Sales-tax department against their claims				

Particulars	31/03/13 (₹. In Million)	31-03-12 (₹. In Million)
b) Guarantees and Letter of credit	30.187	41.218

23 Details of Estimated amount of contracts

Particulars	31-03-13 (₹. In Million)	31-03-12 (₹. In Million)
Estimated amount of contracts remaining to be executed on capital account	74.039	Nil

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

Particulars	Section	31-03-13 (₹. In Million)	31-03-12 (₹. In Million)
a) The Principal amount due to Supplier under the Act.	S 22 (i)	27.245	26.550
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, 2013

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

	(₹. In Million)	
	31-03-13	31-03-12
	Gratuity (Funded)	
I PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	8.20%	8.70%
Salary escalation Rate	6.00%	6.50%
Attrition rate	3.00%	3.00%
Expected rate of return on Plan Assets	9.25%	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	9.331	8.952
Interest Cost	0.805	0.744
Current service cost	1.161	0.994
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-0.158	-0.193
Actuarial loss/(gain) on obligation (balancing figure)	-3.145	-1.167
PVO as at the end of the period	7.993	9.331
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	14.825	11.036
Expected return on plan assets	1.474	1.129
Contributions	2.734	2.793
Benefits paid	-0.158	-0.193
Actuarial gain/(loss) on plan assets [balancing figure]	0.058	0.060
Fair value of plan assets as at the end of the period	18.932	14.825
IV ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	1.474	1.129
Actuarial gain (loss) on plan assets	0.058	0.060
Actual return on plan assets	1.532	1.189
V ACTUARIAL GAIN / LOSS RECOGNISED		
Actuarial gain / (loss) for the period - Obligation	3.145	1.167
Actuarial gain / (loss) for the period - Plan Assets	0.058	0.060
Total (gain) / loss for the period	-3.203	-1.227
Actuarial (gain) / loss recognized in the period	-3.203	-1.227
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	7.993	9.331
Fair value of plan assets	18.932	14.825
Difference	-10.939	-5.494
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability recognized in the balance sheet	-10.939	5.494

Notes to Financial Statements for the year ended 31st March, 2013

(₹. In Million)

31-03-13
Gratuity (Funded)

31-03-12

VII EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:

Current service cost	1.161	0.994
Interest Cost	0.805	0.744
Expected return on plan assets	-1.474	-1.129
Net actuarial (gain)/loss recognised in the year	-3.203	-1.227
Transitional Liability recognised in the year	-	-
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Effect of limit under paragraph 59(b)	-	-2.083
Total	-	-2.083
Expenses recognised in the statement of Profit and Loss	-2.712	-2.701

VIII MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET

Opening net liability	-5.494	-
Expenses as above	-2.712	-2.702
Contribution paid	-2.734	-2.793
Closing net liability	-10.939	-5.494

IX AMOUNT FOR THE CURRENT PERIOD

Present Value of obligation	7.993	9.331
Plan Assets	18.932	14.825
Surplus (Deficit)	10.939	5.494
Experience adjustments on plan liabilities - (loss)/gain	3.134	0.896
Experience adjustments on plan assets -(loss)/gain	0.058	0.060

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, 2013

26 Expenditure in Foreign Currency

Particulars	31.03.13 (₹. In Million)	31.03.12 (₹. In Million)
Travelling Expense	2.397	1.525

27 CIF Value of Imports

Particulars	31.03.13 (₹. In Million)	31.03.12 (₹. In Million)
1 Raw materials and components	12.510	32.677
2 Capital goods	-	-
3 Traded goods	34.062	37.657
Total	46.573	70.334

28 Details of R&D Expenses

Particulars	31-03-13 (₹. In Million)	31-03-12 (₹. In Million)
1) Capital	1.112	3.231
2) Salaries & wages	8.247	6.584
3) R&D materials	3.398	3.382
4) Other Expense	0.839	0.780
Total	13.596	13.977

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	31.03.13 (₹. In Million)	31.03.12 (₹. In Million)
Direct Exports	76.187	68.406

30 Details of Earnings per Share

Particulars	31.03.13 (₹. In Million)	31.03.12 (₹. In Million)
Net profit (₹. in Million)	123.039	118.525
Weighted average number of shares outstanding (No. in Million)	0.090	0.090
Nominal value per share (in ₹.)	10.000	10.000
Basic Earnings Per share (in ₹.)	1367.100	1316.900
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, 2013

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

(₹.In Million)

Particulars	Holding Company		Other Companies / Firms		Key Management Personnel*	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase of Goods	2.528	1.274	2.039	2.091		
Sale of Goods	13.190	13.375				
Receiving of Services	14.401	20.417				
Remuneration					6.359	7.408
Payables at the end of the year	4.158	13.056	0.396	0.413		

* Includes performance linked pay paid during the year.

Name of related parties and discription 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)
- 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. Elgi Sauer Compressors Limited.
 - g. Elgi Services.
 - h. L.G. Balakrshnan & Bros.
- 4 Key Management Personnel :
 - Dr. Jairam Varadaraj , Chairman
 - Mr. Hajeet Singh Wahan, Vice-Chairman
 - Mr. Ramesh Ponnuswami, Managing Director

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

Cash Flow Statement

[₹. In Million]

Particulars	31-03-13	31-03-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	178.471	169.305
Adjustments for:		
Add: Prior Year Adjustments	-	(0.281)
Depreciation	6.159	4.979
(Profit)/Loss on sale of assets	(0.693)	-
Bad debts written off	0.347	0.063
Interest and Processing fees paid	1.765	1.661
Dividend received	-	(0.600)
Interest received	(26.182)	(18.036)
Operating Profit before Working Capital changes	159.866	157.090
Adjustments for:		
(Increase)/Decrease in Inventories	(34.965)	16.685
(Increase)/Decrease in Trade Receivables	(77.024)	(10.252)
(Increase)/Decrease in Loans and Advances, Other Current and non Current Assets	(80.908)	(42.510)
Increase/(Decrease) in Trade payable, Current Liabilities and Provisions	38.391	31.033
Cash generated from operations	5.360	152.047
Direct Taxes paid	(56.506)	(42.489)
Net Cash From Operating Activities (A)	(51.146)	109.558
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of tangible Assets	(14.176)	(15.163)
Sale of tangible Assets	1.250	-
Purchase of Investments	-	-
Sale of Investments	-	30.000
Loans to Companies	-	-
Interest received	26.182	18.036
Dividend received	-	0.600
Net Cash used in Investing Activities (B)	13.256	33.474
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	(1.765)	(1.661)
Dividend paid	-	-
Net Cash used in Financing Activities (C)	(1.765)	(1.661)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(39.655)	141.370
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	339.742	198.372
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	300.087	339.742

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
Regn.No.:003496S

Place : Coimbatore
Date : 09/05/2013

R. JAYACHANDRAN
Partner
Membership No. 021848

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

Branch offices

Ahmedabad	: "ELGI HOUSE" 2, Mill Officer's Colony, Behind La-Gajjar Chambers, (Old Reserve Bank), Opp. Times of India, Ashram Road, Ahmedabad - 380 009. Ph: (91-79) 26583736, 26581274, Fax: (91-79) 26587683. E-mail : enquiry@elgi.com
Sanand	: Plot No. 193/194, Natraj Industrial Estate, Vasana-Iyava (T.K.), Sanand District, Ahmedabad - 382170. (Gujarat) Ph:2717-284109.
Bangalore	: 15,16 Richmond Road (Adjacent to Citi Bank)Bangalore - 560 025. Ph: (91-80) 22240674, 22247515, 22220296, 22122479 Fax: (91-80) 22293274, E-mail: enquiry@elgi.com
Bhopal	: Plot No.4, Vaibhav Complex, Major Shopping Centre, Zone 1, M.P. Nagar, Bhopal - 462 011. Ph: (91-755) 2578281, 2578317, 4273317 Fax: (91-755) 2578289, E-mail: enquiry@elgi.com
Chennai	: S4-II Floor, Apollo Dubai Plaza, No-100, Mahalingapuram Main Road, Nungambakkam, Chennai - 600034 Ph : (91-44) 28172599 & 28179500, Fax (91-44) 28174699, E-mail: enquiry@elgi.com
Coimbatore	: 1st Floor, #622-A, Near ELGI industrial Complex, Trichy Road, Singanallur, Coimbatore - 641 005. Ph: (91-422) 2589555 Fax: (91-422)2573697. E-mail : enquiry@elgi.com
Hyderabad	: H.NO:12-13-188, II nd Floor, Street No.2, Taranaka, Hyderabad - 500017. Ph: (91-40) 27000435,27000437,27000439, 27000431 Tele Fax: (91-40) 27000438, E-mail : enquiry@elgi.com
Jaipur	: 602, 6th Floor, Diamond Tower, Purani Chungi, Ajmer Road, Jaipur - 302 021. Ph: (91-141) 2970120 Fax: (91-141) 2970121 Email: enquiry@elgi.com
Kochi	: #39/3973, Pallimukku, M.G.Road, Kochi - 682016. Ph: (91-484) 2360155 Fax: (91-484) 2351904, E- mail: enquiry@elgi.com
Kolkata	: Space No.502, Block - C, 5th Floor,, Axis Mall Action Area - IC, New Town, Premises No.CF-9, Kolkatta - 700 156 Ph: (91-33) 2324-4270/2324-4271 Fax: (91-33) 2324-4272, E-mail: enquiry@elgi.com
Mumbai	: Marol Co-op Industrial Estate Ltd. Plot No.48, Mathurdas Vassanji Road, Near Sakinaka, Andheri(East), Mumbai - 400 059 Ph: (91-22) 42161000 Fax: (91-22) 28591601, E-mail: enquiry@elgi.com
New Delhi	: 23, Shivaji Marg, Near Karampura, Opp. DCM, New Delhi - 110 015. Ph: (91-11) 25928593, 25928095 , 25153644 Fax: (91-11) 25459375, E-mail: enquiry@elgi.com
Pune	: White House, Ground Floor, 388-A, 1/2240, Mumbai-Pune Road, Opp. Sandvik(Asia), Dapodi, Phugewadi, Pune - 411 012 Ph: (91-20) 30635454, 30635455 Fax: (91-20) 30635456, E-mail: enquiry@elgi.com
Tiruchengode	: 4/2, Nandhini Complex, 1st Floor, Velur Road, Tiruchengode - 637211. Ph: (91-4288) 257137Fax: (91-4288) 257693 Email: enquiry@elgi.com

Overseas Offices

Bangladesh	: Elgi Equipments Ltd., Sonartori Tower (15 & 16 Floor), No.12, Biponon C/A, Sonargon Road, Dhaka- 1000 Ph: 880 - 9671453 - 65, Fax : 880 - 2 - 8616148, Email: nazim@elgi.com
Srilanka	: S.G. Arcade, 2nd Floor, No.441, Sri Sangaraja Mawatha, Colombo-10, Ph : 00 - 94 -11 - 2392425, Fax : 00 - 94 - 11 - 4737412 Email: elgisupport@slnet.lk
Thailand	: Elgi Equipment's Ltd., 223/61 Country Complex A 14th Floor, Sanphawut Road, Bangna Bangkok -10260. Email (for sales) : siddharth@elgi.com, (for after sales) : piyavuthl@elgi.com Toll - Free No. (Thailand) - 001800-13201-2905
Malaysia	: Elgi Equipments (M) SDN. BHP, Unit D-3A-4, Level 4, Block D, Setia Walk Persiaran Wawasan, Pusat Bandar Puchongj,47160 Puchongj Selangor Darul Ehsan, Malaysia. Toll free number : 1800 - 813 - 1777 Web : www.malaysia.elgi.com

Wholly Owned Subsidiaries (Overseas)

China	: Elgi Equipments (ZheJiang) Limited, No. 4 Building, No.466 Yunhai Road JiaXing, ZheJiang, P.R. China - 314001 . Ph : +86 (0) 563 82551120, 82551133, 82551122, 008613818052560 Fax : + 86 (0) 563 82551115 Email: enquiry.cn@elgi.com : Elgi Compressors Trading (Shanghai) Co. Ltd., Room 912 No. 8 &9 Lane 1500, South Lianhua Road, Min Hang District, Shanghai, P.R. China Postal Code : 201108, Ph : + 86 (0) 21 33581191, 008613818052560, Fax : + 86 (0)21 33581190, Email: enquiry.cn@elgi.com
Middle East	: Elgi Gulf (FZE), P.O. Box: 120695, Q4-081, SAIF Zone, Sharjah, U.A.E. Ph : +971 6 557 9970, Fax : + 971 6 557 9980 Mobile : + 971 50 457 6470 Email : gulfenquiry@elgi.com
Brazil	: Elgi Compressores Do Brasil Importadora e Exportadora Ltda., Avenida Emilio Checchinato, 4195 - B: Cep : 13295 - 000, Bairro:Sao Roque da Chave: Itupeva - SP, Brazil. Email: marcelo@elgi.com.br
France	: SAS Belair , Zone Espace leaders; 156 rue de Moutti-Sud: 74540 Alby Sur Cheran, France. Ph : 04 50 68 20 57 Fax : 04 50 68 22 61 Email : dlelievre@belair.fr
Australia	: Elgi Equipments Australia Pty Ltd., 1/35 Steel Place, Morningside QLD – 4170 Ph : +61 7 31060589 Mob : +61 418335939 Email : vivp@elgi.com.au Toll - Free No. (Australia) - 1800 813 1777
Italy	: ELGI Compressors Italy S.r.l., Rome(RM), Via Del Babuino 51, 00187 : ROTAIR Spa, Via Bernezzo 67, 12023 Caraglio (CN), Italy. Ph : +39 0171619676 Fax : +39 0171619677 E-mail : info@rotairsa.com
USA	: Elgi Compressors USA Inc., 2711, Counterville Road, Suite 400, City of Wilmington, County of New Castle, Delaware - 19808. Patton's Inc. & Patton's Medical LLC - 3201, South Boulevard, Charlotte, NC 28209, USA.
Indonesia	: PT ELGI Equipments Indonesia, Kawasan Pergudangan, BIZPARK Commercial Estate, Pulogadung Jl. Raya Bekasi KM 21, 5 Blok A3 No. 12, Kel. Rawa Terate, Kec. Cakung, Pulogadung Jakarta Timur 13920. Phone : +62 – 21 – 46822216, 46827388 Email (for sales) nitins@elgi.com , (for aftersales) : augustin@elgi.com, Toll - free No. (Indonesia) – 0804-111-3544

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

Wholly Owned Subsidiaries (DOMESTIC)

ATS ELGI LIMITED

Private Industrial Estate, Kurichy, Coimbatore - 641 021, India
Ph : + 91 - 422 - 2589999, 2672201 - 3 Fax : + 91 - 422 - 2589800
E-mail : enquiry@ats-elgi.com Web: www.ats-elgi.com

ADISONS PRECISION INSTRUMENTS MFG. CO. LIMITED

Elgi Industrial Complex, Singanallur, Coimbatore - 641005.

Joint Venture

ELGI SAUER COMPRESSORS LIMITED

Elgi Industrial Complex 111, Singanallur, Coimbatore - 641 005 India
Ph : + 91 - 422 - 2589555, 2589634, 2589510 Fax : +91 - 422 - 2573697
Email : info@elgisauer.com Web: www.elgisauer.com

Factory & Registered Office

ELGI EQUIPMENTS LIMITED

Singanallur, Coimbatore - 641005, India
Ph : + 91 - 422 - 2589555 Fax : + 91 - 422 - 2573697, + 91 - 422 - 2589401 (for international markets)
E-mail : enquiry@elgi.com Web: www.elgi.com

GLOBAL SUPPORT CENTRE

2/66 & 2/67 A, Avinashi Main Road, Chinniyampalayam, Coimbatore - 641062, India
Ph : + 91 - 422 - 2625868, 2625869, Fax : + 91 - 422 - 2625985

Division

PRESSURE VESSEL DIVISION, 1473 - Trichy Road, Coimbatore - 641018 -

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 : SB ☐ Current ☐ Cash Credit ☐
(tick the correct box)
 - e) Ledger folio no. of the Bank A/c (if appearing on the cheque book) :
 - f) 9 Digit code No. of the Bank & Branch appearing on the MICR cheque issued by the bank :

Important :

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

Date :

Signature of First Shareholder





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



ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
I hereby record my attendance at the 53rd ANNUAL GENERAL MEETING held on Thursday, August 1, 2013 at 4.30 pm at
ARDRA, No. 9, North Huzur Road, Coimbatore - 641 018.

.....
Signature of the Member

.....
Signature of the Proxy

.....
Name of the Member

.....
Name of the Proxy

Folio No. / Client ID. No.

No. of Shares :

Notes:

Please sign this attendance slip and hand it over at the Attendance Verification Counter at the entrance of the meeting venue.



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



PROXY FORM

I/We
of being
member(s) of ELGI EQUIPMENTS LIMITED, hereby appoint Sri/Smt
of or failing him / her / Sri / Smt.
of as my/our Proxy to attend and vote on my/our
behalf at the 53rd ANNUAL GENERAL MEETING to be held on Thursday, August 1, 2013 at 4.30 pm and at any adjournment
thereof.

No. of Shares held.....

Folio No. / Client ID No.

Signature

(Affix Re 1/-
Revenue
Stamp)

Signed this.....day of2013

Notes:

1. The Proxy need NOT be a member.
2. The Proxy Form signed across Re. 1/- revenue stamp should reach the Company's Registered Office at least 48 hours before the commencement of the meeting.





ELGI EQUIPMENTS LIMITED

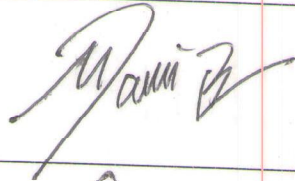


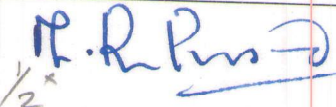
ELGI Industrial Complex, Trichy Road, Singanallur, Coimbatore - 641 005

Tel: 0422 - 2589555 | Fax: 0422 - 2573697 | Web: www.elgi.com | Email: investor@elgi.com

ELGI

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Elgi Equipments Limited	
2.	Annual financial statements for the year ended	31 st March 2013	
3.	Type of Audit observation	Un-qualified	
4.	Frequency of observation	Not Applicable	
5.	To be signed by-	Name	Signature
	• CEO/ Managing Director	Jairam Varadaraj	
	• CFO	S. Sriram	
	• Auditor of the Company	R. Jayachandran RJC Associates	
	• Audit Committee Chairman	M. Ramprasad	 1/2*