

BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHOY TOWERS DALAL STREET MUMBAI - 400001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED "EXCHANGE PLAZA" BANDRA KURLA COMPLEX BANDRA (E) MUMBAI - 400051
Scrip Code: 522074	Scrip Code: ELGIEQUIP

E:SEC: 1016

DATE: 16/12/2019

Dear Sirs

Sub: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This is to inform that the Board of Directors at their meeting today, approved the following;

1. Acquisition of 100% shareholding and control of Michigan Air Solutions LLC, a Limited Liability Company headquartered in State of Michigan, USA. This acquisition will be accomplished through ELGi Compressors USA, Inc, a wholly owned subsidiary of Elgi Equipments Limited ("Elgi"). More details of the target entity are provided in Annexure I.
2. Subject to the approval of members, the Board of Directors has approved Elgi Equipments Limited Employees Stock Option Plan 2019 ("Elgi ESOP 2019") providing for grant up to 15,84,045 Options (not exceeding 1% of the equity shares), to employees of the Company, its holding and subsidiary companies.
3. Implementation of Elgi ESOP 2019 through a trust to be formed for the purpose and advancement of loan by the Company to the trust for purchasing shares from the secondary market.
4. Postal Ballot Notice for seeking of approval of shareholders of the company for Elgi ESOP 2019.

Kindly acknowledge the receipt of this letter and update your records.

Thanking you,

Yours faithfully

For ELGI EQUIPMENTS LIMITED



NITHYA PRABHU R
COMPANY SECRETARY



Annexure I: Details of the Target Entity:

Name	Michigan Air Solutions LLC, USA ("MAS")
Turnover (2018)	USD 11 Million
Whether the acquisition would fall within related party transactions and whether the promoter / promoter group / group companies have any interest in the entity being acquired	MAS is an independent company. The promoter / promoter group / group companies do not have any interest in the entity being acquired.
Industry to which the entity being acquired belongs	Distributor and specialist in air compressor sales, maintenance and services.
Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	This acquisition will significantly expand Elgi's footprint in the State of Michigan, USA.
Brief details of any governmental or regulatory approvals required for the acquisition	None
Indicative time period for completion of the acquisition	16 th December 2019
Nature of consideration - whether cash consideration or share swap and details of the same	Cash Consideration
Cost of acquisition or the price at which the shares are acquired	The total consideration for the acquisition is Approx. USD 6 Million. (INR 42.44 Crores)
Percentage of shareholding / control acquired and / or number of shares acquired	Acquisition of 100% of the shareholding & control through ELGi Compressors USA, Inc, a wholly owned subsidiary of Elgi.
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	MAS headquartered in Grand Rapids, Michigan, was established in the year 2009. MAS holds significant market share in Grand Rapids and also has presence in Detroit market since 2016. MAS has two offices. The main office is in Grand Rapids, Michigan. The satellite office is in Plymouth, Michigan, a suburb of the Detroit metro area. MAS serves all counties in the Lower Peninsula of Michigan, which represents 94% of the total state market potential. Sales in the first full year of trading were 0.87 Million USD and in 2018 passed the 11 Million USD mark. The company has had consistent growth over its 10 years of trading. Target revenue for financial year 2019 was set at 12 Million USD.

For ELGI EQUIPMENTS LIMITED



NITHYA PRABHU .R
Company Secretary

ELGI EQUIPMENTS LIMITED

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