

13-02-2020

To
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/I,
G Block, Bandra-Kurla Complex, Bandra-East,
Mumbai- 400 051

Scrip Code: 522074

Symbol: ELGIEQUIP

Dear Sir,

Sub: Submission of Elgi Equipments Limited Employee Stock Option Trust Deed under Regulation 3(3) of SEBI (Share Based Employee Benefits) Regulations, 2014.

As required under Regulation 3(3) of SEBI (Share Based Employee Benefits) Regulations, 2014, the duly executed Elgi Equipments Limited Employee Stock Option Trust Deed is submitted herewith. This trust has been formed to implement the Elgi Equipments Limited Employees Stock Option Plan, 2019.

Please note that the Elgi Equipments Limited Employees Stock Option Plan, 2019 was approved by the Board of Directors at its meeting held on 16th December, 2019 and the shareholders by way of Postal Ballot on 31st January 2020. The board and shareholders had also approved the implementation of Elgi Equipments Limited Employees Stock Option Plan, 2019 through a trust.

Please take the above on your record.

Yours Faithfully,

For Elgi Equipments Limited



Shyam Vasudevan
Compliance Officer



தமிழ்நாடு தமிழ்நாடு TAMILNADU

24-02-2020 ELGI EQUIPMENTS LIMITED
EMPLOYEES STOCK OPTION TRUST
CBE - 641005

M. ராமகிருஷ்ணன் BX 373678
முத்திரைத்தாள் வெற்புபெய்தாள்
L.No: 7333/B-1/97/1
74, சுப்பகோணம் வீதி, M.K.பாளையம்,
கோவை-15, தமிழ்நாடு.

DEED OF TRUST

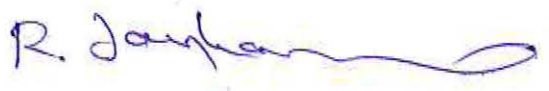
THIS DEED OF TRUST is executed at Coimbatore on this 12th day of February, 2020 entered into:

BY AND BETWEEN:

1. **Elgi Equipments Limited**, a company incorporated under the Companies Act, 1956 and having its Registered office at Elgi Industrial Complex III, Trichy Road, Singanallur Coimbatore - 641005, through its Managing Director Mr Jairam Varadaraj as authorised by the Board of Directors, by their resolution dated 16th December 2019 (hereinafter referred to as the "Settlor"), which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **ONE PART**; and
2. (A) **Mr. M. Ramakrishnan**, age [66 years] son of Mr. Meenakshi Sundaram K E, residing at Flat No. 5, First Floor, Mithila Apartments, Sathyamoorthy Road, Ramnagar, Coimbatore - 641009, (B) **Mr. R. Jeyachandran**, aged 63 years son of

For ELGI EQUIPMENTS LIMITED



JAIRAM VARADARAJ
Managing Director


R. Jeyachandran



தமிழ்நாடு தமில்நாடு TAMILNADU
.02.2020 ELGI EQUIPMENTS LIMITED
EMPLOYEES STOCK
OPTION TRUST
COIMBATORE

CA 593262


M. DORAISWAMY
"STAMP VENDOR"
10-A, STATE BANK ROAD,
COIMBATORE - 641 018.
L.No: 7333/B1/97/88-3

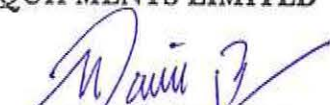
Mr. T. Ramaswamy Naidu, residing at No.3/1, Sowripalayam Road (Thottam), Coimbatore - 641028 (hereinafter referred to as the "Trustees" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors) of the OTHER PART. These Trustees are not a director, key managerial personnel or promoter of the Settlor or its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter.


The settlor and the Trustees shall hereinafter jointly be referred to as the "parties" and severally as a "party"

WHEREAS:

1. The Settlor is a public limited company undertaking the business of manufacture of air compressors and allied products and employing various persons for undertaking such business. The equity shares of the Settlor are listed on BSE Limited and the National Stock Exchange of India Limited (collectively, the "Stock Exchanges")
2. The Settlor with the intent to establish 'Elgi Equipments Limited Employees Stock Option Trust' in accordance with Securities and Exchange Board of India (Share Based

For ELGI EQUIPMENTS LIMITED


JAI RAM VARADARAJ
Managing Director

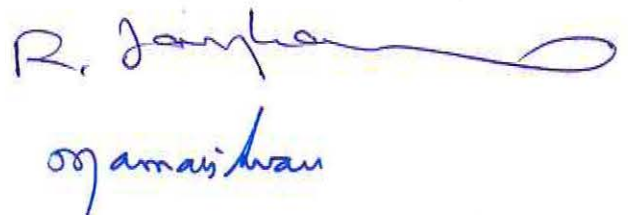

R. Jayaram

Employee Benefits) Regulations, 2014, as amended (the "SBEB Regulations") has constituted a " Compensation Committee" for the administration and superintendence of the Scheme with Members as provided under Regulation 5(2) of the SBEB Regulations and Section 178 of the Companies Act 2013 and the Compensation Committee has for the purpose of implementation of the Scheme through a Trust appointed the Trustees referred to above

3. The Settlor has, on or before the execution of this instruments, Transferred to the Trustees a sum of Rs. 1,000/- (Rupees one thousand only) (the "Initial corpus") towards the initial settlement of Elgi Equipments Limited Employee Stock Option Trust (the "Trust"). The Trustees hereby admit and acknowledge the receipt of the Initial Corpus and that the initial Corpus shall be applied and governed by the terms and conditions of this Deed (*as hereinafter defined*).
4. In the light of the above, the Settlor is settling this Deed of Trust (the "Deed") with the Trust as an irrevocable Trust under the provisions of the Indian Trust Act, 1882. The Trustees shall act as the trustees of the Trust in accordance with the terms and conditions contained in, and as is testified by, the execution of this Deed.
5. This Deed of Trust will apply to any number of stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit schemes and stock appreciation rights scheme instituted by the Settlor from time to time for the benefit of its employees of the Settlor and its present and future holding and/or subsidiary companies.
6. The formation of the Trust and implementation of Employees Stock Option Plan, 2019 were approved by the shareholders of ELGi Equipments Limited on 31st January 2020.
7. There shall always be maintained two trustees as trustees of the Trust. Any vacancy caused due to resignation, death or disability or otherwise, of the Trustees shall be filled in by the Compensation Committee within a period of two months from the date thereof. A person shall be disqualified to act as trustee on any of the following grounds:
 - a. If he is declared to be of unsound mind by a competent court; or
 - b. If he is an undischarged insolvent; or
 - c. If before or after commencement of the Trust, he/she has been convicted of an offence involving moral turpitude.
 - d. Trustees who are Employees of Elgi Equipments Limited or their Subsidiaries shall cease to be Trustees when their employment ceases for whatsoever reasons.

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADRAJ
Managing Director


R. Jayaram



8. The Trust's office shall be maintained at ELGI Equipments Limited's registered office, which is ELGi Industrial Complex-III, Trichy Road, Singanallur, Coimbatore, or at such place as the Trustees may decide from time to time. All the books of accounts, minutes, records and documents belonging to the Trust shall ordinarily be kept at such place.
9. Any term not defined under this deed, but defined in the Elgi Equipments Limited Employees stock Option Plan, 2019 (the "Elgi ESOP 2019") shall have the meaning assigned to it under the Elgi ESOP 2019 and/or any other stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit schemes and stock appreciation rights scheme instituted in future, as relevant and appropriate.

NOW THIS DEED OF TRUST WITNESSETH AND IT IS HEREBY AGREED AND DECLARED BY BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The name of the trust shall be "Elgi Equipments Limited Employees Stock Option Trust". The Trust shall be an irrevocable trust.
2. The trust shall be for the benefit of employees of the settlor and its present and future subsidiary companies (the "Beneficiaries"). The duration of the Trust will be for a period as long as any stock option schemes, stock purchase schemes, general employee benefit schemes and stock appreciation rights scheme are in force for benefitting the Beneficiaries. For the purpose of this Deed, the term "employee" shall have the meaning ascribed to it under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the SBEB regulations).
3. The object of the Trust shall be as follows:
 - a) Acquire the Shares of the Settlor from the open market through stock exchange(s) by utilizing the funds available at its disposal and/or through loans granted by the Settlor or any other bank or financial institution, through gift from the Settlor or any other person including another trust, through subscription to new issue of shares (by Settlor) subject to Board and Shareholders approval, obtaining of in-principle approval from SEBI and other related compliance.
 - b) To transfer shares to employees of the Settlor and its holding company and/or subsidiaries as may be identified by the Compensation Committee, or the Trustees if empowered by delegation, by the Compensation Committee, of the Settlor constituted for administration and superintendence of the "Elgi Stock Option Plan 2019" and/or any other stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit schemes and stock appreciation rights scheme instituted in future, as relevant.

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director

- c) To operate one or more schemes for providing to the Beneficiaries incentives/motivation for better performance and retention including, in particular, to operate schemes, offering right to acquire shares and other securities of the settlor held by the Trust on such terms and conditions as are considered appropriate and in line with the relevant scheme documents;
 - d) To operate stock option, or other similar schemes and/or any other stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit schemes and stock appreciation rights scheme instituted in future for providing share based benefits to the Beneficiaries;
 - e) to obtain loan from the Settlor or any other bank or financial institution on appropriate terms and conditions to acquire the shares of the Settlor through new issue or secondary acquisition and to repay the loans and other forms of financial assistance to the Settlor, bank or financial institution from the funds available from exercise of stock options by employees, dividends or any other income of the trust;
 - f) To distribute the income and/or corpus amongst the Beneficiaries;
 - g) To sell, dispose of, transfer, assign, charge or pledge any properties comprising the funds of the trust (the "Trust Fund"), as permitted under applicable laws, including to any individual or to another trust or any body corporate.
 - h) To recover the amounts due from the eligible employees/option grantees towards exercise price and applicable taxes. The Trust may sell the shares which may be due to be allotted to the option grantee pursuant to the exercise of the options and
 - i) To sell the shares in the secondary market to provide the benefit to the employees under the respective plan referred in paragraphs 3(b) and 3(d).
4. The Trust shall administer the Elgi Equipments Limited Employees stock Option Plan, 2019 (the "Elgi ESOP 2019"), and/or any subsequent stock option Plan and/or any other stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit scheme and stock appreciation rights scheme instituted in future, as approved by the Board and shareholders of the Settlor for the Beneficiaries, in accordance with applicable laws, (including the Indian Trusts Act, 1882 (the "Trusts Act"), the SEBI Regulations) and as recommended by the Compensation Committee of the Settlor in this regard.
5. The Settlor agrees to lend such amount of money to the Trust/Trustees as may be required from time to time for fulfilling the objectives of this Trust. The Trustees agree to hold such monies received together with all accretions, additions and donations which may be received by the Trustees in future from the Settlor subject to the terms

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director




and conditions hereof in trust for the benefit of the beneficiaries. The Trustees also agree to repay such sums as per the terms and conditions that may be agreed upon from time to time with the Settlor.

6. The right and obligations of the Beneficiaries shall include the following:
 - I. The Beneficiaries shall have the right, with notice to the Trust, to inspect and take copies of this Deed, the audited and unaudited accounts of the Trust and any scheme related and other documents relating to the trust, in accordance with the Trusts Act.
 - II. None of the Beneficiaries shall have the right to receive any dividend, or to vote, or to enjoy any other benefits available to a shareholder of the Settlor in respect of any stock options granted to such Beneficiary, till equity shares of the Settlor are transferred upon exercise of stock options issued to such Beneficiary.
 - III. Subject to applicable laws, the Trust Fund shall not be liable for any debt of any Beneficiary, or be subject to any judgment rendered against any Beneficiary, or to the process of any court in aid of execution of any judgment against the Beneficiary.
 - IV. Subject to applicable laws, the beneficial interest of any of the Beneficiaries in the Trust shall not be encumbered, sold, transferred, or subjected to any third party rights by the Beneficiaries, whether directly or indirectly, to any extent and in any manner whatsoever. In particular, the Beneficiaries shall not have the right to transfer, pledge, hypothecate, mortgage or otherwise alienate any stock options granted to them by the the Compensation Committee or the Settlor.
 - V. The right to participate in rights issues and receive bonus shares of the Settlor, subject to the terms and conditions of the respective stock option schemes, stock purchase schemes, general employee benefit schemes, retirement benefit schemes and stock appreciation rights scheme instituted by the Settlor from time to time.
 - VI. In addition to the above, the Trustees shall have the power to prescribe any other rights, and obligations of the Beneficiaries, in accordance with applicable laws, and may also seek the recommendations of the Compensation Committee.
7. It shall be the duty of the Trustees to undertake the objects of this Deed, and to act in the interest of the Beneficiaries and subject to provisions of the SBEB Regulations, the Trustees shall not act in any manner or include any provision in this Deed that would be prejudicial to the interests of the Beneficiaries.

The provisions of this Deed may be amended/ varied by the Trustees, with the consent of the Settlor and the Compensation Committee. The Trustees shall have discretion in respect of investment of the Trust Fund and shall be entitled to make such investments as they may deem fit for the purposes of the objects of this Deed, in

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director


R. Jayaram

R. Annas Khan

accordance with applicable law. The Trust Fund shall not be used for any other purposes but for undertaking the objects of this Trust.

8. (i) The Trustees shall not:

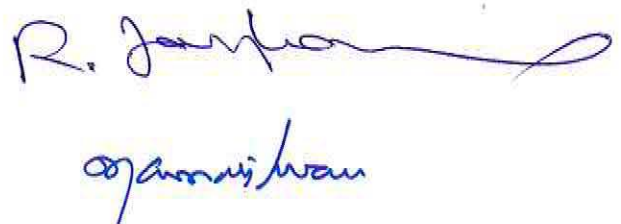
- (a) Be a director, key managerial personnel or promoter of the Settlor or its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or
- (b) Beneficially hold ten percent or more of the paid-up share capital of the Settlor.

(ii) The Trustees shall have all requisite powers for the administration and execution of the Trust and all matters connected with it, including but not limited to the following, in accordance with applicable laws:

- (a) Opening and maintaining in the name of the Trust or in its own, bank account(s) and demat accounts, and with the two trustees having power for jointly operating the same or the Trustees authorising any two of other persons/Trust employees to jointly operate the same;
- (b) Transfer the shares to the beneficiaries upon exercise of options pursuant to any Stock Option Scheme on the recommendation of the Compensation Committee
- (c) Employing employees, agents, brokers, lawyers, accountants and others at such remuneration as they may think fit;
- (d) Delegating any power that they can lawfully delegate to any person and to execute such power of attorney collectively as they may think fit for the purpose;
- (e) Fulfilling statutory compliances viz., tax and regulatory filings, etc. Further, the Trustees shall discharge taxes and other statutory dues owed by the Trust out of the funds available / income generated by the Trust.
- (f) Withdrawing any power and revoking any appointment of any employees or attorneys;
- (g) Accepting deposits, availing financial assistance, provision of money, borrowing money (including from the Settlor) or assets/investments, etc. for the purposes of the Trust;
- (h) Framing rules for administration of the scheme(s) administered by the Trust, in compliance with the scheme documents, object of the Trust and the SBEB regulations and other applicable laws or administer the schemes in accordance with the guidelines set out in the scheme documents or as may be specified and approved by the board of

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director




R. Jayaraman

directors / Compensation Committee of the Settlor (including a duly constituted and authorised committee thereof), in accordance with applicable laws;

- (i) Undertaking secondary acquisition or subscribing to new issue of shares of the Settlor in accordance with and subject to the provision of the SBEB Regulations;
- (j) Maintaining proper books of accounts of Trust, and maintaining records and documents for each scheme administered by the Trust, so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particulars give a true and fair view of the state of affairs of each scheme, as required under law, including the SBEB Regulations.
- (k) to join, co-operate, or amalgamate the Trust or any portion thereof with any trust, association, company or institution having the Settlor and/or its holding company or subsidiaries' employees' welfare as its objects upon such terms as they think fit.
- (l) to compromise or compound all actions, suits and other proceedings and all differences and demands and to refer any such references or demand to arbitration and to adjust, settle and approve all accounts relating to the Trust Funds and to execute all releases and do all other things relating thereto as fully as if they were absolutely entitled to the Trust Funds and without being answerable or accountable for any loss, but subject however to Clause 8(p) herein below.
- (m) to sign, execute and deliver agreements, deeds and other documents on behalf of the Trust as may be necessary or required to carry out, implement or further the objects and purposes of this Trust or to discharge the duties and functions, and to exercise the powers of the Trustees under this Trust and to perfect and cause to be perfected all such agreements, deeds and documents as required by law.
- (n) to do and perform generally, all such acts, deeds and things as may be required by law or as the Trustees may deem fit and proper for effectively exercising their powers and discharging their duties and functions under the Trust.
- (o) The Trustees shall keep and ensure that its employees and agents keep confidential all transactions relating to the Trust and the state of affairs of the Trust except as otherwise compelled to disclose by any law.
- (p) Failure of duty and breach by the Trustees: Nothing herein contained shall exempt or indemnify the Trustees for (a) a deliberate failure to protect the interests of the Beneficiaries and (b) a breach of trust out of its own gross negligence, fraud or dishonesty.

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director



9. On the date of dissolution of the Trust, the Trustee shall pay, transfer and hand over the Trust Fund, any and all undistributed income, for repayment of outstanding loan, if any, and subsequently, for distribution to employees as recommended by the Compensation Committee.

In this clause and for the purpose of this Deed, the "date of dissolution" shall mean the earlier of:

- I. The date on which the Settlor is wound up (or otherwise ceases to exist), save and except by virtue of a duly sanctioned scheme of amalgamation or arrangement involving the settlor, corporate reorganisation of the settlor or corporate reorganisation of the companies comprised in the Elgi Equipments group of companies, a list of which will be maintained with the company secretary of the company; or
- II. The date on which, in the opinion of the Trustee or Trustees, if more than one, unanimously, the objects and purpose of the Trust are completely fulfilled or fulfilment of the objects and purpose of the Trust becomes impossible by destruction of Trust Fund or otherwise.
10. The Trustees will not be entitled to receive any remuneration, but the Trustees may reimburse themselves all expenses actually incurred by them in connection with the Trust or their duties relating thereto.
11. It shall be lawful for the Trustee for the time being of these presents to reimburse themselves or himself or herself or itself and to pay and discharge out of the Trust properties all costs, charges and expenses incurred in carrying out these present or in or about the execution of the Trust or powers or obligations of these presents.
12. The Trust shall not sell any equity shares or other securities held by it in the secondary market, or deal with the equity shares or other securities, except as permitted under the SBEB Regulations and other applicable laws.
13. The Trust shall not deal in derivatives and shall undertake only delivery based transactions for the purposes of secondary acquisition, except as permitted by the SBEB Regulations.
14. The Trust may undertake off-market transfer of equity shares as permitted under the SBEB Regulations and Companies Act, 2013 and/or any statutory modifications or re-enactments thereof.

For ELGI EQUIPMENTS LIMITED


JAI RAM VARADARAJ
Managing Director


R. Jayaram


15. The Trustees shall ensure that secondary acquisition and holding of Settlor's shares and the total number of such shares held by the Trust shall not exceed the limits prescribed under the SBEB Regulations, as amended from time to time.
16. The Trustees shall further ensure that the unappropriated inventory of the Settlor's shares held by the Trust shall be disposed of within a reasonable time, but in any case within the timeline prescribed under the SBEB Regulations, as amended from time to time.
17. If the Settlor or any other persons shall pay or transfer to the Trustees any other money or property to the intent that the same shall be held upon the Trust declared by these presents. Such other money or property shall be consolidated with and form one fund with the Trust in all respects as if the same had been originally comprised in the Trust Fund.
18. The Compensation Committee shall be entitled from time to time to appoint new trustees in substitution or in place of the existing Trustees or to appoint additional trustees or trustees and such new or additional trustees may be an individual, bank, company or corporation.
19. The accounting year of the Trust shall be the financial year ending on 31st March every year. Proper books of account documents and records with respect to the Trust to give a true and accurate account of the investments, expenses, earnings etc of the Trust Funds shall be caused to be maintained by the Trustees. The accounts shall be audited at the end of every accounting year by a chartered accountant as appointed by the Trustees on the recommendation of the Compensation Committee.
20. It is expressly declared that no part of the Trust property or its income or any accretion thereto shall be applied for any purpose or for the purposes other than for which the Trust is formed.
21. The Trust shall make required disclosures and comply with other requirements applicable to insiders or promoters under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (including any modification or re-enactment thereto) and all other regulations laid down by SEBI in this behalf.
22. The Trustees shall be chargeable only for such properties, monies, stocks, shares, funds, and securities as it shall actually receive, notwithstanding it aligning any receipt for the sake of conformity and shall be answerable and accountable only for its own accounts, receipts, neglects or defaults and not for those of each other nor for any banker, broker, auctioneer or other person with whom or into whose hands any Trust properties, monies, stocks, shares, fund or securities may be deposited or come nor for

For ELGI EQUIPMENTS LIMITED


JAIRAM VARADARAJ
Managing Director


R. Jayaram

the insufficiency or deficiency of any properties, nor for any other loss unless the same shall happen through its wilful default or neglect.

23. In all other respects, the Trust shall be governed by the provisions of the Indian Trusts Act, 1882, as amended, and SBEB Regulations and Companies Act, 2013 in force at the relevant time.

IN WITNESS WHEREOF the Settlor hereto has set its seal and the Trustees have hereunto set their respective hands the day and the year first hereinabove written.

For ELGI EQUIPMENTS LIMITED

Signed by the Settlor:



JAIRAM VARADARAJ
Managing Director

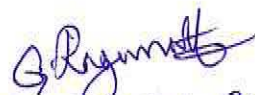
Signed by the Trustee:





WITNESS:


(SNYAM VASUDEVAM)
c/o ELGI EQUIPMENTS LTD
SINGANAILUR, COIMBATORE


(RAGUNATHAN GUNABODHANAM)
c/o ELGI EQUIPMENTS LTD
SINGANAILUR, COIMBATORE