

Notice of the 58th Annual General Meeting

NOTICE is hereby given that the 58th Annual General Meeting of the Shareholders of the Company will be held on **Friday, 10th August 2018, at 4:00 PM at 'ARDRA', No.9, North Huzur Road (Near Codissia Building), Coimbatore – 641018** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Standalone and Consolidated Audited Financial Statements including Statement of Profit and Loss (including other comprehensive Income) the Statement of Cash Flows and the Statement of changes in Equity for the financial year ended 31st March 2018, the Balance Sheet as at that date, the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend for the year ended 31st March 2018.
3. To appoint a Director in the place of Dr. T. Balaji Naidu (DIN: 00002755), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory enactment or modification(s) thereof, for the time being in force), M/s. STR & Associates, Cost Accountants, (Firm Registration No.000029) who were appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2019 on a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) (exclusive of applicable taxes and out of pocket expenses), be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable statutory provisions, rules, regulations and guidelines (including any statutory enactment or modification(s) thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded to Mr. Anvar Jay Varadaraj, son of Mr. Jairam Varadaraj, Managing Director of the Company, for holding or continuing to hold office or place of profit/ employment as Product Marketing Manager or such other designation as may

be decided in Elgi Compressors USA Inc., USA, a Wholly Owned Subsidiary of the Company with effect from 20th August 2018, on the following remuneration.

Remuneration: Not exceeding US \$ 150,000 per annum

Bonus potential: 10%

Housing expense at approx. US \$ 2000 pm

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to review and determine from time to time, the term of holding of the said office or place of profit/employment of Mr. Anvar Jay Varadaraj, including his remuneration at its discretion, and to do all such necessary acts, deeds, matters and things as are required to be done in this regard.

6. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory enactment or modification(s) thereof for the time being in force) the regulations contained in the new set of Articles of Association as placed on the Company's website "www.elgi.com" are hereby approved and adopted as the Articles of Association of the Company in place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. STR & Associates., Cost Accountants as the Cost Auditors of the Company for the financial year 2018-19 for a fee of ₹ 3,00,000/- (exclusive of applicable taxes and out of pocket expenses), for conducting the audit of the cost accounting records of the Company and for issuing an audit report on cost accounting records maintained by the Company.

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants, as Cost Auditors of the Company on the recommendations of the Audit Committee, which shall also recommend the remuneration for such Cost Auditor and such remuneration shall be

approved by the Board of Directors and ratified subsequently by the shareholders at General Meeting.

Accordingly, the resolution contained in Item No. 4 of the Notice seeks the approval of the members for ratification of remuneration payable to the Cost Auditors of the Company for the financial year 2018-19.

The Board recommends this resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5:

Mr. Anvar Jay Varadaraj, son of Mr. Jairam Varadaraj, Managing Director of the Company, has been serving the Company as Senior Manager - Marketing & Corporate Communications since 2nd March 2015, at a remuneration not exceeding ₹ 2,50,000/- per month. Mr. Anvar Jay Varadaraj has been instrumental in revamping the marketing, branding and corporate communications function. He has worked closely with the Company's external consultants, Boston Consulting Group for initiating and successfully guiding the Company's after market strategy in India.

Considering his impressive educational qualifications viz. Bachelor of Arts, Economics and Philosophy from the University of Michigan, USA and Master of Business Administration from Cornell University, his contribution to the Company these past 3 years and based on a requirement at ELGi Compressors USA Inc., USA for an executive with international experience to guide it on strategic and special projects; more specifically, to appropriately lead the branding strategy and position the Company's products and services in the U.S. market, the Board of Directors of the Company have appointed Mr. Anvar Jay Varadaraj as Product Marketing Manager of ELGi Compressors USA Inc., USA.

Accordingly, pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members by way of an Ordinary Resolution is required for Mr. Anvar Jay Varadaraj, son of Mr. Jairam Varadaraj, Managing Director of the Company, to hold or continue to hold an office or place of profit/employment as Product Marketing Manager or such other designation as may be decided in ELGi Compressors USA Inc., USA, a Wholly Owned Subsidiary of the Company.

In the above context, the necessary Ordinary Resolution is being proposed in Item No. 5 of the Notice for the approval of the members.

The information as required in accordance with Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 is as under:

a)	Name of the related party	Mr. Anvar Jay Varadaraj
b)	Name of the Director or Key Managerial Personnel who is related	Mr. Jairam Varadaraj, Managing Director
c)	Nature of relationship	Mr. Anvar Jay Varadaraj is Son of Mr. Jairam Varadaraj, Managing Director and one of the promoters of the Company
d)	Nature, material terms, monetary value and particulars of the contract or arrangement	Mr. Anvar Jay Varadaraj, to be appointed as Product Marketing Manager, in ELGi Compressors USA Inc, wholly owned subsidiary of the Company with effect from 20 th August 2018, on the following remuneration: Remuneration: Not Exceeding US\$ 150,000 per annum Bonus potential: 10% Housing expense at approx. US\$ 2000 pm
e)	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the members who are not related party.

Except Mr. Jairam Varadaraj and Mr. Anvar Jay Varadaraj being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 5 of the Notice.

Item No. 6:

The existing regulations of the Articles of Association of the Company were framed based on the provisions contained in the Companies Act, 1956. However, with the commencement of the Companies Act, 2013, most of the regulations contained in the existing Articles of Association of the Company are not in line with the provisions of the Companies Act, 2013.

Therefore, the Board of Directors of the Company at their meeting held on 28th May 2018 has approved the proposal of replacement of the existing Regulations of the Articles of Association with a new set of Regulations which are in line with the provisions of the Companies Act, 2013.

Further, pursuant to Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company requires the approval of the members by a special resolution.

The Board recommends the Special Resolution as set out in Item No.6 of the Notice for approval of the Members.

A copy of the draft Articles of Association of the Company is available in the website of the Company and can be viewed by the members through the web-link "www.elgi.com". Both the existing and the new set of Articles of Association of the Company are available for inspection at the registered office of the Company during business hours on any working day up to the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 6 of the Notice.

By order of the Board
For Elgi Equipments Limited

Vaishnavi P.M
Company Secretary
ACS: 31824

Place : Coimbatore
Date : 28/05/2018

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the Meeting.
4. Details under Regulation 36 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment at the Annual General Meeting are furnished and forms part of the notice.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 04/08/2018 to 10/08/2018 (both days

inclusive) for determining the names of the members eligible for Dividend on equity shares, if declared at the meeting.

6. The Dividend proposed to be declared at the meeting will be made payable on or before 05/09/2018 to those members whose names appear on the Register of Members of the Company on 03/08/2018.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.
8. **Change of Address:** Members are requested to notify any change of address and bank details to their Depository Participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the Secretarial Department at the registered office of the Company or to M/s. Link Intime India Pvt. Limited, "Surya", 35 May Flower Avenue, II Floor, Behind Senthil Nagar, Sowripalayam, Coimbatore - 641028, the Registrar and Share Transfer Agent of the Company.
9. **Dividend of Prior Years:** Pursuant to Section 124 of the Companies Act, 2013, the Dividend which remains un-encashed/ unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. Members who have not encashed the Dividend Warrant(s) so far, since the financial year 2010-11, are requested to send their claim immediately to the Company/ Registrar & Share Transfer Agent for issue of pay order/ demand draft in lieu thereof. Further, as per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring unclaimed shares on which the beneficial owner has not encashed any dividend warrant continuously for seven years to the IEPF Account as identified by the IEPF Authority. Details of shares transferred during the year 2017-18 are available at the Company's website www.elgi.com. The shareholders, whose unclaimed shares or unpaid amount has been transferred to the IEPF Authority Account, may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent,

for consolidation into a single folio.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
 12. Copies of the Annual Report 2017-18, the Notice of the 58th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent only through electronic mode to all the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2017-18 are being sent through permitted mode.
 13. Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report 2017-18 will be available on the Company's website, www.elgi.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working day.
 14. Members holding shares in electronic form may please note that as per the Regulations of National Security Depository Services (India) Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the Dividend Warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on Dividend Warrants as per the information received from the concerned Depositories. In this regard, Members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.
 15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file Nomination Forms in respect of their physical shareholdings. Any Member willing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed Statutory Form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agent.
 16. Members who have not received the Split Share Certificates (₹ 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.
 17. Members are requested to register / update their E mail address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. Link Intime India Pvt. Ltd.
 18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 19. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
 20. Members holding shares in physical form are requested to convert their holdings into dematerialized form to eliminate all risks associated with physical shares.
 21. Members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and Share Transfer Agent of the Company M/s. Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, II Floor, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
 22. Members are requested to note that the venue of the 58th Annual General Meeting at **"ARDRA" No.9, North Huzur Road, (Near Codissia Building), Coimbatore – 641018** and the route map containing the complete particulars of the venue is attached to this Notice.
- 23. Voting through electronic means:**
- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, and Regulation 44(1) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e voting services provided by the Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their voting through polling paper at the meeting.
 - III. The members who have cast their vote by remote voting may also attend the meeting but shall not be entitled to cast their vote again.
- The instructions for shareholders voting electronically are as under:**
- i) The voting period begins on Tuesday, 7th August 2018 at 09.00 AM and ends on Thursday, 9th August 2018 at 05.00 PM. During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd August 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii) The shareholders should log on to the e-voting website www.evotingindia.com

- iii) Click on Shareholders.
- iv) Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form
<p>PAN</p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Proxy Form / Attendance Slip indicated in the PAN field.
<p>DOB</p> <p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
<p>Dividend Bank Details</p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

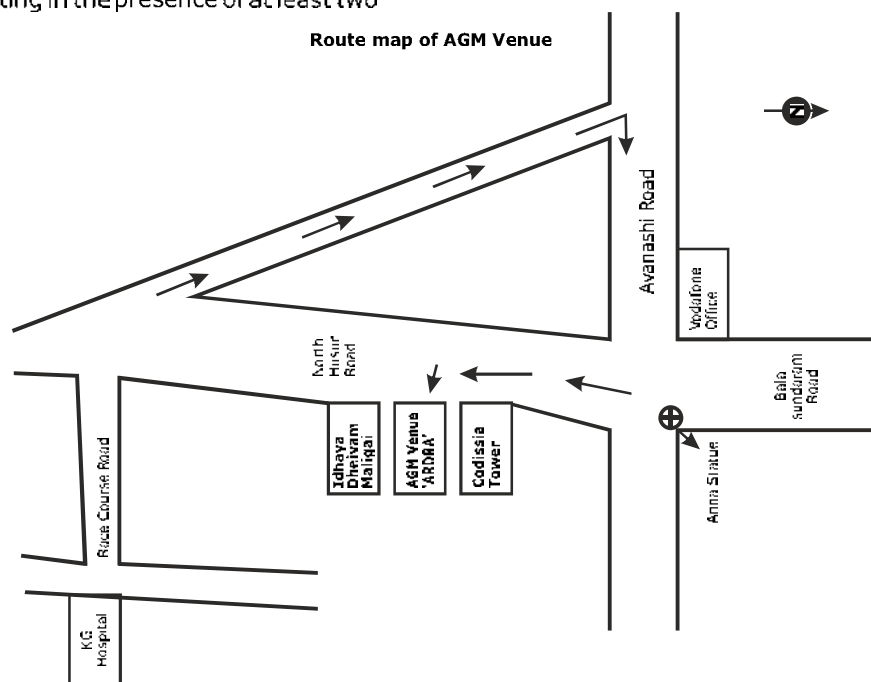
- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company or which they are eligible to vote, provided that Company opts for e voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xi) Click on the EVSN for the relevant 'Elgi Equipments Limited' on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the app store and the Windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote
 - A scan copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
- xx) In case you have any queries or issues regarding e voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of 03/08/2018.
- V. Mr. M.D. Selvaraj FCS, of MDS & Associates, Company Secretary in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two

(2) witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Annual General Meeting.

- VII. The results shall be declared within 2 days from the conclusion of the Annual General Meeting. The results declared along with the consolidated scrutinizer's report shall be placed on the company's website www.elgi.com and on the website of CDSL and communicated to the stock exchanges where the shares of the company are listed.



Additional information on Directors recommended for re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 (SS-2) issued by ICSI.

Name	Dr. T Balaji Naidu
DIN	00002755
Date of Birth	22.01.1947
Nationality	INDIAN
Date of appointment on the Board	26.07.1984
Relationship with other Directors or Key Managerial Personnel of the Company	Not related to any of the Directors or Key Managerial Personnel of the Company
Qualification	MBBS, DLO
Experience/ Expertise in functional areas	Has more than 30 years of experience in Medical Profession.
No. of shares held	31,000 equity shares of ₹1/- each
Board position held	Director
Terms and conditions of appointment / re-appointment	Liable to retire by rotation
Remuneration sought to be paid	Sitting fee for attending the Board and Committee Meetings
Remuneration last drawn (For the year 2017-18)	₹ 1,80,000 per annum (sitting fee)
No. of Board meetings attended during the year	4 out of 4 Meetings held
Directorships held in other Companies	1. Bluemountain Treads Private Limited 2. Adisons Precision Instruments Manufacturing Company Limited 3. L G Balakrishnan & Bros Ltd
Chairman/Member of the Committees of the Board of the other companies in which he is a Director	NIL