

Inspiring Innovation for Sustainable Growth.





Ingersoll Rand believes in creating holistic ideas that serve the nation, its people and its environment. This year, we launched a new product 'Evolution' that promises to meet the demands of our customers without harming the environment. By putting in place highly efficient business practices and research, Ingersoll Rand wants to ensure a sustainable future.

INGERSOLL-RAND (INDIA) LIMITED

REGISTERED OFFICE & CORPORATE OFFICE

Plot No. 35,
KIADB Industrial Area,
Bidadi,
Bangalore - 562 109

REGIONAL AND OTHER OFFICES

Ahmedabad-Bangalore-Chandigarh-
Chennai-Coimbatore-Ghaziabad-
Indore-Jamshedpur-Kolkata-
Mumbai-Nagpur-New Delhi-
Pune-Secunderabad-Surat

MANUFACTURING FACILITY

22-29, G.I.D.C. Estate,
Naroda,
Ahmedabad - 382 330

BOARD OF DIRECTORS

Mr. Venkatesh Valluri Chairman
Mr. Hemraj C. Asher
Mr. Darius C. Shroff

OFFICERS

Mr. B. Jayaraman Vice President - Finance
Mr. Prasad Y. Naik Vice President - Information Technology
Mr. Amar Kaul Vice President & General Manager - Air Solutions
(Manager under Companies Act, 1956)

COMPANY SECRETARY

Mr. P. R. Shubhakar

AUDITORS

Price Waterhouse, Bangalore

SOLICITORS

Crawford Bayley & Co., Mumbai

BANKERS

Bank of America Bank of India
Citibank N. A. Central Bank of India
Standard Chartered Bank

REGISTRAR AND SHARE TRANSFER AGENTS

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011.

HIGHLIGHTS OF THE YEAR

	2011-12		2010-11	
Domestic Sales	Rs.	4,822.61 million	Rs.	4,020.87 million
Export Sales	Rs.	1,174.53 million	Rs.	949.66 million
Total Sales	Rs.	5,997.14 million	Rs.	4,970.53 million
Profit before tax	Rs.	1,232.44 million	Rs.	1,011.53 million
As a % of sales		20.55		20.35
Profit after tax	Rs.	827.63 million	Rs.	686.23 million
As a % of sales		13.80		13.81
Return on total resources (%)		8.74		7.13
Net worth per share	Rs.	257.84	Rs.	259.52
Earnings per share	Rs.	26.22	Rs.	21.74
Price earnings ratio		17.70 times		20.45 times
Dividend per share	Rs.	24.00	Rs.	6.00
Cover		1.1 times		3.6 times
Net sales/total assets		0.6 times		0.5 times
Profit after tax/gross fixed assets (%)		92.75		103.79
No. of employees		701		611
No. of shareholders		20,962		19,407

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

	Number of Shares	Percentage(%)
Principals	23,360,000	74%
Institutional Investors (Includes Govt./Govt. sponsored Financial Institutions/Foreign Banks/ Other Banks/Mutual Funds)	2,063,608	7%
Bodies Corporate & Trusts	849,236	3%
Directors and their relatives	86,600	0%*
Others	5,208,556	16%
Total	31,568,000	100%

* Less than 1%

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In 2011, we renewed our vision, focusing on a world of sustainable progress and enduring results, to better articulate all that inspires us at Ingersoll Rand. With a clear purpose and shared values, Ingersoll Rand possesses a strong foundation to drive our future growth.

Vision

A world of sustainable progress and enduring results.

Purpose

We advance the quality of life by creating and sustaining safe, comfortable and efficient environments.

Values

Integrity: We act with the highest ethical and legal standards in everything we do.

Respect: We respect and value the worth of all people, cultures, viewpoints and backgrounds.

Teamwork: We work together and share resources to provide greater value to our customers, employees, business partners and shareholders.

Innovation: We use our diverse skills, talents and ideas to develop customer-driven, innovative, and imaginative solutions.

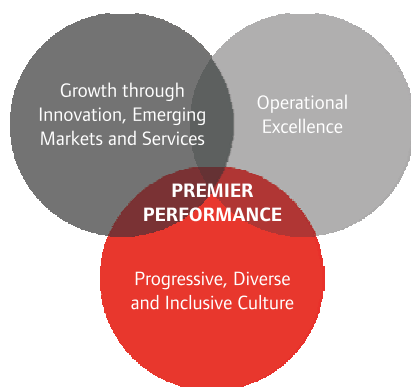
Courage: We speak up for what we believe is right and take measured risks to create progress.

Chairman's Message



Venkatesh Valluri
Chairman

Our Path to Premier Performance



Dear Shareholders,

You must be aware that 2011 was a difficult year for the Indian economy. The sluggish growth in industries such as automotive, metals, pharmaceutical, textile, among others, where our products are primarily sold, affected our equipment sales. However, we focused on value added services to fuel growth, improving performance for our customers, creating a highly engaged workplace and delivering shareholder value. We grew our revenues by 20 percent for the year ending March 31st 2012 compared to the previous year. In the same period we also improved our profitability by 20%.

We also solidified a strong foundation for growth based on our commitment to three key enterprise strategies:

- growing through innovation, emerging markets and services;
- deploying operational excellence; and
- building a progressive, diverse and inclusive culture.

Ingersoll Rand has been operating in India for over 90 years and is a market leader in the Indian air-compressors industry. We have been innovators in compressor technology and have had several industry firsts to our credit. We have been able to do this by creating an Organizational mindset of 'Customer First' and building sustainable solutions. At the core of this approach is to innovate relevantly for the markets in which we operate.

While the outlook for 2012-13 is cautious growth, it is expected that there will be a slowdown in the industries where we operate because of the deceleration in the economic growth of the country. Over the last few years we have been positioning ourselves to address the volatility of the local and global markets. We are well-prepared to address these challenges through our focus on operational excellence, geographic expansion and Customer driven Innovation initiatives.

Financial Highlights

For the year ending March 31st 2012, we recorded revenues of Rs. 588 crores, compared to Rs. 488 crores of the previous year. In a tough economic environment we continued to demonstrate our ability to grow profitably by improving productivity and driving growth. These results were also strengthened, by an increase in our profitability. Our profits after tax recorded an increase of 20%, from Rs. 68.6 crores to Rs. 82.7 crores.

Growth through Innovation, Emerging Markets and Services

India as an emerging economy presents its own unique set of opportunities and challenges. To succeed in an emerging economy, organizations need to innovate for the needs of the market, offer solutions and value that are relevant. Ingersoll Rand believes that product innovation for emerging economies is critical for businesses to succeed in such markets. To respond to the needs of this market, we are constantly innovating our products and services, and creating solutions that drive value for the customer and our organization.

We have been attempting to lead the markets by listening to the needs of our customers. Continuing on the path of 'customer focused innovation', we launched a new product 'Evolution' this year. We realised that our customers in tier two and tier three Indian cities needed compressed air for running pneumatic tools and other auxiliary equipments in their manufacturing plants. While these customers are price sensitive, yet "Reliability" and "Performance" of the compressor is key to their purchase decision. With their feedback, we incorporated significant customer-centric innovations in our design to enhance reliability and performance of the 'Evolution' air compressor. By providing a solution that provides significant value to customers, we are confident of our position to capture the value segment in India through our product differentiation, innovation and product proposition.

Operational Excellence

The company has been aggressively working on rationalizing costs and improving the plant utilisation. It has embarked on a major initiative to upgrade its supplier base, enhance training and operational excellence

practices for the workforce. In every area of its operations, the company is actively working towards taking unwanted costs out and enhance productivity.

Progressive, Diverse and Inclusive Culture

Growth through innovation is only possible when we fully engage the hearts, minds and passion of our employees. Ingersoll Rand is building a progressive, diverse and inclusive culture by promoting an environment where creativity is nurtured and individual talents are respected. As our organization grows to better reflect the diverse nature of the markets we serve, our diversity focus enhances our ability to develop products and services that meet new and growing needs of the Indian customer. In addition to spurring innovation, our culture helps us maintain a competitive edge in attracting and retaining top young talent.

Moving Forward

While we continue to go through challenging times, we have high aspirations to grow, improve our business, reduce costs and generate sustainable, profitable growth. Our focus for the year ahead is on positioning Ingersoll Rand to continue growing revenues, earnings and cash flow by developing products and solutions that embrace the principles of sustainability and environmental responsibility.

As we look to 2012 and beyond with confidence, we express our appreciation and gratitude to our employees, associates and shareholders.



Venkatesh Valluri
Chairman

Our Commitment to Sustainability

Integrating sustainability into Ingersoll Rand's organizational and management systems provides a business lever to achieve premier performance and enduring results.



The challenge of corporate social responsibility is to move from the rhetoric of 'philanthropy' or 'responsibility to society' to 'sustainability of trust with society.' Corporate sustainability involves integrating sustainability management into the core business strategy in order to achieve a sustainable development of both economy and society.

At Ingersoll Rand we stand for the highest standards in ethical business practices and sound governance and this has helped us build trust with the society within which we operate. We are proud of the progress we have made this past year in the area of sustainability and assisting our customers in improving their sustainable business practices. Our products, services and solutions are at the forefront of environmental stewardship and we endeavor to minimize the environmental impact of our actions.

Ingersoll Rand's global Center for Energy Efficiency and Sustainability (CEES) helps customers and our company leverage best practices in sustainability to deliver business growth. The CEES enables external partners and alliances to work with us taking environmental expertise to the customer and also rolling it out across our own operations. In 2011, the CEES spearheaded the identification of Ingersoll Rand's key sustainability capabilities. Going forward, Ingersoll Rand India will also focus its sustainability efforts on:

- Growing our people's skills and competencies in order to seize sustainability related opportunities to drive growth and productivity;
- Applying "cradle-to-cradle" design thinking to our innovation pipeline;
- Creating and shaping new markets by developing solutions that address unmet customer needs;
- Co-creating sustainable solutions with key stakeholders; and
- Minimizing resource use across our product portfolio, sourcing and real estate.

In India, we continue to be active participants in industry forums on sustainability and contribute to public dialogue on climate change and energy efficiency. We also participate in several voluntary partnerships and initiatives that help drive improved performance for our company and the greater community.

Further, our commitment to sustainability extends to our day-to-day operations and we have evolved our operating practices in India to become





more environment friendly starting with basic steps like greening our campuses, reusing resources and adopting energy efficient practices. Our employees continue to carry forward our spirit of volunteerism by working with communities across the country helping the disadvantaged, marginalized and those in distress. We work with old age homes, eye banks, blood banks, orphanages and provide relief and rehabilitation in times of natural disasters. You may be aware of the massive relief

and rehabilitation program we undertook in 2010 to rebuild 100 permanent houses for the flood affected in Karwar, North Karnataka.

Through these and more, we believe that we have great opportunities for growth through innovations that improve the quality of life and our environment, including many that advance sustainable business practices.

Notice

Notice is hereby given that the Ninetieth Annual General Meeting of the members of Ingersoll-Rand (India) Limited (the "Company") will be held at Eagleton - The Golf Resort, 30thkm., Bangalore - Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109 at 12.00 noon on Thursday, July 19, 2012 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on March 31, 2012 together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. Venkatesh Valluri, who retires by rotation, and, being eligible, offers himself for reappointment.
4. To appoint M/s. Price Waterhouse, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending March 31, 2013.

SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Amar Kaul, as the Manager of the Company, designated as "Vice President & General Manager - Air Solutions" for a period of five years commencing from July 22, 2011 to July 21, 2016 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in the financial year during the aforesaid period) as set out in Agreement(s), entered into between the Company and Mr. Amar Kaul, with liberty to the Board of Directors of the Company to alter, modify and vary the terms and conditions of the said appointment and/or Agreement(s) and

remuneration, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modification/re-enactment thereof, as may be agreed to between the Board of Directors and Mr. Amar Kaul.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

NOTES: -

- (a) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, (the "Act") in respect of item no. 5 is annexed hereto.
- (b) 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 OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from July 6, 2012 to July 10, 2012, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.
- (d) The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended 31st March, 2012, if declared at the meeting, will be paid :
 - (i) in respect of Shares held in electronic form on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as at the end of business on July 5, 2012.
 - (ii) in respect of shares held in physical form to those members whose names appears on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrars and Share Transfer Agents on or before July 5, 2012. The Company will dispatch the dividend warrants from July 24, 2012 onwards.
- (e) Members holding shares in electronic form may please note that the bank account details given by them to their Depository Participants (DP's) and passed on to the Company by such DP's would be printed on the dividend warrants of the concerned members. However, if any member wants to receive dividend in

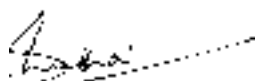
any other bank account, he/she should change/correct the bank account details with their concerned DP's and also intimate about ECS payment requirement. The Company will not entertain any direct request from members(s) for change/deletion in bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their DPs.

- (f) Under Section 205A read with Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.

Members who have not encashed the dividend warrant(s) so far for Final Dividend of financial year 2004-2005 or any subsequent dividend payment(s) are requested to make their claims to the Company / Registrars and Share Transfer Agents immediately. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Investor Education and Protection Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the due date of payment and no payment shall be made in respect of any such claims.

- (g) Members who wish to attend the meeting are requested to bring attendance slip sent herewith, duly filled in, and the copy of the Annual Report. Copies of Annual Report will not be distributed at the meeting.
- (h) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary of the Company so as to reach atleast seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
- (i) As required under Clause 49 of the listing agreement of the Stock exchanges, the relevant details of person seeking re-appointment as director, has been furnished in the Corporate Governance Report forming part of this Annual Report.

By Order of the Board of Directors,
For **INGERSOLL – RAND (INDIA) LIMITED**



P. R. SHUBHAKAR
General Manager - Corp. Finance
and Company Secretary

Bangalore, May 3, 2012

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 5: -

At the meeting of the Board of Directors of the Company ("the Board") held on July 21, 2011 the Board has, subject to the approval of the shareholders at this meeting appointed Mr. Amar Kaul as the "Manager" of the Company, designated as "Vice President & General Manager - Air Solutions" for a period of five years from July 22, 2011 to July 21, 2016. At its meeting held on April 2, 2012, the Board has revised the remuneration payable to Mr. Amar Kaul effective April 1, 2012.

The terms and conditions set out in the agreement dated July 29, 2011 and supplemental agreement #1 dated April 26, 2012 executed between the Company and Mr. Amar Kaul ("VP & GM") are as under:

- (I) (a) Monthly compensation to the VP & GM as under:
- (i) Basic salary of Rs. 2,12,800/- (Rupees Two Lakhs Twelve Thousand Eight Hundred only);
 - (ii) House Rent Allowance of Rs. 55,000/- (Rupees Fifty Five Thousand Only) ;
 - (iii) Education Allowance of Rs. 100/- (Rupees One Hundred Only) ;
 - (iv) Special Allowance of Rs. 2,62,850/- (Rupees Two Lakhs Sixty Two Thousand Eight Hundred Fifty Only) ;
- Annual Bonus/Commission at such rate of the net profits of the Company/such amount as the Board may decide from time to time, without any maximum limits.
- (b) Minimum salary and perquisites as mentioned in Schedule XIII of the Companies Act, 1956, shall be paid in the event of absence or inadequacy of profits in any year.
- (c) Monetary equivalent of stock options offered by Ingersoll - Rand Company Limited, USA (IR-USA), as and when exercised by the VP & GM and shall be paid to him by the Company. The value of stock options will be determined at prevailing rates.

- (II) In addition to monthly compensation and commission as per (I) above, the VP & GM shall be entitled to the following perquisites:-

- (a) **Medical benefit:** The benefit of Company's Group Medical Benefit Scheme or any other Scheme for the time being in force for medical services/benefits, for the VP & GM and his family and reimbursement of other medical expenses outside the purview of the above Scheme provided that

the total expenses thereof shall not exceed Rs.15,000/- (Rupees Fifteen Thousand Only) in a year.

- (b) **Leave Travel Benefit:** Leave Travel benefit once for every year of service for the VP & GM and his family by way of return fare for travel to any place in India by air or air conditioned coach as per rules of the Company.
 - (c) **Personal Accident Insurance:** Personal Accident Insurance for a maximum sum assured of Rs. 1,92,00,000/-.(Rupees One Crore Ninety Two Lakhs Only)
 - (d) **Car Allowance:** Payment towards expenses incurred by the VP & GM for running and maintenance of his personal motor car subject to a maximum of Rs. 7,90,000/- (Rupees Seven Lakhs Ninety Thousand Only) per year.
- (III) The VP & GM shall also be entitled to the benefit of Provident Fund and Gratuity as per Company's rules. Gratuity shall be payable to an approved fund at the rates prescribed under Payment of Gratuity Act, being at the rate of one-half month's salary for each completed year of service, subject to a maximum of Rs. 10,00,000/- (Rupees Ten Lakhs Only).
- (IV) The Company shall pay or reimburse to the VP & GM, the actual travelling, entertainment and other expenses reasonably incurred by him in or about the business of the Company.
- (V) Earned / privilege leave and sick leave in accordance with the Rules of the Company.

OTHER CONDITIONS OF APPOINTMENT OF THE VP & GM :

- (i) He shall not engage himself directly or indirectly in any other business, occupation or employment which competes with the business of the Company.
- (ii) He shall not divulge or disclose any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company.
- (iii) He shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the Central Government.

- (iv) His employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with his creditors.
- (v) Either party entitled to terminate the Agreement by giving three months' notice in writing to the other party.
- (vi) The Company to have the right to terminate his appointment with immediate effect, if he be guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties or any breach of the Agreement as in the opinion of the Board renders his retirement desirable.

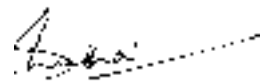
Your Directors consider that the remuneration and perquisites proposed to be paid to Mr. Amar Kaul are commensurate with his duties and responsibilities and therefore recommend the resolution for your approval.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution in terms as set out in item no. 5 of the accompanying Notice is now placed before the Members in the General Meeting for their approval.

The agreement dated July 29, 2011 and also the supplemental agreement #1 dated April 26, 2012 between the Company and Mr. Amar Kaul is open for inspection by the members at the Registered office of the Company on all days between 10.30 a.m and 12.30 p.m except Saturdays, Sundays and holidays until the date of the Annual General Meeting.

An abstract of agreement dated July 29, 2011 and also of Supplemental agreement #1 dated April 26, 2012 and memorandum of interest under section 302 of the Companies Act has been already circulated to all members of the Company.

By Order of the Board of Directors,
For **INGERSOLL-RAND (INDIA) LIMITED**



P. R. SHUBHAKAR
General Manager - Corp. Finance
and Company Secretary

Bangalore, May 3, 2012

Director's Report

To
THE MEMBERS,
INGERSOLL-RAND (INDIA) LIMITED

Your Directors have pleasure in submitting the Ninetieth Annual Report along with the Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2012.

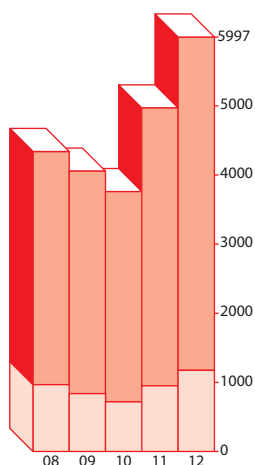
1. FINANCIAL RESULTS

(Rupees in Million)

	2011 – 2012	2010 – 2011
Gross Profit	1,287.51	1,071.53
Less: Depreciation	(50.36)	(47.53)
Less: Interest	(4.71)	(5.34)
Profit before taxation and extra ordinary items	1,232.44	1,018.66
Less: Provision for Current Tax	(411.00)	(317.16)
Deferred Tax for the year	6.19	(8.14)
Net Profit after taxation and before extra-ordinary items	827.63	693.36
Extra Ordinary and Prior Period Items	–	(10.81)
Taxation on above	–	3.68
Net Profit	827.63	686.23
Add: Balance brought forward from Balance Sheet	5,074.56	4,677.83
	5,902.19	5,364.06
Appropriations:		
Interim Dividend (including tax thereon)	110.07	110.43
Special Dividend (including tax thereon)	660.41	–
Proposed Final Dividend (including tax thereon)	110.07	110.07
Transfer to General Reserve Account	83.00	69.00
Balance carried to Balance Sheet	4,938.64	5,074.56
	5,902.19	5,364.06

SALES

(in Millions of Rs.)



2. MANAGEMENT DISCUSSION AND ANALYSIS

- a. **Industry Structure and Development:** The Indian economy is growing, albeit slowly. The forecast of GDP growth is now at around 7%. Inflation, currency depreciation against US Dollar, high current account and fiscal deficit are factors which are affecting growth.

Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors. The growth in these sectors is expected to be sluggish which will affect equipment sales but the Company is focusing on value added services to fuel the growth.

After a brief period towards the end of the 2011 when commodities were stable, input costs - both raw materials and conversion costs have been showing an increasing trend.

- b. **Segment-wise operational performance:** Air Solutions continues to be the major segment in your Company's operations.

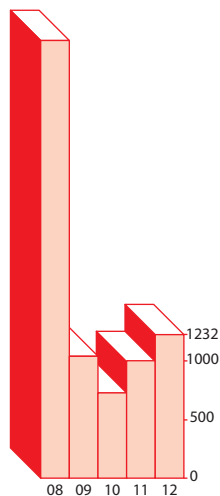
The revenues of Air Solutions business this year was higher at Rs. 5,721 million as against Rs. 4,717 million last year, a significant growth of 21%. The

robust revenue increase is reflective of the focus on quality, service, geographical expansion, innovation and developing products for emerging markets.

The revenue from contract manufacturing of bus air-conditioners was marginally lower at Rs. 155 million in the current year as against Rs. 162 million in the previous financial year.

The profit before tax and extra ordinary items is Rs. 1,232 million as against Rs. 1,019 million in the previous year.

PROFIT BEFORE TAX
(in Millions of Rs.)



c. **Outlook:** The outlook for the financial year 2012-13 is cautious growth. The economic outlook is worrisome and the key sectors in which your Company operates will be facing headwind and hence demand for your Company's products may be muted. However, the Company is focusing on value added services to fuel growth and to offset inflationary pressures, your Company is actively pursuing product and component-level localisation and value analysis/ value engineering programs in order to develop a healthy productivity pipeline and thereby ensure profitable growth.

d. **Threat and concerns:** The primary threat continues to be leading competitors using price as a tool to win market share. However, product quality and the brand image of your Company have helped us secure customer orders despite these price pressures. Our focus on innovation ensures that we stay ahead of competition. Inflation in commodity prices is a cause for concern. Localisation of components, value analysis and value engineering initiatives helps to offset inflation and differentiate your Company's products from the competition.

e. **Internal control systems and their adequacy:** Your Company has effective and adequate internal control systems, which ensure reliable financial reporting, safeguarding of assets and adherence to management policies.

As a subsidiary of a corporation that is publicly listed on the New York Stock Exchange, your Company complies with the requirements of the Sarbanes Oxley Act of 2002. The internal audit team and an internal team of managers check the adequacy of internal controls and its implementation once every quarter. The internal audit team regularly reports to the Management and the Audit Committee on their findings and also on the steps to be taken with regard to deviations, if any.

f. **Risk Management:** The Company's internal control process covers, amongst others, process for identification, assessment and mitigation of various risks, including operational, product and financial risks. Such risks are reviewed and discussed at regular management review meetings, wherein members of the senior management are present. The risks that are continuously monitored include, but are not limited to, product, price, cost trends, competition, financing, technical changes, product liability, warranty and insurance risks.

Normal foreseeable risks to the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are conducted regularly.

g. **Safety, Health and Environment:** Your Company continues to operate with increased focus on the vision of an 'Incident Free' and 'Zero Environment Incidents' organization. The senior management is fully committed to conducting business in a sustainable manner with stringent procedures around safety systems and processes. Several measures have been implemented to revitalize safety systems and processes especially across the extended Supply Chain operations (starting with suppliers). Task risk assessments were conducted in the manufacturing plant at Naroda and actions were taken as a key thrust area during the year. Employees across the Company were extensively trained and educated on safety awareness, process safety management and road safety measures. On occupational

health perspective, employee health checkup is conducted every year and hygiene studies are also conducted.

- h. **Corporate Social Responsibility:** Your Company is dedicated to corporate citizenship and sustainability and constantly seeks opportunities to partner with, and create a positive impact on the communities in which we do business. Our products, services and solutions are at the forefront of environmental stewardship and we endeavor to minimize the environmental impact of our actions. We are proud of the progress we are making in the area of sustainability and in assisting our customers improve their sustainable business practices.
- i. **Technology Innovation**

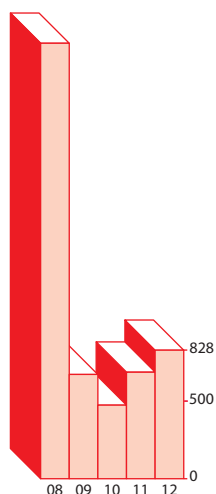
Innovation is one of the key pillars around which your Company is built. We continuously strive to create innovation that drives value for the organization and the customer.

In keeping with our vision of growing in emerging markets by leveraging 'Innovation' and creating 'Productive' manufacturing environments for local customers in the value segment, the India Engineering team developed a contact-cooled rotary product line in 4 - 75kW range this year. Aimed at supporting value customers in auto components, textiles and color sorting (grain sorting) industries in "B" and "C" towns in India, the product 'Evolution' is a result of local innovation that is expected to capture market share in the value segment.

With significant customer-centric innovations that will provide enhanced reliability and performance of these air compressors, 'Evolution' is also expected to provide higher capacity than the most competitive compressors in the market. These features are expected to provide significant value to local customers and help your Company offer a differentiated solution.

Your Company continues to serve the export market for reciprocating compressors and its parts. It has been methodically substituting several mechanical transmissions, valve components and control panels through high quality indigenization programs. Technology as necessary is being obtained from the parent company and value addition through local innovation and engineering, continues to create products and solutions for local markets. This approach has delivered better material utilization, significant process improvements, enhanced productivity, supplier rationalization and improved technologies.

PROFIT AFTER TAX
(in Millions of Rs.)



3. SETTING UP OF NEW MANUFACTURING PLANT

Your Company has acquired 10.75 acres of industrial land on lease from Mahindra World City Developers Limited for setting up a new green field manufacturing plant. This land is located at Chengalpattu Taluk in Kancheepuram district in the state of Tamil Nadu. The lease is for a period of 99 years. Construction activity at the said land has commenced and is likely to be completed in first quarter of calendar year 2013. The Company will be investing about Rs. 135 crores in this project.

4. EXPORTS

Exports for the year have increased to Rs. 1,175 million as against Rs. 950 million in the previous year, an increase of 24%. The parent company supports our efforts to source products from India and this augurs well for your Company's growth. The range of products being exported is steadily increasing.

5. DIVIDEND

Your Company declared a special dividend at the rate of Rs. 18/- per share, absorbing Rs. 568.22 million.

Your Company also declared an interim dividend at the rate of Rs. 3/- per share, absorbing Rs. 94.70 million. Your Directors now recommend payment of a final dividend for the year ended March 31, 2012 at the rate of Rs. 3/- per share, bringing the total dividend (excluding special dividend) for the year to Rs. 6/- per share (60%).

The total dividend, if approved by the shareholders at the Annual General Meeting, would absorb Rs. 757.63 million out of the profits for the year (previous year Rs. 189.41 million). Dividend distribution tax payable by the company amounting to Rs. 122.91 million (previous year Rs. 31.09 million) has been appropriated out of profits.

6. FIXED DEPOSITS

During the year, your Company did not accept any fixed deposits. There are no unclaimed deposits as on March 31, 2012.

7. DIRECTORS/MANAGEMENT

Mr. Amar Kaul was appointed as "Manager" under the Companies Act, 1956, effective July 22, 2011 for a period of five years in place of Mr. Sameer Agarwal who resigned effective July 21, 2011. Mr. Amar Kaul has been discharging his duties as "Manager" subject to the superintendence, control and direction of the Board of Directors. An appropriate resolution in regard to appointment of Mr. Amar Kaul has been set out at item no. 5 of the Notice.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Venkatesh Valluri will retire by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

Details of Mr. Valluri, who is seeking re-appointment, has been provided in the Corporate Governance Report that forms part of this report, as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

8. DIRECTORS' RESPONSIBILITY STATEMENT

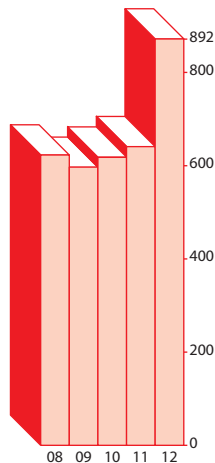
To the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217 (2AA) of the Companies Act, 1956.

- (a) that in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) that appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year April 1, 2011 to March 31, 2012;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) that the annual accounts have been prepared on a going concern basis.

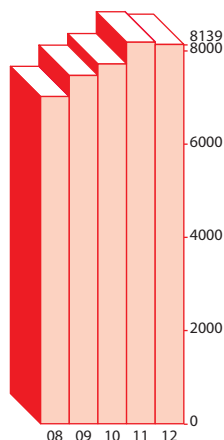
9. CORPORATE GOVERNANCE

The Company has consistently adopted high standards of Corporate Governance and has fully complied with the Corporate Governance practices specified under the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. As per Clause 49 of the Listing agreement, a report on Corporate Governance approved by the Board of Directors of the Company together with a certificate from the Practicing Company Secretary confirming compliance is set out in the annexure to this report.

GROSS BLOCK
(in Millions of Rs.)



NET WORTH
(in Millions of Rs.)



10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forms part of this Report and is set out in the annexure to this Report.

11. AUDITORS

M/s. Price Waterhouse, the Company's auditors will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a written certificate to the Company certifying that, if they are re-appointed as Auditors of your Company, such appointment would be within the limits specified in Section 224 (1) (B) of the Companies Act, 1956.

12. EMPLOYEES

The particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this report and accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company and the same will be sent by post.

13. ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude and record its sincere appreciation for the dedicated efforts of all the employees, their commitment and professionalism despite the challenging environment. The Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from distributors, suppliers, bankers and other business associates for their valuable service and support during the year. The Directors are also thankful to the esteemed shareholders for their support and confidence reposed in the Company.

For and on behalf of the Board of Directors

Bangalore May 3, 2012

Venkatesh Valluri
Chairman

Report On Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

The following is a report on Corporate Governance code as implemented by your Company.

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ingersoll-Rand (India) Limited as a part of the Ingersoll-Rand group is committed to the highest standards of Corporate Governance and has over the years consistently demonstrated good corporate governance and is committed to provide long term sustainable value to all its stakeholders. The Company believes in managing its affairs with diligence, transparency, accountability and responsibility. Good Corporate Governance is an integral part of the Company's value system and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance. Corporate Governance as a whole entails the conduct and the manner in which the Company deals with its stakeholders. The Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers.

2. BOARD OF DIRECTORS

As at March 31, 2012, the Company's Board of Directors headed by its Chairman, Mr. Venkatesh Valluri, comprised of 3 Directors, out of which, two are independent directors.

Composition, Status, Attendance at the Board Meetings, and the last Annual General Meeting (AGM):

Name of Director	Status i.e. Executive and Non-Executive & Independent	No. of Board Meetings		Attendance at the last AGM
		Held during the year	Attended during the year	
Mr. Venkatesh Valluri (Chairman)	Non - Executive	5	5	Yes
Mr. Hemraj C. Asher	Non - Executive & Independent	5	5	Yes
Mr. Darius C. Shroff	Non - Executive & Independent	5	5	Yes

Number of other Companies or Committees the Director (being a Director as on the date of the Directors' Report) is a Director or member / Chairman respectively:

Name of Director	No. of other Companies on which Director (other than Private Limited Companies)	No. of Committees* [other than Ingersoll-Rand (India) Limited] in which member
Mr. Venkatesh Valluri (Chairman)	NIL	NIL
Mr. Hemraj C. Asher	9	6
Mr. Darius C. Shroff	5	9

* Audit Committee and Shareholders' / Investors Grievance Committee/Corporate Governance Committee

Number of Board Meetings:

Five Board Meetings were held during the year 2011-12 on April 27, 2011, July 20, 2011, July 21, 2011, October 21, 2011 and January 30, 2012.

The Company has adopted Codes of Conduct for Executive Directors & Senior Management and Non - Executive Directors separately. All the Directors and Senior Management personnel of the Company have affirmed compliance with the Code.

3. REMUNERATION TO DIRECTORS

The details of remuneration paid to Directors for the year ended March 31, 2012 is as follows:

Name of Director	Sitting Fees	Salaries and Perquisites	Commission	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. Venkatesh Valluri (Chairman)	NIL	NIL	NIL	NIL
Mr. Hemraj C. Asher	NIL	NIL	10,00,000	10,00,000
Mr. Darius C. Shroff	NIL	NIL	10,00,000	10,00,000

Criteria for payments to Non-executive Directors:

Non - Executive Directors are paid remuneration by way of fixed commission, which will be determined by the Board of Directors in terms of the special resolution passed by the shareholders at the Annual General Meeting held on September 11, 2009. The criterion for payment of remuneration is the advice given by Non - Executive Directors to the Management from time to time on strategic matters.

4. REMUNERATION COMMITTEE

As of March 31, 2012, the remuneration committee comprised of Mr. Venkatesh Valluri, Mr. Hemraj C. Asher and Mr. Darius C. Shroff. Mr. Venkatesh Valluri is the Chairman of the Committee. The Remuneration Committee met once during the year on April 27, 2011.

The terms of reference of remuneration committee, inter alia consists of

- Review the remuneration package, service agreement and other employment conditions of Managing Director/ Manager under the provisions of Companies Act, 1956.
- Decide the actual salary, allowances, perquisites, retirals and increments of Managing Director/ Manager under the provisions of Companies Act, 1956.
- Decide the amount of commission payable to Managing Director/ Manager under the provisions of Companies Act, 1956.
- Periodically review and suggest revision of the total remuneration package of Managing Director/ Manager under the provisions of Companies Act, 1956;

In determining the remuneration package of the Managing Director/ Manager under the provisions of Companies Act, 1956, the Committee evaluates the remuneration paid by comparable organisations within the industry and across various industries before making its recommendations to the Board of Directors. The compensation is also linked to individual and Company performance.

5. AUDIT COMMITTEE

The Audit Committee held four meetings during the year on April 27, 2011, July 20, 2011, October 21, 2011 and January 30, 2012. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of Director	No. of meetings held	No. of meetings attended
Mr. Hemraj C. Asher, Chairman	4	4
Mr. Darius C. Shroff	4	4
Mr. Venkatesh Valluri	4	4

Mr. P. R. Shubhakar, General Manager - Corp. Finance & Company Secretary, acts as the Secretary of the Committee. The terms of reference of the Audit Committee are set out in accordance with the requirement of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and, inter alia consists of

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;
- Review with the Management the quarterly financial statements before submission to the Board
- Reviewing with the management the annual financial statements before submission to the Board for approval, primarily focusing on

- Changes in accounting policies and practices
- Significant adjustments made in financial statements arising out of audit findings
- Major accounting entries based on exercise of judgement by Management
- Compliance with accounting standards and changes required, if any, in accounting policies and practices
- The going concern assumption
- Compliance with stock exchange and legal requirements concerning financial statements
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees
- Approval for payment to statutory auditors for other services
- Reviewing the adequacy of internal audit function
- Review with internal auditors of any significant findings and follow-ups thereon
- Review of the Company's financial risk and management policies
- Review functioning of the Whistle Blower mechanism
- Any other function as may be stipulated by any law/Government guidelines
- Such other functions as may be specified by the Board of Directors of the Company from time to time

During the year under review, the Audit Committee besides considering the unaudited quarterly financial results and audited financial results and recommending to the Board of Directors of the Company for its adoption and approval, discussed various topics relating to Company's operations including inventory, provisions, direct and indirect tax compliance, receivables, C forms and compliances in general. The Committee also discussed audit plan and its methodology, statutory auditors' observations on various accounting issues and the Management's response thereon.

6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

As of March 31, 2012, the Investors/Shareholders Grievance Committee comprises of

- Mr. Darius C. Shroff, Chairman
- Mr. Hemraj C. Asher

The Committee meetings are held as and when required, 14 meetings of the Committee were held during the year. The terms of reference of investors/shareholders grievance committee, inter alia consists of

- expeditious redressal of investors grievances;
- approving transfer and transmission of shares;
- issue of duplicate share certificates;
- approving of split and consolidation requests;
- review of shares dematerialised;
- all other matters related to shares.

The Board of Directors have delegated the powers to approve transfer and transmission of shares upto 500 shares to Mr. P R. Shubhakar, General Manager - Corp. Finance & Company Secretary or Mr. B. Jayaraman, Vice President - Finance.

Mr. P. R. Shubhakar, General Manager - Corp. Finance & Company Secretary is the Compliance Officer. The Registrar and Share Transfer Agents of the Company - TSR Darashaw Limited, attend to all grievances received from shareholders and investors.

All queries like non-receipt of annual reports, dividend, transfer of shares, change of address etc. were resolved to the satisfaction of the shareholders/investors except for one query which was resolved on April 2, 2012. During the year, 1,191 grievances/queries were received from shareholders/investors and 3 complaints were received from Securities Exchange Board of India (SEBI). All investor grievances/queries, including the 3 complaints from SEBI, have been resolved to the satisfaction of the complainants. There was no outstanding complaint at the beginning of the year or at the end of the year.

All valid requests for share transfers received during the year have been acted upon and there are no share transfer pending as on March 31, 2012.

7. GENERAL BODY MEETINGS

The location and time of the General Meetings held during the last three years is as follows: -

AGM/EGM	Date	Venue	Time	No. of special resolutions passed
AGM	July 21, 2011	Eagleton - The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	-
AGM	July 22, 2010	Eagleton - The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	-
AGM	September 11, 2009	Eagleton - The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.30 P.M.	2

8. NOTES ON DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

Mr. Venkatesh Valluri

Mr. Venkatesh Valluri is aged about 51 years. He is an electronics engineering graduate and management graduate from Indian Institute of Management, Ahmedabad. He has total experience of about 27 years. Prior to joining Ingersoll-Rand group in year 2009, he was President and Country Manager for Indian Operations of Agilent Technologies International, a high technology company. He has also worked for General Electric group of Companies in various capacities in locations at USA, Europe and Asia. He has been successful in demonstrating business growth and leadership development throughout his career.

Mr. Venkatesh Valluri does not hold any other Directorships and Chairmanships/ Memberships in Board Committees of Indian Limited Companies.

Mr. Venkatesh Valluri does not hold any shares in the Company either in his name or for other persons on a beneficial basis.

9. DISCLOSURES

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in Note 35 to the financial statements in the Annual Report.

During the last three years, there were no instances of non-compliance on any matters related to capital markets. Consequently, no strictures or penalties were imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority.

10. CEO/CFO CERTIFICATION

The Manager under the provisions of Companies Act, 1956 and Vice President - Finance have certified to the Board compliance in respect of all matters specified in sub clause V of Clause 49 of the Listing Agreement.

11. MEANS OF COMMUNICATION

- Half yearly report sent to each household of shareholders No
- Quarterly Results –
Which newspapers normally published in The Business Standard
Kannada Prabha
Any Web site, where displayed The quarterly results are displayed on the
Company's website www.ingersollrand.co.in
- Presentation made to Institutional Investors or to Analyst No
- Whether Management Discussion and Analysis
Report is a part of annual report or not Yes

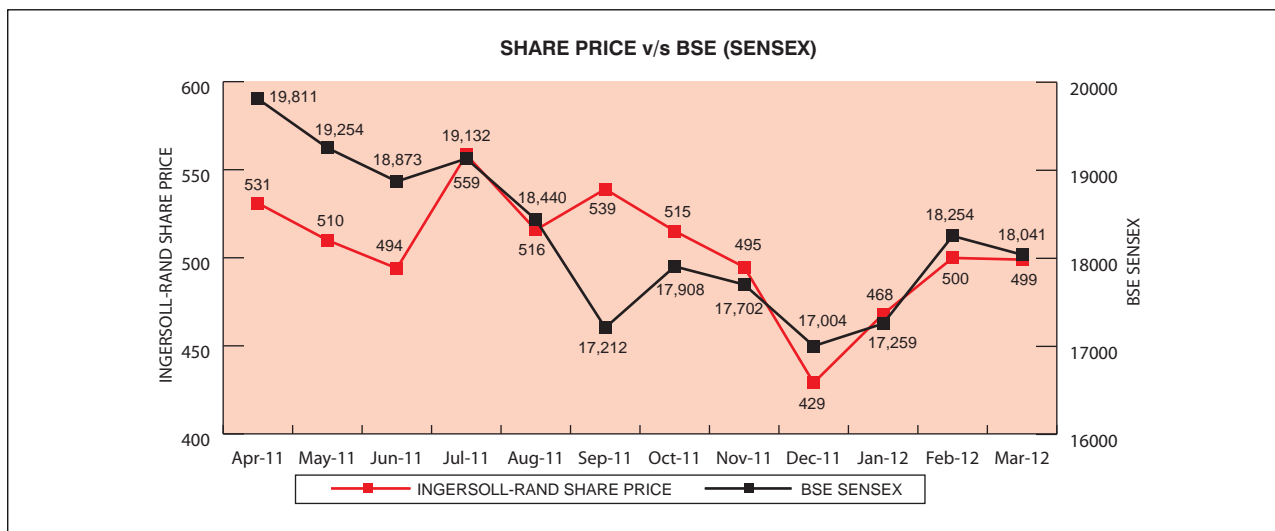
12. GENERAL SHAREHOLDER INFORMATION

- AGM - Date July 19, 2012
 - Time 12.00 Noon
 - Venue Eagleton-The Golf Resort
 30th km Bangalore - Mysore Highway,
 Shyanamangala Cross,
 Bidadi Industrial Area,
 Bangalore 562 109
- Financial Calendar April 2012 to March 2013
 (a) First Quarter Results Last week of July 2012
 (b) Second Quarter Results Last week of October 2012
 (c) Third Quarter Results Last week of January 2013
 (d) Results for the year ending March 2013 April / May 2013
- Date of Book Closure The Company's Register of Members and Share Transfer Books will remain closed for the purpose of payment of final dividend 2011-2012 from July 6, 2012 to July 10, 2012 (Both days inclusive)
- Dividend Payment Date July 24, 2012
- Listing on Stock Exchange Bombay Stock Exchange Limited
 Ahmedabad Stock Exchange Limited
 National Stock Exchange of India Limited
 Listing fees for the period 2011 - 2012 has been paid to the stock exchanges.
- Stock Code
 Bombay Stock Exchange Limited 500210
 Ahmedabad Stock Exchange Limited 26610
 National Stock Exchange of India Limited INGERRAND EQ
 Demat ISIN No. for NSDL and CDS INE177A01018
- Monthly Highs and Lows for the period April 2011 to March 2012

(in Rupees)

	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 2011	531.00	441.40	531.30	439.00
May 2011	510.00	445.00	510.00	447.80
June 2011	494.00	456.10	494.00	452.25
July 2011	558.50	462.50	558.90	461.00
August 2011	515.80	428.30	514.50	430.00
September 2011	539.00	455.50	548.80	455.00
October 2011	515.15	465.70	517.85	463.50
November 2011	494.70	407.00	497.65	406.60
December 2011	429.00	355.20	462.00	354.05
January 2012	468.00	376.50	468.00	374.30
February 2012	499.90	452.60	500.00	444.00
March 2012	498.95	445.00	497.30	433.20

- Stock Performance in comparison to BSE Sensex



- Registrars & Share Transfer Agents TSR Darashaw Limited
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011
- Share Transfer System The share transactions are approved by the General Manager - Corp. Finance & Company Secretary periodically in terms of the authority granted by the Board of Directors of the Company with a view to expedite the process of approving the share transactions. The summary of share transactions approved is placed before the Board of Directors of the Company at the succeeding Board Meetings for ratification.
Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.
The total number of shares transferred in the physical form during the year under review was 10,225.

- Distribution and Shareholding Pattern as on March 31, 2012

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	18,526	88.38	2,102,874	6.66
501 - 1,000	1,688	8.05	1,295,204	4.10
1,001 - 2,000	405	1.93	602,943	1.91
2,001 - 3,000	141	0.67	355,072	1.13
3,001 - 4,000	47	0.23	161,683	0.51
4,001 - 5,000	32	0.15	147,783	0.47
5,001 - 10,000	62	0.30	445,749	1.41
10,001 and above	61	0.29	26,456,692	83.81
TOTAL	20,962	100.00	31,568,000	100.00
No. of shareholders in physical mode	2,080	483,513		
No. of shareholders in electronic mode	18,882	31,084,487		

- Shareholding pattern as on March 31, 2012 is as follows

Category	No. of shares	%
Ingersoll-Rand Company, New Jersey, U.S.A.	23,360,000	74.00
Foreign Institutional Investors	805,334	2.55
Non Resident Indians	131,991	0.42
Unit Trust of India	200	*0.00
Insurance Companies	1,042,941	3.30
Nationalised Banks and other Banks	3,830	0.02
Foreign Banks	150	*0.00
Mutual Funds	211,153	0.67
Domestic Companies	843,236	2.67
Trusts	6,000	0.02
Directors and Their Relatives	86,600	0.27
General Public	5,076,565	16.08
	31,568,000	100.00

*Less than 0.01%

- The number of shares held by Directors of Ingersoll-Rand (India) Limited are as follows:

Name of Director	No. of shares held as on March 31, 2012
Mr. Venkatesh Valluri (Chairman)	NIL
Mr. Hemraj C. Asher	8,000
Mr. Darius C Shroff	10,000

- Dematerialisation of shares and liquidity

The equity shares of the Company are in compulsory demat list and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of March 31, 2012, 98.47% of the paid-up capital has been dematerialised.
- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like impact on equity

Not issued
- Plant Location

22-29, G.I.D.C. Estate,
Naroda,
Ahmedabad 382 330
- Address for correspondence

Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents or to the Compliance Officer at the following address:
Registrars & Share Transfer Agents
TSR Darashaw Limited
6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
E-mail: csg-unit@tsrdarashaw.com
Compliance Officer
The Company Secretary
Ingersoll-Rand (India) Limited
Plot No. 35, KIADB Industrial Area,
Bidadi, Bangalore - 562 109
E-mail: p_r_shubhakar@irco.com
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

NON-MANDATORY REQUIREMENTS

1. Shareholder rights –

The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders

As the Company's half-yearly results are published in English newspapers having circulation all over India and in Kannada newspaper (having circulation in Karnataka), and company's website, the same is not being sent to the shareholders separately. There are no second half-yearly results as the audited results are taken on record by the Board of Directors and then communicated to the shareholders through the Annual Report.

2. Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading with effect from August 1, 2002. This Code of Conduct is applicable to all Directors and such employees of the Company who are expected to have access to Company's unpublished price sensitive information.

3. Disclosure Practices for Prevention of Insider Trading

As required by SEBI regulations, the Company has adopted a Policy for Corporate Disclosure Practices for Prevention of Insider Trading with effect from August 1, 2002. This policy is applicable to all Directors and employees of the Company.

4. Secretarial Audit

As stipulated by SEBI, a qualified Company Secretary carries out the Secretarial Audit to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

5. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy as a mechanism for employees to report to the management, any concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy also affirms that all employees can report their concerns to the Audit Committee.

For and on behalf of the Board of Directors



Venkatesh Valluri
Chairman

Bangalore, May 3, 2012

Company Secretary's Certificate regarding compliance of conditions of Corporate Governance

To the Members of Ingersoll-Rand (India) Limited

I have examined all the relevant records of Ingersoll-Rand (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement, with the Stock Exchanges for the financial year ended 31st March, 2012. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor to the efficacy or effectiveness with which the management has conducted the affairs 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 said Listing Agreement(s).

Natesh K.

Company Secretary

Membership No. 19401

Certificate of Practice No.: 7277

#287, 9th Main, 26th Cross,

BSK 2nd Stage, Bangalore - 560070

Place: Bangalore
Date: May 3, 2012

Annexure to Director's Report

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

CONSERVATION OF ENERGY

(a) The following energy conservation measures were taken:-

- (i) VFD installed in air blowers of all AHUs and paint booth to optimize power consumption.
- (ii) Motion sensors installed in lavatories.
- (iii) Replaced old street lights with energy efficient lights.
- (iv) Installed timer operated valve in pneumatic line for SCBU plant & deploy it horizontally at each location.
- (v) Implemented "Energy awareness month" with all cross functional teams resulted in energy savings of 8% in office & lighting load
- (vi) Implemented the use of air discharge of compressors being tested, to meet plant air requirement.
- (vii) Automatic power factor control unit is installed. The power factor is now maintained at about 0.98 to 0.99.
- (viii) Changed loading pattern of plant compressors - continuous load on Nirvana and variable load on screw compressors has given a 7% saving in energy.
- (ix) Natural gas burners deployed in paint drying oven, component cleaning machine and cafeteria in place of diesel, electric and LPG burners respectively.
- (x) Recirculation of water for testing of LRBU has resulting in saving of 35 KL/month.
- (xi) Test setup upgraded to allow lesser time to stabilize before testing Rotary packages and test time reduction in Centrifugal Compressors thereby reducing power cost. - reduction of testing hrs.
- (xii) Optimization of plant voltage in lighting and accessories to operate in lower band (400 to 420V) without affecting performance.
- (xiii) Simplair pipes installed for compressed air distribution to avoid leakage.
- (xiv) FRP roof sheets installed to save light during daytime and mirror reflectors installed for tube lights to improve lighting without increasing wattage. - on going.
- (xv) Old window air conditioners replaced with new energy efficient air conditioners.
- (xvi) Ordinary fluorescent lamps are being progressively replaced with T5 energy efficient lamps.
- (xvii) Mercury vapor lamps are being replaced by energy efficient metal halide lamps that provide up-to 50% energy saving.
- (xviii) Automatic level controller and dry run protection for bore well pumps at the Naroda plant.
- (xix) Independent control switches at each location to switch on only the required lights.
- (xx) Energy meters installed for individual load centers for monitoring electricity utilization as well as energy conservation.
- (xxi) Energy savers installed for air conditioners.
- (xxii) Transformers are loaded at optimum efficiency. Consequently, one 500KVA transformer is retained as standby.
- (xxiii) LED indicator lamps provided on power panels.
- (xxiv) All electrical machinery and appliances shut down when not in use.
- (xxv) Electronic fan regulators used in place of conventional regulators.
- (xxvi) Electronic chargers used in place of conventional chargers for batteries.
- (xxvii) Energy efficient motors used on plant compressor to reduce operating cost.
- (xxviii) Timer operated switches to turn on/off street lights, air ventilation plants and toilets.

- (b) Additional investments and proposals for reduction in energy consumption:
- (i) Installation of power management system in compressor testing areas to explore further energy saving opportunities.
 - (ii) Load balancing between 2# of 1000 KVA transformers for better load management in the plant, which will enable to reduce DG operation.
 - (iii) Elimination of baking oven by introducing high quality paints.
 - (iv) Solar or Gas operated heater to replace electrical heater at component cleaning machines.
 - (v) Installation of Servo-transformer to optimize lighting load
 - (vi) Construction of percolation wells for rain water harvesting.
- (c) Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Our total energy cost is less than one per cent of total sales and considering the nature of our production process, further conservation could at best be marginal.
- (d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto:
Not applicable in case of your company.

TECHNOLOGY ABSORPTION

- (e) Efforts made in technology absorption as per Form B is given below:

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company:
- (A) COMPRESSORS
- Types -
- (i) Reciprocating air cooled - single and multi-stage.
 - (ii) Reciprocating water-cooled - single and multi-stage.
 - (iii) Rotary Screw
 - (iv) Centrifugal
- AREAS -
- (i) Thermodynamics
 - (ii) Energy Efficiency
 - (iii) Fluid flow
 - (iv) Multi-user application adoption
 - (v) Finite Element Analysis
 - (vi) Modulation and control systems
 - (vii) Digital pulsation analysis for acoustic and mechanical vibrations
 - (viii) Microprocessor based control
 - (ix) Torsion vibration analysis of drives
2. Benefits derived as a result of the above R & D:
- (i) Improved efficiency of products and better customer satisfaction.
 - (ii) Up gradation of our existing machines and introduction of new products consuming less energy to the user.
 - (iii) Continuous exploration for indigenization without compromise on quality and thereby saving valuable foreign exchange.
 - (iv) Expansion of product range by adding new products.
 - (v) Offering of optimum product choice both at home and abroad for diverse applications.
 - (vi) Unique status of single manufacturer of certain compressors world-wide.
 - (vii) Development of resident technology base for quick response to changing scenarios.
 - (viii) Through the installation of Quality System and Total Quality Management, able to get ISO-9001 certification for the air solutions plant at Ahmedabad.
3. Future Plan of Action:
- (i) Introduce, develop and also export higher efficiency air compressor and packages.
 - (ii) Introduce larger sizes of centrifugal compressors.
 - (iii) Introduce comprehensive range of stationary screw compressors for industrial use.

4. Expenditure of R & D:		
(i) Capital	Rs.	-- Million
(ii) Recurring	Rs.	7.26 Million
(iii) Total	Rs.	7.26 Million
(iv) Total R & D expenditure as a percentage of total turnover -		0.1%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Being constantly in touch with our principals, Ingersoll-Rand Company, U.S.A. and its various manufacturing locations, we were able to keep up-to-date with technology changes. Efforts in brief, made towards technology absorption, adaptation and innovation are as follows:
 - Continued development of Naroda as an Export base for large reciprocating compressor packages and parts.
 - Import substitution on several mechanical transmissions, valve components, control panels and also progressive indigenization of all product lines.
 - Development of air-conditioning technology with the set up of production base at Naroda for bus air conditioning products
 - Setting up an in-house test laboratory to validate processes before commencing production.
- Benefits derived as a result of the above efforts:
 - Upgradation of facilities and processes in line with the latest global trends
 - Upgradation of product range incorporating latest features
 - Product improvements, higher efficiency and reduction in cost per unit.
 - Products made efficient through adaptation of modern technology to save energy and also to be more environment friendly.
 - More efficient use of raw material using nesting techniques to cut down wastage of resources.
 - Reduction in manufacturing cost through improvement in productivity thereby offsetting general cost escalation in inputs.
- In case of imported technology [imported during the last 5 years reckoned from the beginning of the financial year], following information is furnished:

<u>Technology Imported</u>	<u>Year</u>	<u>Status</u>
Blower technology	2009	In production
Airconditioning (Bus) technology	2009	In production

Technology imported earlier has assisted us in upgrading our products and ushering in latest technological advances made in the developed countries. Constant dialogue takes place with our Principals in U.S.A. for adapting to the most modern technology available in the world.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Total foreign exchange used and earned:		(Rs. Million)
(i) Earnings in foreign exchange on account of exports, deemed exports, income from services rendered and recovery of expenses and engineering fees.		1,192.82
(ii) Value of imports calculated on c.i.f. basis	1,552.25	
(iii) Expenditure in foreign currency on account of travelling, royalty and engineering fees and others	83.74	
(iv) Remittance in foreign exchange on account of dividend	560.64	2,196.63
Net Earnings / (Outgo) in Foreign Exchange		<u><u>(1,003.81)</u></u>

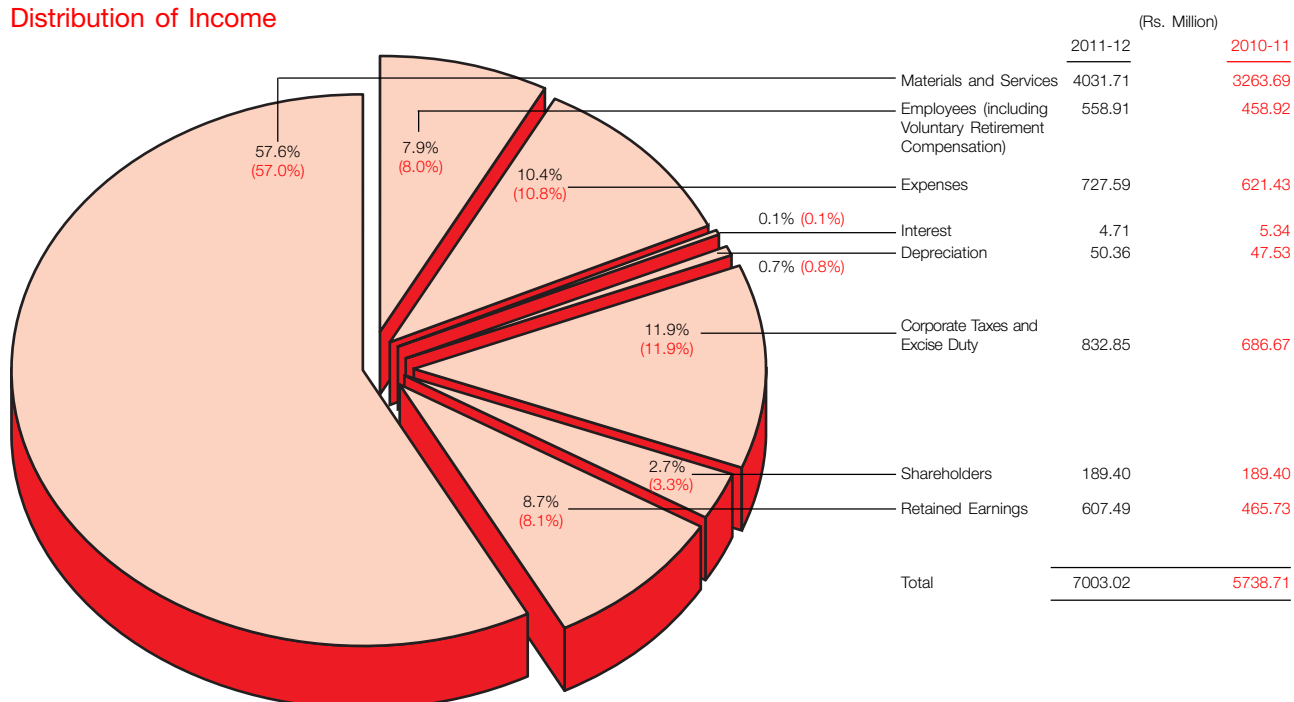
For and on behalf of the Board of Directors



Venkatesh Valluri
Chairman

Bangalore, May 3, 2012

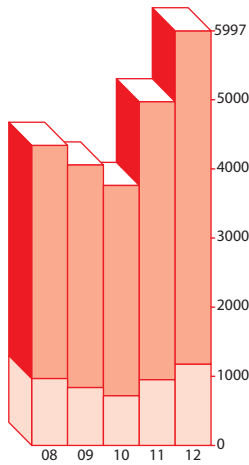
Distribution of Income



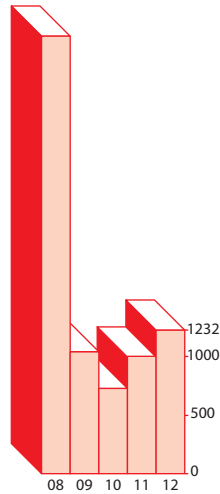
TEN YEARS AT A GLANCE :

	(Rs.'000)	2011-12	2010-11	2009-10
1. Sales (Gross)		5,997,141	4,970,526	3,760,037
2. Other Income		1,005,880	778,991	571,449
3. Total Income		7,003,021	5,749,517	4,331,486
4. CAGR For Total Income (%)		3.38	—	—
5. Manufacturing and Other Expenses		5,322,800	4,352,041	3,307,541
6. Depreciation		50,360	47,530	41,486
7. Interest		4,710	5,340	18,539
8. Voluntary Retirement Compensation		—	—	10,316
9. Profit Before Depreciation & Income Tax		1,282,800	1,059,061	773,040
10. Profit Before Tax		1,232,440	1,011,531	731,554
11. Tax		404,810	325,300	257,522
12. Profit After Tax		827,630	686,231	474,032
13. CAGR For Profit After Tax (%)		7.49	—	—
14. Dividend		757,632	189,408	189,408
15. Dividend - Rs. per share		24.00	6.00	6.00
16. Fixed Assets (Net)		453,761	253,621	239,154
17. Current Assets, Loans and Advances		8,999,040	9,357,978	8,731,850
18. Total Assets		9,452,801	9,611,599	9,020,530
19. Share Capital		315,680	315,680	315,680
20. Market Price Per Share : 52 Weeks High & Low (H - High ; L - Low)		H 558.50 L 355.20	H 518.40 L 337.00	H 376.90 L 264.55
21. Reserves and Surplus		7,823,829	7,876,749	7,411,020
22. Net Worth		8,139,509	8,192,429	7,726,700
23. Loans (Secured and Unsecured)		—	—	—

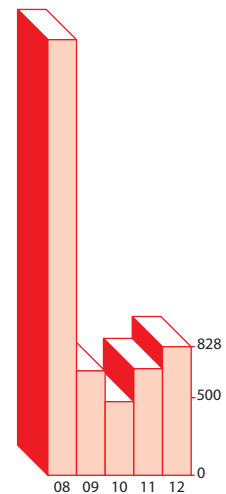
SALES
(in Millions of Rs.)



PROFIT BEFORE TAX
(in Millions of Rs.)



PROFIT AFTER TAX
(in Millions of Rs.)



2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	
4,056,434	5,306,573	6,473,220	5,188,937	4,818,702	4,964,733	4,772,169	1.
765,117	559,746	326,728	329,964	280,761	236,913	249,323	2.
4,821,551	5,866,319	6,799,948	5,518,901	5,099,463	5,201,646	5,021,492	3.
—	—	—	—	—	—	—	4.
3,414,289	4,424,359	5,450,679	4,513,710	4,294,691	4,022,089	3,793,949	5.
41,632	42,453	62,689	62,526	66,627	55,222	54,747	6.
1,731	8,772	9,123	14,541	18,526	12,741	23,902	7.
4,847	—	500	7,130	30,272	2,570	30,316	8.
1,068,960	3,799,353	811,956	561,758	1,522,541	738,097	676,657	9.
1,027,328	3,756,900	749,267	499,232	1,455,914	682,875	621,910	10.
355,274	951,570	284,434	189,639	337,710	226,749	220,105	11.
672,054	2,805,330	464,833	309,593	1,118,204	456,126	401,805	12.
—	—	—	—	—	—	—	13.
189,408	189,408	189,408	189,408	189,408	189,408	189,408	14.
6.00	6.00	6.00	6.00	6.00	6.00	6.00	15.
223,472	226,724	413,838	412,513	413,084	406,839	414,907	16.
8,378,020	8,005,710	5,935,442	5,445,373	4,892,297	3,938,498	3,570,476	17.
8,649,010	8,289,491	6,371,870	5,880,476	5,327,974	4,440,160	4,081,170	18.
315,680	315,680	315,680	315,680	315,680	315,680	315,680	19.
H 421.45	H 422.10	H 417.45	H 426.70	H 322.80	H 311.25	H 239.70	20.
L 204.75	L 251.25	L 225.10	L 257.30	L 188.10	L 195.10	L 141.65	
7,158,220	6,707,773	4,124,041	3,878,004	3,784,394	2,881,505	2,608,799	21.
7,473,900	7,023,453	4,439,721	4,193,684	4,100,074	3,197,185	2,924,479	22.
—	—	—	—	—	228	228	23.

Auditors' Report

to the Members of Ingersoll-Rand (India) Limited

1. We have audited the attached Balance Sheet of Ingersoll-Rand (India) Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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;
 - (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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Radhakrishnan B.
Partner
Membership Number: F25516

Bangalore
May 3, 2012

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Ingersoll-Rand (India) Limited on the financial statements as of and for the year ended March 31, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years 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 between the book records and the physical inventory have been noticed.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory 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 inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (b) 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 Act.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.

5. (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and valued added tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	- *	2002-03	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income Tax	- *	2003-04	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	- *	2004-05	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income Tax	11,100,336 *	2005-06	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	17,940,095 *	2006-07	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	11,723,616 *	2007-08	Commissioner of Income Tax (Appeals), Bangalore
Central Excise Act, 1994	Excise Duty	19,152,870	1997-98 to 1998-99	Gujarat High Court
Central Excise Act, 1994	Excise Duty	15,535,153	1999-00 to 2001-02	Gujarat High Court
Central Excise Act, 1994	Excise Duty	6,705,998	2007-08	Commissioner of Central Excise (Appeals), Bangalore
Gujarat Value Added Tax 2003	Value Added Tax	1,280,585	2007-08	Deputy Commissioner of Commercial Tax 2, Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	120,205,322	2007-08	Deputy Commissioner of Commercial Tax 2, Ahmedabad

* Net of Rs.109,279,906 paid under protest.

10. The Company has no accumulated losses.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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 during the year.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse**
 Firm Registration Number: 301112E
 Chartered Accountants

Radhakrishnan B.
 Partner
 Membership Number: F25516

Bangalore
 May 3, 2012

Balance Sheet

(All amounts in Rupees Million, unless otherwise stated)

	Note	As at March 31, 2012	March 31, 2011
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	315.68	315.68
Reserves and Surplus	4	7,823.83	7,876.75
		<u>8,139.51</u>	<u>8,192.43</u>
Non-current Liabilities			
Long-term Provisions	5	48.17	61.50
		<u>48.17</u>	<u>61.50</u>
Current Liabilities			
Trade Payables	6	848.84	993.36
Other Current Liabilities	7	195.04	194.01
Short-term Provisions	5	221.24	170.30
		<u>1,265.12</u>	<u>1,357.67</u>
Total		<u><u>9,452.80</u></u>	<u><u>9,611.60</u></u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	8.1	442.04	252.60
Intangible Assets	8.2	—	—
Capital Work-in-progress		11.72	1.02
Deferred Tax Assets (Net)	9	47.58	41.39
Long-term Loans and Advances	10	193.96	115.46
		<u>695.30</u>	<u>410.47</u>
Current Assets			
Inventories	11	1,085.28	1,091.43
Trade Receivables	12	1,331.85	992.85
Cash and Bank Balances	13	4,506.10	5,361.57
Short-term Loans and Advances	14	1,723.93	1,716.65
Other Current Assets	15	110.34	38.63
		<u>8,757.50</u>	<u>9,201.13</u>
Total		<u><u>9,452.80</u></u>	<u><u>9,611.60</u></u>

The notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

RADHAKRISHNAN B
Partner
Membership Number F25516
Place : Bangalore
Date : May 03, 2012

VENKATESH VALLURI
Chairman

P. R. SHUBHAKAR
Gen. Manager - Corp. Finance
and Company Secretary

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

B. JAYARAMAN
Vice President - Finance

Place : Bangalore
Date : May 03, 2012

Statement of Profit and Loss

(All amounts in Rupees Million, unless otherwise stated)

	Note	Year ended	
		March 31, 2012	March 31, 2011
Revenue from operations (gross)	19	6,312.93	5,253.40
Less: Excise duty		392.71	325.95
Revenue from operations (net)		5,920.22	4,927.45
Other Income	20	690.09	496.12
Total Revenue		6,610.31	5,423.57
Expenses:			
Cost of materials consumed	21	4,054.28	3,317.94
Changes in inventories of finished goods and work-in-progress	22	(17.98)	(46.25)
Employee benefits expense	23	558.91	458.92
Finance costs	24	4.71	5.34
Depreciation and amortisation expense	25	50.36	47.53
Other expenses	26	727.59	621.43
Total expenses		5,377.87	4,404.91
Profit before extraordinary and prior period items and tax		1,232.44	1,018.66
Extraordinary and prior period items	27	—	(7.13)
Profit before tax		1,232.44	1,011.53
Tax Expense:			
Current Tax		411.00	317.16
Deferred Tax		(6.19)	8.14
Profit for the year		827.63	686.23
Earnings per equity share [Nominal value per share Rs.10 (March 31 2011 : Rs.10)]			
Basic and Diluted (including extraordinary and prior period items)		26.22	21.74
Basic and Diluted (excluding extraordinary and prior period items)		26.22	21.96

The notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **PRICE WATERHOUSE**
 Firm Registration No. 301112E
 Chartered Accountants

RADHAKRISHNAN B
 Partner
 Membership Number F25516
 Place : Bangalore
 Date : May 03, 2012

VENKATESH VALLURI
 Chairman

P. R. SHUBHAKAR
 Gen. Manager - Corp. Finance
 and Company Secretary

AMAR KAUL
 Vice President &
 Gen. Manager

H. C. ASHER
 Director

B. JAYARAMAN
 Vice President - Finance

Place : Bangalore
 Date : May 03, 2012

Cash Flow Statement

(All amounts in Rupees Million, unless otherwise stated)

	Year ended	
	March 31, 2012	March 31, 2011
A. Cash Flow from Operating Activities		
Profit before taxation and extra ordinary and prior period items	1,232.44	1018.66
Adjustments for:		
Prior Period Expenses	—	(10.81)
Depreciation	50.36	47.53
Interest expense	4.71	5.34
Interest income	(529.63)	(437.00)
(Profit)/loss on sale/ write-off of fixed assets (Net)	1.68	1.83
Bad debts written off	7.19	0.32
Provision for doubtful advances no longer required written back	(5.06)	(8.56)
Provision for doubtful debts no longer required written back	(0.28)	—
Provision for doubtful debts	—	13.04
Unrealised foreign exchange (gain)/ loss	(2.61)	5.47
Liability no longer required written back (Net)	(53.14)	(4.98)
Provision no longer required written back (Net)	(2.32)	—
Operating profit before working capital changes	703.34	630.84
Changes in Working Capital:		
Increase / (Decrease) in trade payables	(93.87)	160.95
Increase / (Decrease) in provisions	14.70	(35.13)
Increase / (Decrease) in other current liabilities	(0.57)	—
Increase / (Decrease) in other long term liabilities	(13.33)	—
(Increase) / Decrease in trade receivables	(345.91)	(2.10)
(Increase) / Decrease in inventories	6.15	(303.76)
(Increase) / Decrease in loans and advances	(45.78)	(81.92)
(Increase) / Decrease in other current assets	(4.73)	—
Adjustment for unrealised foreign exchange gain / (loss)	2.61	(5.47)
Cash Generated from Operations	222.61	363.41
Taxes paid (net of refunds)	(385.94)	(352.90)
Net cash generated from / (used in) operating activities	<u>(163.33)</u>	<u>10.51</u>
B. Cash flow from Investing Activities		
Purchase of tangible/intangible assets	(241.85)	(64.74)
Capital work in progress	(10.70)	(0.76)
Sale of intangible assets	0.37	1.49
Capital Advance	(21.44)	—
Loan granted to fellow subsidiaries	—	(195.00)
(Investments)/ Realisation in Term Deposits	(1,525.00)	—
Interest received	457.92	443.66
Net cash from/ (used in) investing activities	<u>(1,340.70)</u>	<u>184.65</u>

Cash Flow Statement (Contd.)

(All amounts in Rupees Million, unless otherwise stated)

	Year ended	
	March 31, 2012	March 31, 2011
C. Cash flow from Financing Activities		
Dividends paid	(756.02)	(189.22)
Dividend Distribution Tax	(122.93)	(31.46)
Interest paid	(2.22)	(0.67)
Net cash from/ (used in) financing activities	<u>(881.17)</u>	<u>(221.35)</u>
Net Increase/ (decrease) in cash and cash equivalents	(2,385.20)	(26.19)
Cash and Cash equivalents at the beginning of the year	5,361.57	5,387.76
Cash and Cash equivalents at the end of the year	<u>2,976.37</u>	<u>5,361.57</u>
Cash and cash equivalents comprise of:		
Cash on Hand	0.02	0.04
Cheques on Hand	26.59	16.64
Balances with Banks	2,944.73	5,341.43
Unpaid Dividend Account*	5.03	3.46
Total	<u>2,976.37</u>	<u>5,361.57</u>

* The Company can utilise this balance only towards settlement of the unpaid dividend liability.

Notes:

- 1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date.
- 2 The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements and the reconciliations required for the purpose are as made by the Company.
- 3 Previous year's figures have been regrouped/ reclassified wherever necessary in order to conform with current year's classification (refer Note 38)

This is the Cash Flow Statement referred to in our report of even date

For **PRICE WATERHOUSE**
 Firm Registration No. 301112E
 Chartered Accountants

RADHAKRISHNAN B
 Partner
 Membership Number F25516
 Place : Bangalore
 Date : May 03, 2012

VENKATESH VALLURI
 Chairman

P. R. SHUBHAKAR
 Gen. Manager - Corp. Finance
 and Company Secretary

AMAR KAUL
 Vice President &
 Gen. Manager

H. C. ASHER
 Director

B. JAYARAMAN
 Vice President - Finance

Place : Bangalore
 Date : May 03, 2012

Notes to the Financial Statements

1 General Information

(All amounts in Rupees Million, unless otherwise stated)

Ingersoll Rand (India) Limited (the 'Company') is a public limited company incorporated in 1921 under provisions of Companies Act, 1913 and existing under the provisions of Companies Act, 1956. The Company has a manufacturing plant in Naroda, Gujarat and is primarily engaged in the business of manufacturing and sales of Industrial air compressors of various capacities. The Company also manufactures Air Conditioners package for buses under contract manufacturing arrangement for its fellow subsidiary in India. The Company sells air compressors primarily in India and also exports to other SAARC countries and United States. The Company has commenced construction of a new manufacturing plant at Chennai, Tamil Nadu for manufacture of Heating, Ventilation & Air Conditioning (HVAC) equipment and Transport Refrigeration products in Phase 1. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Ahmedabad Stock Exchange.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956 which ever is higher as follows:

- a) On fixed assets acquired and put to use up to December 31, 1985, on the written down value method.
- b) In respect of fixed assets acquired after December 31, 1985, on the straight line method (SLM). However in respect of fixed assets acquired after December 31, 1985 up to March 31, 1993 depreciation has been provided:
 - i) in respect of fixed assets acquired during 1986, at the SLM equivalent of rates corresponding to the rates applicable under the Income-Tax Rules in force at the time of acquisition of the assets.
 - ii) in respect of fixed assets acquired after December 31, 1986 up to March 31, 1993 at the rates prescribed under Schedule XIV to the Companies Act, 1956 prevailing at the time of acquisition.
- c) In respect of additions to/ deletions from the fixed assets, on a prorata basis except in respect of fixed assets of a cost not exceeding Rs.5,000, where depreciation has been charged at the rate of 100 percent for the whole year.
- d) Leasehold land is amortized over the period of the lease on the straight line method.
- e) Leasehold improvements are amortised over the period of the lease or five years, whichever is lower on the straight line method.
- f) In respect of fixed assets leased out, over its useful life estimated at two years on the straight line method.
- g) Computer System are depreciated over its estimated useful life at five years on the straight line method.

2.3 Intangible Assets (Computer Software)

Operating software are capitalised along with the related fixed assets. Other computer software (i.e. major application software), is stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any and are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of a computer software is determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Intangible assets (computer software) are amortised over the licence period or five years, whichever is lower.

(All amounts in Rupees Million, unless otherwise stated)

2.4 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.5 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is provided at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.8 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency. Exchange rate is predetermined and fixed for the month, that approximates the exchange rate prevailing on the date of the transactions.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate as indicated in Initial Recognition.

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the end of the reporting period and exchange gains/ losses arising there from are adjusted to the Statement of Profit and Loss.

Exchange differences on forward contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

2.9 Revenue Recognition

(a) Sale of goods are recognised upon dispatch or in accordance with the terms of sale and are recorded inclusive of excise duty but are net of trade discounts and sales tax.

(b) Service Revenue is recognised as and when services are performed and are recognised net of service tax.

2.10 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Income from Government Incentive on exports are recognised on an accrual basis.

2.11 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are

(All amounts in Rupees Million, unless otherwise stated)

recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Employee Benefits

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Other short term benefits: Liability towards short term employee benefits like performance bonus, which are expected to be paid within 12 months after the period in which the employees rendered related services, are recognised as expense during the period employee perform the services.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Employee Share based Payments: Certain executives of the Company are eligible to participate in the employee share based payment plans of Ingersoll-Rand Company Limited, New Jersey, U.S.A. (the holding company). The costs related to such share based payments pertaining to the Company's employees are recharged to the Company by the holding company at the time of exercise of the options/ rights. As at reporting date, the Company accrues for the expected proportionate costs of share based payments pertaining to the Company's employees as per the accounting principles prescribed by 'Guidance Note on Employee Share Based Payments', issued by the Institute of Chartered Accountants of India.

2.13 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.14 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

2.15 Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.16 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.18 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

		As at	
		March 31, 2012	March 31, 2011
3	Share Capital		
	Authorised		
	32,000,000 (March 31, 2011: 32,000,000) Equity Shares of Rs.10 each	320.00	320.00
	Issued		
	31,568,000 (March 31, 2011: 31,568,000) Equity Shares of Rs.10 each.	315.68	315.68
	Subscribed and fully paid up		
	31,568,000 (March 31, 2011: 31,568,000) Equity Shares of Rs.10 each fully paid-up	315.68	315.68
	[The above includes 31,301,500 (March 31, 2011: 31,301,500) shares allotted as fully paid-up by way of bonus shares by capitalisation of Share Premium and General Reserves. The Company had last issued bonus shares in the financial year ended March 31, 1992.]		
	Total subscribed and fully paid up Share capital	315.68	315.68

(a) Reconciliation of number of shares

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	31,568,000	315.68	31,568,000	315.68
Movement during the year	—	—	—	—
Balance as at the end of the year	31,568,000	315.68	31,568,000	315.68

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, 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, if any, in proportion to their shareholding.

(c) Shares held by holding company

	As at	
	March 31, 2012	March 31, 2011
Equity Shares:		
23,360,000 shares (March 31, 2011: 23,360,000 shares) held by Ingersoll-Rand Company, New Jersey, U.S.A. the holding company	233.60	233.60

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Number of Equity Shares:	23,360,000	23,360,000
Ingersoll-Rand Company, New Jersey, U.S.A. the holding company	(74%)	(74%)

(e) Shares reserved for issue under options

There are no shares reserved for issue under any option.

(f) Shares allotted as fully paid up by way of bonus shares / pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2012):

During the period of five years immediately preceding March 31, 2012, no shares are allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	As at	
	March 31, 2012	March 31, 2011
4 Reserves and Surplus		
General Reserves:		
Balance as at the beginning of the year	2,802.19	2,733.19
Add: Transferred from Surplus in Statement of Profit and Loss during the year	83.00	69.00
	<u>2,885.19</u>	<u>2,802.19</u>
Balance as at the end of the year		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	5,074.56	4,677.83
Profit for the period	827.63	686.23
Appropriations:		
Interim dividend on equity shares for the year	(94.70)	(94.70)
Dividend distribution tax on Interim dividend on equity shares for the year	(15.37)	(15.73)
Special dividend on equity shares for the year	(568.22)	—
Dividend distribution tax on Special dividend on equity shares for the year	(92.19)	—
Proposed final dividend on equity shares for the year	(94.70)	(94.70)
Dividend distribution tax on proposed final dividend on equity shares for the year	(15.37)	(15.37)
Transfer To General Reserve	(83.00)	(69.00)
	<u>4,938.64</u>	<u>5,074.56</u>
Balance as at the end of the year		
Total Reserves and Surplus	<u><u>7,823.83</u></u>	<u><u>7,876.75</u></u>

5 Provisions

	Long term as at		Short term as at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits:				
Provision for gratuity [Also refer note 23(b)]	11.12	32.04	—	—
Provision for compensated absences	29.54	21.95	11.84	9.06
Employee Share based Payments [Also refer note 23(c)]	—	—	12.91	10.90
	<u>40.66</u>	<u>53.99</u>	<u>24.75</u>	<u>19.96</u>
Other Provisions				
Provision for litigations/ disputes	7.51	7.51	—	—
Provision for Taxation [Net of Advance Income Tax Rs. 4,794.94 (March 31, 2011: Rs.Nil)]	—	—	36.24	—
Proposed final dividend on equity shares	—	—	94.70	94.70
Tax on proposed final dividend on equity shares	—	—	15.37	15.37
Provision for Warranties	—	—	50.18	40.27
	<u>7.51</u>	<u>7.51</u>	<u>196.49</u>	<u>150.34</u>
Total provisions	<u><u>48.17</u></u>	<u><u>61.50</u></u>	<u><u>221.24</u></u>	<u><u>170.30</u></u>

Provisions for warranties

Warranties against manufacturing and other defects, as per terms of contract(s) with the customer, are provided for based on estimates made by the Company except where the Company has back to back arrangement with the suppliers.

	As at	
	March 31, 2012	March 31, 2011
Balance as at the beginning of the year	40.27	39.60
Additions	51.20	36.83
Amounts used	(41.29)	(36.16)
Balance as at the end of the year	<u>50.18</u>	<u>40.27</u>
Classified as Non-Current	—	—
Classified as Current	50.18	40.27

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2012	March 31, 2011
6 Trade payables		
Acceptances	204.65	189.80
Payable to Ingersoll - Rand Company, New Jersey, U.S.A, the holding company and its affiliates	135.54	301.63
Sundry Creditors		
- Due to Micro and Small enterprises	35.21	61.34
- Others	473.44	440.59
Total Trade payables	848.84	993.36
7 Other current liabilities		
Income received in Advance	17.78	9.44
Unpaid dividends (note)	5.33	3.73
Advance from customers	134.55	147.73
Employee Benefits payable	21.64	20.45
Statutory dues including Provident Fund and Tax deducted at Source	15.74	12.66
Total Other current liabilities	195.04	194.01

Note: There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

8.1 Tangible Assets

Particulars	Gross Block					Depreciation					Net book value	
	As at April 1, 2011	Additions during the year	Transfer from one category to another	Disposals during the year	As at March 31, 2012	As at April 1, 2011	Charge for the year	Transfer from one category to another	Disposals during the year	Up to March 31, 2012	As at March 31, 2012	As at 31st March, 2011
Land-Leasehold	10.06	203.39	—	—	213.45	2.64	1.31	—	—	3.95	209.50	7.42
Buildings (Note)	62.91	1.00	—	—	63.91	26.05	1.87	—	0.53	27.39	36.52	36.86
Leasehold Improvements	21.99	—	—	—	21.99	3.69	4.40	—	—	8.09	13.90	18.30
Plant and Machinery (includes Computer Systems)	350.63	30.38	(1.60)	6.99	372.42	247.15	25.99	(0.43)	6.26	266.45	105.97	103.48
Electrical Installations	24.03	0.81	(18.46)	0.54	5.84	13.32	2.09	(9.77)	0.44	5.20	0.64	10.71
Furniture, Fixtures and Equipment	67.41	2.86	(20.87)	1.84	47.56	37.77	3.14	(9.09)	0.63	31.19	16.37	29.64
Vehicles	5.46	1.72	—	1.32	5.86	1.76	0.51	—	0.78	1.49	4.37	3.70
Small Tools	82.41	1.28	—	0.01	83.68	46.83	4.91	—	0.01	51.73	31.95	35.58
Office equipment	—	0.41	40.93	—	41.34	—	0.01	19.29	—	19.30	22.04	—
Total A	624.90	241.85	—	10.70	856.05	379.21	44.23	—	8.65	414.79	441.26	245.69
Assets given on Operating Lease: Plant and Machinery	16.27	—	—	—	16.27	9.36	6.13	—	—	15.49	0.78	6.91
Total B	16.27	—	—	—	16.27	9.36	6.13	—	—	15.49	0.78	6.91
Total A+B	641.17	241.85	—	10.70	872.32	388.57	50.36	—	8.65	430.28	442.04	252.60
March 31, 2011	597.94	64.74	—	21.51	641.17	359.23	47.53	—	18.19	388.57	252.60	238.71

Note: Buildings include Rs.0.67 million (March 31, 2011: Rs.0.67 million) towards a flat owned in a Co-operative Society in which 5 shares (March 31, 2011: 5 shares) of Rs. 50 each fully paid up are held by the Company.

8.2 Intangible Assets

Particulars	Gross Block					Amortisation					Net book value	
	As at April 1, 2011	Additions during the year	Transfer from one category to another	Disposals during the year	As at March 31, 2012	As at April 1, 2011	Charge for the year	Transfer from one category to another	Disposals during the year	Up to March 31, 2012	As at March 31, 2012	As at 31st March, 2011
Computer Software	20.01	—	—	—	20.01	20.01	—	—	—	20.01	—	—
March 31, 2012	20.01	—	—	—	20.01	20.01	—	—	—	20.01	—	—
March 31, 2011	20.01	—	—	—	20.01	20.01	—	—	—	20.01	—	—

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	As at	
	March 31, 2012	March 31, 2011
9 Deferred Tax Assets (Net)		
(A) Deferred Tax Assets arising from:		
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act, 1961.		
(a) Provision for Doubtful Debts	13.56	13.65
(b) Provision for Warranty	16.28	13.07
(c) Voluntary Retirement Compensation	1.65	2.64
(d) Provision for Gratuity	3.61	10.40
(e) Others	26.17	18.57
Total Deferred Tax Assets	<u>61.27</u>	<u>58.33</u>
(B) Deferred Tax Liabilities arising from:		
Difference between carrying amount of fixed assets in the financial statements and the Income Tax Statement	(13.69)	(16.94)
Total Deferred Tax Liabilities	<u>(13.69)</u>	<u>(16.94)</u>
Total Deferred Tax Asset (Net)	<u>47.58</u>	<u>41.39</u>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. Charge to Statement of Profit and Loss Account is represented by:		
	Year ended	
	March 31, 2012	March 31, 2011
Deferred Tax on Profit before extra ordinary and prior period items	(6.19)	8.14
Total	<u>(6.19)</u>	<u>8.14</u>
	As at	
	March 31, 2012	March 31, 2011
10 Long-term Loans and Advances		
Secured, considered good:		
Capital Advances	6.71	—
Unsecured, considered good:		
Advance Income Tax	109.28	77.62
Capital Advances	14.92	0.19
Security Deposits	59.91	34.50
Recoverable in Cash or in Kind or For Value to be Received	3.14	3.15
Total Long-term Loans and Advances	<u>193.96</u>	<u>115.46</u>
11 Inventories		
Raw Materials (includes in transit: Rs.69.25 (March 31, 2011: Rs.80.95))	848.45	872.58
Work-in-progress	194.15	167.65
Finished Goods	42.68	51.20
Total Inventories	<u>1,085.28</u>	<u>1,091.43</u>
(a) Details of Inventories		
(i) Goods Manufactured:		
Air Compressors	40.58	51.20
Air Conditioner Bus Package	2.10	—
Total	<u>42.68</u>	<u>51.20</u>
(ii) Work-in progress:		
Air Compressors	193.86	167.55
Air Conditioner Bus Package	0.29	0.10
Total	<u>194.15</u>	<u>167.65</u>
12 Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	21.23	1.49
Others	1,310.62	991.36
Unsecured, considered doubtful:		
Outstanding for a period exceeding six months from the date they are due for payment	41.80	42.08
Others	—	—
Less: Provision for doubtful debts	(41.80)	(42.08)
Total Trade Receivables	<u>1,331.85</u>	<u>992.85</u>

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	As at	
	March 31, 2012	March 31, 2011
13 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	0.02	0.04
Cheques on hand	26.59	16.64
Balances with Banks		
In Current Accounts	87.59	102.04
Exchange Earners' Foreign Currency Accounts	57.54	30.89
Demand deposits (less than 3 months maturity)	2,799.60	5,208.50
	<u>2,971.34</u>	<u>5,358.11</u>
Other bank balances		
Term deposits with maturity more than 3 months but less than 12 months	1,525.00	—
Restricted account	4.73	—
Unpaid Dividend Account	5.03	3.46
	<u>1,534.76</u>	<u>3.46</u>
Total Cash and Bank balance	<u>4,506.10</u>	<u>5,361.57</u>
14 Short-term Loans and Advances		
Secured, considered good:		
Loans and advances to Fellow Subsidiaries	1,470.00	1,470.00
Unsecured, considered good:		
Advance Income Tax [Net of Provision Rs.Nil (March 31, 2011: Rs.4,400.58)]	—	18.16
Balance with Excise Authority	136.63	117.76
Tender Security and Other Deposits	3.02	34.66
Advances recoverable in cash or in kind		
Considered good	114.28	76.07
Considered Doubtful	6.25	11.31
Less: Provision for Doubtful Advances	(6.25)	(11.31)
	<u>1,723.93</u>	<u>1,716.65</u>
Total Short-term Loans and Advances	<u>1,723.93</u>	<u>1,716.65</u>
15 Other current Assets		
Unsecured, considered good:		
Interest accrued on deposits	110.34	38.63
Total Other current Assets	<u>110.34</u>	<u>38.63</u>
16 Contingent Liabilities		
Claims against the Company not acknowledged as debts	44.10	39.71
Sales tax/ excise matters in dispute	162.88	41.39
Bank guarantees/ corporate guarantees	487.81	354.45
Income Tax matters in dispute	107.60	110.07
Out of the disputed amount Rs. 31.66 (March 31, 2011: Rs. Nil) has been paid during the year and included under Advance Income Tax in note number 14.		
17 Capital and other commitments		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	91.98	14.82
Total	<u>91.98</u>	<u>14.82</u>
(b) Other Commitments		
Duty free licenses for import:		
The Company has availed duty free licenses for import against which export obligations are outstanding as at March 31, 2012, customs duty thereon	25.57	23.33
Total	<u>25.57</u>	<u>23.33</u>
18 Proposed Dividend		
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs.10 each		
Amount of dividend proposed	94.70	94.70
Dividend per Equity Share	Rs. 3.00 per share	Rs. 3.00 per share

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	Year ended	
	March 31, 2012	March 31, 2011
19 Revenue from operations		
Sale of Finished goods*	5,997.14	4,970.53
Sale of Services		
Installation and commissioning	161.63	129.75
Business support and auxiliary services	109.31	104.95
Other operating revenues		
Recovery of Freight, Insurance and Packing Expenses	38.45	37.58
Income from Sale of Scrap	5.58	7.25
Lease Rentals - Equipments	0.82	3.34
Total Revenue from operations (Gross)	<u>6,312.93</u>	<u>5,253.40</u>
*Sale of Finished goods includes price adjustments on exports of Rs.98.00 (March 31, 2011: Nil)		
Details of Sales (Finished goods):		
Air Compressors - Complete Machine and Accessories	3,222.46	2,666.96
Air Conditioner Bus Package	154.74	161.90
Spare Parts and Components	2,227.23	1,815.72
Excise duty	392.71	325.95
Total	<u>5,997.14</u>	<u>4,970.53</u>
20 Other Income		
Interest Income on:		
Deposits with banks	356.71	269.33
Loans advanced to fellow subsidiaries	171.87	167.61
Income Tax refund	1.05	0.06
Lease Rentals	38.98	38.35
Provision no longer required written back	2.32	—
Provision for doubtful advances no longer required written back	5.06	8.56
Provision for doubtful debts no longer required written back	0.28	—
Liability no longer required written back (Net)	53.14	4.98
Export Incentives	44.53	6.93
Net gain on foreign currency translation and transaction	14.52	—
Miscellaneous	1.63	0.30
Total Other income	<u>690.09</u>	<u>496.12</u>
21 Cost of materials consumed		
Raw material consumed (note below)		
Opening inventory	872.58	615.07
Add: Purchases (net)	3,956.97	3,506.28
Less: Inventory at the end of the year	848.45	872.58
Cost of raw materials consumed during the year	<u>3,981.10</u>	<u>3,248.77</u>
Packing materials consumed	68.59	61.17
Excise Duty	4.59	8.00
Total Cost of materials consumed	<u>4,054.28</u>	<u>3,317.94</u>
Note: includes provision on account of obsolescence and scrap and spoilage Rs. 24.39 (March 31, 2011: Rs. 18.42)		
22 Changes in inventories of finished goods and work-in-progress		
(a) Opening inventories		
Finished goods	51.20	4.69
Work-in progress	167.65	167.91
Total opening inventories	<u>218.85</u>	<u>172.60</u>
(b) Closing inventories		
Finished goods	42.68	51.20
Work-in progress	194.15	167.65
Total closing inventories	<u>236.83</u>	<u>218.85</u>
Increase/ decrease in inventories	<u>(17.98)</u>	<u>(46.25)</u>

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	Year ended	
	March 31, 2012	March 31, 2011
23 Employee benefits expense		
Salaries and wages [Refer note (a) below]	488.60	402.11
Contribution to provident and other funds	21.69	26.25
Gratuity [Refer note (b) below]	12.82	10.44
Employee Share based payment [Refer note (c) below]	2.01	(8.25)
Staff welfare expenses	33.79	28.37
Total Employee benefits expense	558.91	458.92

(a) Includes provision for leave encashment (net) Rs.10.37 (March 31, 2011: Rs. 4.99)

(b) Defined Benefit Plan:*

Gratuity: The Company operates a gratuity plan through the "Ingersoll Rand Employees Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. In case of employees who joined the Company prior to April 1, 2006, the benefits given by the Company are more favourable than the Payment of Gratuity Act, 1972 depending upon the length of Service.

Provident Fund: Provident fund for certain eligible employees is managed by the Company through the "Ingersoll Rand Employees Provident Fund Trust", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

	Gratuity		Provident Fund
	March 31, 2012	March 31, 2011	March 31, 2012
(i) Present Value of Defined Benefit Obligation			
Balance at the beginning of the year	139.20	138.12	264.41
Add: Current Service Cost	8.29	8.23	36.73
Add: Interest Cost	10.88	10.63	20.50
Less: Settlement cost	(0.36)	—	(68.09)
Add: Past Service Cost	—	0.39	—
Add: Actuarial (Gain) / Losses	2.62	(3.64)	—
Add: Transfer in	—	—	9.16
(Less): Benefits paid during the year	(19.41)	(14.53)	—
Balance at the end of the year	141.22	139.20	262.71
(ii) Fair Value of Plan Assets			
Balance at the beginning of the year	107.16	88.21	273.09
Add: Expected Return on Plan Assets	8.75	7.90	20.50
Add: Actuarial Gain / (Loss)	(0.14)	(2.73)	—
Add: Contributions	15.90	13.78	36.73
(Less): Benefits Paid	(1.57)	—	(68.09)
Add: Transfer in	—	—	9.16
Others	—	—	0.14
Balance at the end of the year	130.10	107.16	271.53
Actual return on Plan Assets	8.75	7.90	23.30
(iii) Assets and Liabilities recognised in the Balance Sheet			
Present Value of Defined Benefit Obligation	141.22	139.20	262.71
Less: Fair Value of Plan Assets	130.10	107.16	271.53
Amounts recognised as liability	11.12	32.04	—
Recognised under:			
Long Term Provision (Refer note 5)	11.12	32.04	—
Short Term Provision (Refer note 5)	—	—	—
Total	11.12	32.04	—

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	Gratuity		Provident Fund
	March 31, 2012	March 31, 2011	March 31, 2012
(iv) Expense recognised in the Statement of Profit and Loss			
Current service cost as per valuation report	8.29	8.23	36.73
Add: Interest cost	10.88	10.63	20.50
Less: Expected Return on Plan Assets	(8.75)	(7.90)	(20.50)
Less: Settlement cost	(0.36)	—	—
Add: Past service cost	—	0.39	—
Less: Actuarial (Gains)/ Losses	2.76	(0.91)	—
Employee Contribution	—	—	(23.80)
Total Expense	12.82	10.44	12.93
(v) Major Category of Plan Assets as a % of total Plan Assets			
Cash (including Special Deposits)	27.57%	0.00%	0.00%
Government Securities	29.35%	17.83%	32.31%
Equities	0.00%	23.41%	0.00%
Non Convertible Debentures issued by Corporate	43.08%	44.87%	47.16%
Others	0.00%	13.89%	20.53%
Total	100.00%	100.00%	100.00%

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial Assumptions			
Discount rate per annum	8.50%	8.40%	8.50%
Expected rate of Return on Plan Assets	8.30%	8.30%	9.00%
Expected salary increase per annum	8.00%	8.00%	NA
Average past service of employees	10.28 Years	11.42 Years	NA
Mortality rate	LIC (1994-96) published table of Mortality rate	LIC (1994-96) published table of Mortality rate	LIC (1994-96) published table of Mortality rate

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(vii) Amounts recognised in current year and previous four years	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Gratuity					
Defined benefit Obligations	(141.22)	(139.20)	(138.12)	(131.05)	(139.31)
Plan assets	130.10	107.16	88.21	69.78	67.13
Funded Status	(11.12)	(32.04)	(49.91)	(61.27)	(72.18)
Experience Gain/ (Loss) adjustment on plan liabilities	(6.84)	(0.66)	(10.92)	7.13	(13.48)
Experience Gain/ (Loss) adjustment on plan assets	(0.14)	(2.73)	2.00	(9.06)	(0.99)
Actuarial Gain/ (Loss) due to change of assumptions	4.22	4.33	(18.27)	NA	NA
Provident Fund					
Defined benefit Obligations	(262.71)	NA	NA	NA	NA
Plan assets	271.53	NA	NA	NA	NA
Funded Status	8.82	NA	NA	NA	NA
Experience Gain/ (Loss) adjustment on plan liabilities	—	NA	NA	NA	NA
Experience Gain/ (Loss) adjustment on plan assets	—	NA	NA	NA	NA
Actuarial Gain/ (Loss) due to change of assumptions	—	NA	NA	NA	NA

* The Company has obtained actuarial valuation for provident funds for the first time in the current year. This is pursuant to the issuance of a guidance note effective April 1, 2011 by Institute of Actuaries of India.

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

	Year ended	
	March 31, 2012	March 31, 2011
(viii) Expected Contribution to the Funds in the next year		
Gratuity	17.37	12.05
Provident Fund	14.82	12.16
(c) Employee Share-based Payments		
(i) Incentive Stock Option Plan of 1998 (1998 plan)		
The stock options vest ratably over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.		
(ii) Stock Appreciation Rights Plan of 1998 (SAR 1998)		
SARs generally vest ratably over a three-year period from the date of grant and expire at the end of ten years. All exercised SARs are settled with the holding company's Class A common shares.		
(iii) Incentive Stock Option Plan of 2007 (2007 plan)		
On June 6, 2007, the shareholders of the holding company approved the Incentive Stock Plan of 2007, which authorises the holding company to issue stock options and other share-based incentives. The plan replaces the 1998 plan which terminated in May 2007. The stock options vest ratably over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.		
(iv) Restricted Stock Unit (RSU)		
Restricted Stock Unit (RSU) are share equivalents that are awarded to an employee with a promise to issue actual shares to holders of the RSU award at vesting. The RSU will vest in one-third installments over three years. Once they vest, each unit is converted into a share of stock at current value.		
These Plans are assessed, managed and administered by the holding Company.		
The number and weighted average exercise prices of stock options for each of the above plans are given in US \$ currency as Rupee values are not available.		

	As at March 31, 2012		As at March 31, 2011	
	Number of options	Weighted Average Exercise Price (US \$)	Number of options	Weighted Average Exercise Price (US \$)
(A) The 1998 and 2007 plan				
(a) outstanding at the beginning of the year	19,615	40.14	29,186	40.91
(b) granted during the year	2,224	40.70	1,374	47.34
(c) forfeited/ cancelled during the year	—	—	4,739	35.92
(d) exercised during the year	—	—	6,206	41.23
(e) outstanding at the end of the year	21,839	40.26	19,615	40.14
(f) exercisable at the end of the year	18,162	39.65	17,168	39.77
(B) SAR 1998				
(a) outstanding at the beginning of the year	3,190	39.43	49,525	35.28
(b) granted during the year	—	—	—	—
(c) forfeited/ cancelled during the year	—	—	1,953	39.43
(d) exercised during the year	—	—	44,382	34.80
(e) outstanding at the end of the year	3,190	39.43	3,190	39.43
(f) exercisable at the end of the year	3,190	39.43	3,190	39.43
(C) RSU				
(a) outstanding at the beginning of the year	1,126	—	3,213	—
(b) granted during the year	794	—	414	—
(c) forfeited/ cancelled during the year	—	—	1,982	—
(d) exercised during the year	660	—	519	—
(e) outstanding at the end of the year	1,260	—	1,126	—
(f) exercisable at the end of the year	—	—	—	—
(D) The Weighted average share price at the date of exercise				
Date of exercise				
May 4, 2010		—		37.35
Oct. 29, 2010		—		38.90
Nov. 12, 2010		—		42.54
Jan. 24, 2011		—		45.37

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

(E) The following table summarises the range of exercise prices, stock options outstanding at the end of the period, and weighted average remaining contractual life

Range of exercise price (US \$)	Outstanding as at March 31, 2012	Weighted Average Contractual Life (years)	Outstanding as at March 31, 2011	Weighted Average Contractual Life (years)
5.00 - 60.00	26,289	4.19	23,931	4.42

(F) The weighted average fair value at the grant date of the stock options granted during the year was estimated to be \$ 10.71 (2011: \$10.41) per share, using the Black-Scholes option-pricing model. The following assumptions were used:

Dividend yield	1.33%	1.33%
Volatility	43.62%	37.48%
Risk-free rate of return	0.92%	2.45%
Expected life	5.14 years	5.10 years

Expected volatility is based on the historical volatility from traded options on the Company's stock. The risk-free rate of return is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the award is granted with a maturity equal to the expected term of the award. Historical data is used to estimate forfeitures within the Company's valuation model. The Company's expected life of the stock option awards is derived from historical experience and represents the period of time that awards are expected to be outstanding.

(G) Other information regarding employee share-based payment plans is as below:

	Year ended	
	March 31, 2012	March 31, 2011
(a) Expense arising from employee share-based payment plans.	2.01	(8.25)
(b) Closing balance of liabilities arising from employee share-based payment plans	12.91	10.90
(c) Total intrinsic value at the end of the year of liabilities for which the right of the employee to cash or other assets had vested by the end of the year	—	—

The above information has been compiled from the data provided by the holding company, which has been relied upon by the auditors.

	Year ended	
	March 31, 2012	March 31, 2011
24 Finance costs		
Interest expense	—	—
Other borrowing costs	4.71	5.34
Total Finance costs	4.71	5.34
25 Depreciation and amortisation expense		
Depreciation on Tangible assets	50.36	47.53
Amortisation on Intangible assets	—	—
Total Depreciation and amortisation expense	50.36	47.53

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	Year ended	
	March 31, 2012	March 31, 2011
26 Other expenses		
Power and fuel	32.73	29.19
Rent	72.09	70.33
Repairs to buildings	8.29	8.36
Repairs to machinery	26.14	27.02
Repairs others	3.91	4.83
Insurance	9.87	11.48
Rates and taxes, excluding taxes on income	1.47	1.83
Travelling	91.05	83.79
Dealer Incentives	12.96	15.19
IT Infrastructure	19.32	17.47
Freight, Insurance and Other Handling Charges	68.76	56.66
Communication	36.34	36.08
Loss on Sale/ write off of Fixed Assets (Net)	1.68	1.83
Cost Contribution (Management Fees)	68.86	62.99
Warranty	51.20	36.83
Advertising expenses	83.13	0.95
Net loss on foreign currency translation	-	17.54
Payments to the auditor		
Audit fees	2.30	2.10
Tax Audit fees	0.25	0.25
Other Services	0.70	0.70
For reimbursement of expenses	0.10	0.23
Bad Debts Written Off	7.19	0.32
Provision for Doubtful Debts and allowances (Net)	-	13.04
Miscellaneous expenses	129.25	122.42
Total Other expenses	727.59	621.43
Expenses capitalised as a part of Capital Work-in-progress		
Salaries and wages	1.09	-
Rent	0.54	-
Travelling	0.05	-
Total	1.67	-
27 Extraordinary and Prior Period items		
Prior Period Items		
Cost Contribution (Management Fees)	-	10.81
Current Tax on above	-	(3.68)
Total Extraordinary and prior period items	-	7.13
28 Earnings per Equity share		
Weighted average number of shares outstanding	31,568,000	31,568,000
(a) Basic and Diluted (including extraordinary and prior period items)		
Profit after Tax	827.63	686.23
Basic EPS (Rs.)	26.22	21.74
(b) Basic and Diluted (excluding extraordinary and prior period items)		
Profit after Tax	827.63	693.36
Basic EPS (Rs.)	26.22	21.96

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	Year ended																												
	March 31, 2012	March 31, 2011																											
29 CIF Value of Imports																													
Raw materials, components and spares parts	1,551.33	1,470.92																											
Capital Goods	0.92	0.09																											
Total	1,552.25	1,471.01																											
30 Expenditure in foreign currency																													
Travelling	2.39	5.66																											
Cost Contribution (Management Fees)	68.86	68.86																											
Others	12.49	11.48																											
Total	83.74	86.00																											
31 Details of Consumption and Purchases																													
(a) Details of Raw Materials/ Packing materials consumed																													
Castings, Bars, Plates, Channels, Angles, Flats, etc.	262.42	240.70																											
Spare Parts and Components (which individually do not account for more than 10% of the total consumption)	3,718.68	3,008.07																											
Packing materials	68.59	61.17																											
Excise duty	4.59	8.00																											
Total	4,054.28	3,317.94																											
(b) Value of imported and indigenous materials consumed																													
	<table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">March 31, 2012</th> <th colspan="2" style="text-align: center;">March 31, 2011</th> </tr> <tr> <th></th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">%</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Raw materials, spare parts and components</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Imported:</td> <td style="text-align: right;">1,858.94</td> <td style="text-align: right;">45.9%</td> <td style="text-align: right;">821.19</td> <td style="text-align: right;">24.7%</td> </tr> <tr> <td>Indigenous:</td> <td style="text-align: right;">2,195.34</td> <td style="text-align: right;">54.1%</td> <td style="text-align: right;">2,496.75</td> <td style="text-align: right;">75.3%</td> </tr> </tbody> </table>			March 31, 2012		March 31, 2011			Amount	%	Amount	%	Raw materials, spare parts and components					Imported:	1,858.94	45.9%	821.19	24.7%	Indigenous:	2,195.34	54.1%	2,496.75	75.3%		
	March 31, 2012		March 31, 2011																										
	Amount	%	Amount	%																									
Raw materials, spare parts and components																													
Imported:	1,858.94	45.9%	821.19	24.7%																									
Indigenous:	2,195.34	54.1%	2,496.75	75.3%																									
32 Dividend remitted in foreign exchange																													
	<table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Year ended</th> </tr> <tr> <th></th> <th style="text-align: center;">March 31, 2012</th> <th style="text-align: center;">March 31, 2011</th> </tr> </thead> <tbody> <tr> <td>For the year 2009 - 2010 (Final Dividend)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">70.08</td> </tr> <tr> <td>For the year 2010 - 2011 (Interim Dividend)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">70.08</td> </tr> <tr> <td>For the year 2010 - 2011 (Final Dividend)</td> <td style="text-align: center;">70.08</td> <td style="text-align: center;">-</td> </tr> <tr> <td>For the year 2011 - 2012 (Interim Dividend)</td> <td style="text-align: center;">70.08</td> <td style="text-align: center;">-</td> </tr> <tr> <td>For the year 2011 - 2012 (Special Dividend)</td> <td style="text-align: center;">420.48</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Number of equity shares held by such non-resident</td> <td style="text-align: center;">23,360,000</td> <td style="text-align: center;">23,360,000</td> </tr> <tr> <td>Number of non-resident shareholders</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>			Year ended			March 31, 2012	March 31, 2011	For the year 2009 - 2010 (Final Dividend)	-	70.08	For the year 2010 - 2011 (Interim Dividend)	-	70.08	For the year 2010 - 2011 (Final Dividend)	70.08	-	For the year 2011 - 2012 (Interim Dividend)	70.08	-	For the year 2011 - 2012 (Special Dividend)	420.48	-	Number of equity shares held by such non-resident	23,360,000	23,360,000	Number of non-resident shareholders	1	1
	Year ended																												
	March 31, 2012	March 31, 2011																											
For the year 2009 - 2010 (Final Dividend)	-	70.08																											
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For the year 2010 - 2011 (Final Dividend)	70.08	-																											
For the year 2011 - 2012 (Interim Dividend)	70.08	-																											
For the year 2011 - 2012 (Special Dividend)	420.48	-																											
Number of equity shares held by such non-resident	23,360,000	23,360,000																											
Number of non-resident shareholders	1	1																											
33 Earnings in foreign currency																													
Exports calculated on FOB basis	1,174.53	949.66																											
Freight and insurance on exports	0.79	1.66																											
Business support and auxiliary services/ Recovery of expenses	17.49	26.27																											
Total	1,192.82	977.59																											

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - Contd.
34 Segment Reporting:

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems and amounts allocated on a reasonable basis.

The business segment comprise of the following:

Air Solutions (AS) - comprising of reciprocating compressors, centrifugal compressors and system components

Others - arising on account of contract manufacturing for fellow subsidiary.

The expenses, assets and liabilities relating to Chennai Plant has been grouped under Other unallocable head.

Geographical segment is considered based on sales within India and outside India.

Particulars	AS		Others (notes)		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
A. Primary Segment: Business Segment						
Revenue						
External Revenue	5,826.04	4,790.07	171.10	180.46	5,997.14	4,970.53
Intersegment Revenue	-	-	-	-	-	-
Total Revenue	5,826.04	4,790.07	171.10	180.46	5,997.14	4,970.53
Result						
Segment Result	724.36	572.82	15.70	14.47	740.06	587.29
Less:						
Interest					4.71	5.34
Unallocable Other Expenditure					235.88	142.44
Fringe benefit Tax paid					-	0.59
Cost Contribution (Management Fees) relating to Prior Year (net of taxes)					-	7.13
Add:						
Liabilities no longer required written back					53.14	-
Unallocable Other Income					679.83	579.74
Profit Before Taxation					1,232.44	1,011.53
Other Information						
Segment Assets	3,027.85	2,632.44	81.35	82.40	3,109.20	2,714.84
Unallocable Assets					6,343.60	6,896.76
Total Assets					9,452.80	9,611.60
Segment Liabilities	1,051.69	1,212.18	28.91	19.37	1,080.60	1,231.55
Unallocable Liabilities					232.69	187.62
Total Liabilities					1,313.29	1,419.17
Capital Expenditure (Excluding Capital Work in Progress)						
Segment Capital Expenditure	36.61	64.74	-	-	36.61	64.74
Unallocable Capital Expenditure					205.24	-
Total Capital Expenditure					241.85	64.74
Depreciation						
Segment Depreciation	49.13	47.53	-	-	49.13	47.53
Unallocable Depreciation					1.23	-
Total Depreciation					50.36	47.53
Non-Cash Expenses other than Depreciation	22.01	42.38	-	-	22.01	42.38
B. Secondary Segment: Geographical Segment						
Revenue						
India					4,822.61	4,020.87
Outside India					1,174.53	949.66
					5,997.14	4,970.53
Assets						
India					9,022.19	9,249.67
Outside India					430.61	361.93
					9,452.80	9,611.60

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

35 Related Party Disclosures:

(a) Names of related parties and nature of relationship:

- (i) Where control exists
 - Ingersoll-Rand plc, Ireland Ultimate Holding Company
 - Ingersoll-Rand Company, New Jersey, U.S.A. Substantial Interest in Voting Power of the Company (holds 74% of equity share capital as at 31st March, 2012)

(ii) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiaries:

- Club Car Inc., U.S.A. Ingersoll - Rand Malaysia Co. Sdn. Bhd., Malaysia
- GHH - Rand Schraubenkompressoren GmbH, Germany Ingersoll - Rand South-East Asia (Pte) Limited, Singapore
- Hibon Inc., Canada IR- Manufacturing S.R.O., Czech Republic
- Ingersoll - Rand (Australia) Limited, Australia Nanjing Ingersoll -Rand Compressor Co. Ltd. China
- Ingersoll - Rand (Chang Zhou) Tools Co. Ltd., China Officina Meccaniche Industriali SRL, Italy
- Ingersoll - Rand (China) Industrial Equipment Manufacturing Co. Limited, China Plurifiter D.O.O, Slovenia
- Ingersoll - Rand Air Solutions Hibon Sarl, France Refrans SA, Spain
- Ingersoll - Rand Brasil Ltda, Brazil Schlage Lock Division LLC, USA
- Ingersoll - Rand Company Limited, United Kingdom Service First Aircon Pvt. Limited, India
- Ingersoll - Rand Company South Africa (Pty) Limited, South Africa Shanghai Ingersoll - Rand Compressor Limited, China
- Ingersoll - Rand CZ s.r.o, Czech Republic Thermo King India Private Limited, India
- Ingersoll - Rand European Sales Limited, United Kingdom Thermoking Corporation, U.S.A.
- Ingersoll - Rand Industrial Products Private Limited, India Thermoking European Manufacturing Limited, Ireland
- Ingersoll - Rand International (India) Limited, India Thermoking Ireland Limited, Ireland
- Ingersoll - Rand International Limited, Ireland Trane BVBA, Belgium
- Ingersoll - Rand Italiana, S.P.A., Italy Trane India Pvt. Limited, India
- Ingersoll - Rand Machinery (Shanghai) Co. Ltd, China

Key Management Personnel

- Venkatesh Valluri
- Jaideep Wadhwa (Part of the year)
- B. Jayaraman
- Prasad Y.Naik
- Sameer Agarwal (Part of the Year)
- Amar Kaul (Part of the Year)

Key Management Personnel do not exercise significant influence in the employee trust funds where they are the Trustees.

(b) Transactions/Balances

	Holding Company		Fellow Subsidiaries	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(a) Sale of finished goods	817.21	641.24	496.94	462.82
(b) Rent received	-	-	37.29	36.70
(c) Rent Paid	-	-	9.34	9.34
(d) Purchase of raw materials, components and trading items	260.43	128.13	489.77	697.39
(e) Purchase of fixed assets	-	-	2.84	4.82
(f) Cost Contribution (Management Fees)	68.86	73.80	-	-
(g) Expenses recharged by other Companies	1.84	16.24	9.23	9.20
(h) Income from services / Expenses recharged	4.19	12.61	107.82	96.73
(i) Liability no longer required written back **	53.14	-	-	-
(j) Intercorporate Loans given	-	-	-	195.00
(k) Interest Income on Intercorporate Loans given	-	-	171.87	167.61
(l) Dividend	560.64	140.16	-	-
(m) Outstanding Receivables	389.80	293.18	87.14	132.06
(n) Outstanding Intercorporate Loans receivable (including interest thereon)*	-	-	1,470.00	1,470.00
(o) Outstanding Payables	109.33	179.49	73.09	122.14

* Backed by Corporate guarantee issued by ultimate holding company.

** Represents aged payables waived off, written back.

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - Contd.

	March 31, 2012	March 31, 2011
(c) Details relating to Key Management Personnel:		
Remuneration Paid:		
(a) Jaideep Wadhwa (part of the previous year)	-	6.39
(b) B. Jayaraman	10.69	9.42
(c) Prasad Y.Naik	8.33	7.04
(d) Amar Kaul (part of the year)	9.40	-
(e) Sameer Agarwal (part of the year)	3.63	4.09
(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties		
(a) Sale of finished goods		
- Nanjing Ingersoll -Rand Compressor Co. Ltd., China	65.61	54.59
- Ingersoll - Rand Malaysia Co. Sdn. Bhd., Malaysia	N.A	61.70
- Ingersoll-Rand International Limited, Ireland	156.32	100.02
- Thermo King India Private Limited, India	154.74	161.90
(b) Rent received		
- Trane India Pvt. Limited, India	9.01	12.73
- Ingersoll-Rand International (India) Limited, India	16.19	14.21
- Service First Aircon Pvt. Limited, India	6.80	5.58
(c) Rent Paid		
Ingersoll - Rand International (India) Limited, India	9.34	9.34
(d) Purchase of raw materials, components and trading items		
- Ingersoll Rand International Limited, Ireland	292.79	441.46
- Hibon Inc., Canada	N.A	89.29
(e) Purchase of fixed assets		
- Ingersoll - Rand Industrial Products Private Limited, India	2.66	4.76
(f) Expenses recharged by other Companies		
- Schlage Lock Division LLC, USA	9.06	8.72
(g) Income from services / Expenses recharged		
- Ingersoll Rand Industrial Products Private Limited, India	19.15	19.42
- Ingersoll-Rand International (India) Limited, India	47.01	42.32
- Thermo King India Private Limited, India	17.33	14.42
(h) Intercorporate Loans given		
- Ingersoll-Rand International (India) Limited, India	-	110.00
- Thermo King India Private Limited, India	-	85.00
(i) Interest Income on Intercorporate Loans given		
- Ingersoll-Rand International (India) Limited, India	102.30	100.56
- Thermo King India Private Limited, India	69.57	67.05
(j) Outstanding Receivables		
- Ingersoll Rand International Limited, Ireland	N.A	40.58
- Thermo King India Private Limited, India	45.97	61.41
- Nanjing Ingersoll -Rand Compressor Co. Ltd. China	17.14	N.A
(k) Outstanding Intercorporate Loans receivable (including interest thereon)		
- Ingersoll-Rand International (India) Limited, India	875.00	875.00
- Thermo King India Private Limited, India	595.00	595.00
(l) Outstanding Payables		
- Ingersoll Rand International Limited, Ireland	46.86	75.83
- Officina Meccaniche Industriali SRL, Italy	N.A	16.84

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

(All amounts in Rupees Million, unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

36 Leases

As a lessee:

Operating Lease

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and noncancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

	Year ended	
	March 31, 2012	March 31, 2011
With respect to all operating leases;		
Lease payments recognised in the Statement of Profit and Loss during the year	72.09	70.33
Sub-lease payments received/receivable recognised in the Statement of Profit and Loss during the year	38.98	38.35
With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	62.24	53.37
Later than one year and not later than five years	122.90	87.82
Later than five years	-	-

As a lessor:

Operating Lease

The Company has given plant and machinery and also sub-let premises on operating leases. These lease arrangements range for a period less than 60 months and are cancellable by notice of 30 days by either side. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

37 Dues to micro and small enterprises

(a) (i) The principal amount remaining unpaid as at end of the year	23.25	51.87
(ii) Interest due thereon remaining unpaid as at end of the year	0.24	0.46
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:		
(i) Delayed payments of principal beyond the appointed date during the entire accounting year	97.83	193.00
(ii) Interest actually paid under Section 16 of the MSME Act	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act	-	-
(d) The amount of interest accrued and remaining unpaid as at end of the year in respect of principal amount settled during the year	2.25	4.21
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSME Act	9.47	4.80

Note: The above information has been determined based on vendors identified by the Company and to the extent these have been confirmed by such vendors, which have been relied upon by the auditors

38 Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

VENKATESH VALLURI
Chairman

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

RADHAKRISHNAN B
Partner
Membership Number F25516
Place : Bangalore
Date : May 03, 2012

P. R. SHUBHAKAR
Gen. Manager - Corp. Finance
and Company Secretary

B. JAYARAMAN
Vice President - Finance
Place : Bangalore
Date : May 03, 2012

INGERSOLL-RAND (INDIA) LIMITED

Registered Office : Plot No. 35, KIADB Industrial Area, Bidadi, Bangalore - 562 109

May 3, 2012

To,

THE SHAREHOLDERS OF

INGERSOLL - RAND (INDIA) LIMITED

Dear Member,

1. Depository System :

As you are aware the equity shares of the company are in compulsory demat list and are available for trading in depository system operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS).

The Shareholder opting to join the depository system would be required to open an account with a Depository Participant (DP) who is an agent of NSDL or CDS, in the prescribed form. Requests for dematerialisation and rematerialisation will have to be forwarded by the shareholder through his DP. An updated list of the DP's would be available with NSDL or CDS. For further clarification/information with regard to scripless trading, you may correspond with NSDL or CDS or the Company's Registrar and Share Transfer Agent at the following address :

- | | |
|--|---|
| i) National Securities Depository Ltd
Trade World, 4 th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai- 400 013
Tel : 022 - 2499 4200
Fax : 022 - 2495 0664 | ii) Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers.
17 th Floor, Dalal Street,
Mumbai- 400 023
Tel : 022 - 2272 3333
Fax : 022 - 2272 3199 |
| iii) TSR Darashaw Limited,
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011
Tel : 022 - 6656 8484
Fax : 022 - 6656 8494
Email : csg-unit@tsrdarashaw.com | |

2. Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, stating that Companies can now send various communication and documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Accordingly, your Company proposes to henceforth effect electronic delivery of communication / documents including the Annual Reports and such other necessary communication / documents from time to time to the shareholders, who have provided their e-mail address to their Depository Participant (DP). Shareholders holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are requested to please promptly inform their e-mail address to the Company's Registrar and Share Transfer Agent.

E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) which will be periodically downloaded, will be deemed to be your registered e-mail address for serving the necessary communication / documents. Thus, the necessary communication would be sent in electronic form to the registered e-mail address. Shareholders who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP from time-to-time.

We seek your support to this initiative and opt for the electronic mode of communication in the interest of environment.

3. Unclaimed Dividends :

Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, it will be paid by the Company's Registrar and Share Transfer Agent, i.e. TSR Darashaw Limited after it is duly revalidated. Please encash your dividend warrant on receipt as the dividend amounts remaining unpaid at the expiry of seven years from the date of payment are required to be transferred to the Investor Education and Protection Fund established by the Central Government and you will thereafter have no claim to the amount once they are transferred to the aforesaid fund of the Central Government.

The Unclaimed dividends for the following accounting years will be transferred to the aforesaid fund of the Central Government on the dates specified against each of the years shown below :

2004-2005 (Final)	August 20, 2012
2005-2006 (Interim)	December 29, 2012
2005-2006 (Final)	July 31, 2013
2006-2007 (Interim)	November 11, 2013
2006-2007 (Final)	August 24, 2014
2007-2008 (Interim)	November 26, 2014
2007-2008 (Final)	September 23, 2015
2008-2009 (Interim)	December 22, 2015
2008-2009 (Final)	October 12, 2016
2009-2010 (Interim)	December 28, 2016
2009-2010 (Final)	September 24, 2017
2010-2011 (Interim)	December 20, 2017
2010-2011 (Final)	August 23, 2018
2011-2012 (Special)	August 22, 2018
2011-2012 (Interim)	November 22, 2018

Shareholders who have not encashed the dividend warrants for the above years are, therefore, requested to immediately forward the same duly discharged, to the Company's Registrar and Share Transfer Agent i.e. - TSR Darashaw Limited for payment. Shareholders are particularly requested not to wait till the last date mentioned above, but to send the dividend warrants atleast one month before the dates mentioned above so as to facilitate payment of dividend amounts due to them.

4. Dividend Payment :

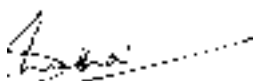
The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2012 if declared at the Annual General Meeting will be made payable on July 24, 2012 to those members whose names appear in the Register of Members of the Company on July 5, 2012. In respect of Shares held in electronic form, the dividend will be paid to the beneficial owners of the Shares whose names appear in the list furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDS] for this purpose as on July 5, 2012.

The Company provides Electronic Clearing Service (ECS) facility for payment of dividend. Members are requested to intimate their Folio No.(s), Name and Branch of the Bank, in which they wish to receive the dividend, the Bank Account type, Account Number and the 9 digit MICR Code Number. This information should be intimated in respect of shares held in electronic form, to the Depository Participant and in respect of the shares held in physical form, to the Registrar and Share Transfer Agent of the Company at the address given above.

Those members who do not wish to avail of the ECS facility, are requested to furnish to their Depository Participants, the Name and Branch of the Bank and the Bank Account Number, which will be printed on the warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of Shares held in Physical form will not be automatically applicable to the dividend paid on Shares held in electronic form. Members, may therefore give instructions regarding bank account in which they wish to receive dividend to their Depository Participants.

Very truly yours,

For **INGERSOLL-RAND (INDIA) LIMITED**



P. R. SHUBHAKAR
General Manager - Corp. Finance and
Company Secretary

Ingersoll Rand Innovates Evolution Range of Contact Cooled Rotary Screw Air Compressor



Product localization that caters to the needs of local customers is a key focus area for Ingersoll Rand. Over 2011-12, Ingersoll Rand innovated and developed 'Evolution', a new brand of contact cooled rotary screw air compressor for the Indian market. This new product has been designed specifically to meet industry requirements while delivering energy efficiency and superior performance.

The latest entrant in Ingersoll Rand's compressor family, the N-Series 4-75 kW rotary screw air-compressor (that will be made available up to 501 cfm capacity) has many advanced features. Each new feature of the Evolution rotary screw air compressor contributes to an overall design that answers customers' concerns with real-world advantages in performance and value.

Evolution compressors come with Long Life Synthetic Ultra Coolant Biodegradable synthetic ultra coolant with 8,000 hours long life that helps reduce maintenance cost and increase productivity. With Dual-Control Operation there is greater reliability and effective load/no-load control with automatic stop and restart facility for maximum flexibility. All key maintenance components have been grouped to provide ease of serviceability.

The Evolution range that has been designed with the latest technology, effectively addresses the following:

- Provides more volume of air, ease of operation, low maintenance and reliable air supply.
- The optimally designed blower reduces power cost by eliminating the need for extra fan motor and provides efficient cooling in 46°C ambient environment.
- Advanced Microprocessor Controller's electronic display lets customers monitor:
 - Package discharge pressure;
 - Total hours run;
 - Maintenance timer;
 - Fault indicator; and
 - Flashing LED indicates service overdue and ensures trouble free maintenance.

Evolution is a brand developed for the India market, by our India team at our manufacturing plant in Naroda. Based on customer feedback, these air compressors have been designed ground-up for tropical Indian conditions and will ensure the best level of performance and reliability that customers come to expect of Ingersoll Rand.



The Evolution business directly supports our strategy to grow in emerging markets. It is the result of innovation and creating productive manufacturing environments for our customers in India.



Ingersoll-Rand (India) Limited
Plot No. 35, KIADB Industrial Area,
Bidadi, Bangalore-562109.