

A photograph of a person's legs and feet walking on a sandy beach. The person is walking away from the camera towards the ocean. In the foreground, several footprints are visible in the sand, and small green plants are growing out of them. The ocean waves are visible on the left side of the frame.

# DRIVING INNOVATION FOR A SUSTAINABLE FUTURE

Annual Report  
2014-15

Ingersoll Rand (India) Limited

 **Ingersoll Rand**  
Inspiring Progress™



# 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-Gurgaon  
Indore-Jamshedpur-Kolkata-Mumbai-  
Nagpur-Pune-Secunderabad-Surat

## MANUFACTURING FACILITIES

21-30, G.I.D.C. Estate,  
Naroda,  
Ahmedabad - 382 330

Plot No. 61, 8th Avenue,  
1st Cross Road, Mahindra World City,  
Chengalpattu Taluk,  
Kancheepuram District,  
Tamil Nadu - 603 002

## BOARD OF DIRECTORS

Mr. Venkatesh Valluri      Chairman  
Mr. Roman Steinhoff  
Ms. Jayantika Dave  
Mr. Hemraj C. Asher  
Mr. Darius C. Shroff

## OFFICERS

Mr. G. Madhusudhan Rao      Vice President - Finance  
Mr. Prasad Y. Naik      Vice President - Information Technology  
Mr. Amar Kaul      Vice President & General Manager - Air Solutions  
*(Manager under Companies Act, 2013)*

## COMPANY SECRETARY

Mr. P. R. Shubhakar

## AUDITORS

Price Waterhouse & Co Bangalore LLP  
Chartered Accountants

## 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.

## *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.

### **Making a Difference for Ingersoll Rand and the World**

**Our winning culture is based on the belief that when employees with diverse backgrounds and skills are fully engaged in the company's work, better outcomes are achieved for our customers and shareholders. This success then further engages our people in our vision and purpose. We continue to strengthen our winning culture because we understand it is a unique aspect of our competitive advantage and difficult for others to copy. Our strong employee engagement fosters a climate of innovation that leads to products and services that are better for our customers, society and the environment. Our winning culture reflects the company's commitment to best practices in corporate citizenship and building our reputation. Our employees lead this effort by giving and volunteering their time in our communities.**



# *From the Chairman's desk*

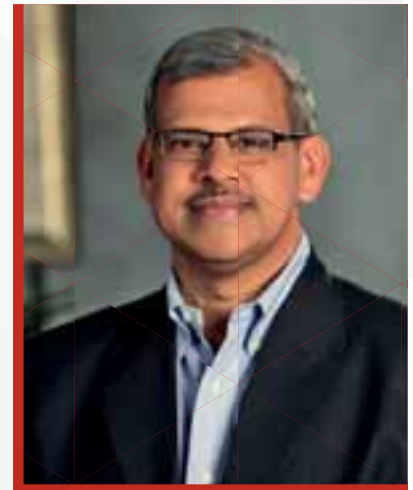
Dear Shareholders,

I welcome you to the 93<sup>rd</sup> Annual General Meeting of your Company. Your company has continued to deliver innovative solutions to pressing global challenges in 2014. We are on the right path with a focus on the right businesses, right operating system and right people to attain high engagement and results. Our consistent performance over time has solidified our reputation as a company that delivers results with the highest level of integrity while being a socially responsible business, at the same time.

2014 was a year of change with the new government in India laying emphasis on reforms aimed at faster economic growth thus building a road map for development in the country. Ingersoll Rand welcomes the policies of the new government, which aim to provide a positive environment for the economic growth of the country. The year was also marked with challenges in the power generation and power transmission sectors. The Government of India's big-ticket announcements like Make in India, Smart Cities, investment in Infrastructure, opening up of Foreign Direct Investment (FDI) in several sectors and steps taken to streamline the decision making process, removing bottlenecks in investment and the surge in investor interest is expected to fuel growth in the coming years. Assuming that a number of these reforms take root, I would expect the economy to grow in the region of 7% over the next three to four years.

Ingersoll Rand has successfully identified these positive trends and our strategy and portfolio, has positioned us well to take advantage of these opportunities. Your company is working with an objective to create markets "In India; For India; By India" by using the Technology and Innovation convergence approach. We are deploying strategic innovations and solutions to achieve market expansion through a new definition of collective collaboration across industries and other relevant stakeholders. This will help in lowering capital investments and increasing returns.

We are growing Ingersoll Rand by developing new, more productive and efficient products, thus increasing our service businesses and expanding market coverage in terms of geography. We continue to execute our growth strategy and refine our product development process. Through rigorous analysis, we provide a set of alternatives and choose the best solutions for our customers, and in turn, our businesses.



## *Financial Highlights*

We recorded revenues of INR 655.53 crores during the year ending March 31<sup>st</sup>, 2015. This was 13% higher compared to revenues of the previous year. Our profits after tax stood at Rs. 66.15 crores, which were at 10.1% of revenues.

## *Growth opportunities with differentiated products and solutions*

2014 was a year of many small and big initiatives that helped us deliver a strong performance. We started the Naroda plant transformation with an investment of INR 100 crores to make our operations safe, efficient and lean to provide better service to our customers. With a successful completion of Phase I of our transformation journey, the plant is ready to kick-off Phase II now.

This year, we achieved a significant milestone with the installation of our 250<sup>th</sup> Oil-Free Rotary Machine in the field. This achievement reinforces customer confidence in what we have built over the years and shows acceptance by the key industry verticals like power, pharmaceuticals, food & beverage, chemicals, electronics, automobile and textile sectors.

Focusing on growth, we also launched the 3CIII standard design-CENTAC, gear-driven 30-37kW Chakra as well as oil-free scroll products in the country to showcase our ability to generate local design and launch innovative localized products in the market.



## *The Right Operating System*

We've matured in our operational excellence journey — focusing the whole company on creating a lean operating system where we use standard work to create value, reduce cycle times and enhance quality that makes the customer experience better.

In 2014, we recorded a cumulative 4 million man-hours Lost Time Injury (LTI) free for four years in a row since July 2010. The Naroda plant is one of our flagship facilities and we are upgrading the facility by introducing new flexible production techniques, enhanced process efficiency methods and new technologies. Through this transformation, we are achieving operational excellence with a significant 3P (Production, Preparation, Process) re-layout that will reduce flow time and lead time, achieve 95%+ on-time delivery, improve Inventory turns, and reduce COPQ and labor costs.

We also launched six growth projects with focused approach in areas including – Oil-free Screw, Vertical Market, Channel Development, Parts Growth, Air Treatment, Contact-Cooled Rotary. Our growth projects and new customer acquisition also resulted in significant market share increase for us this year.

## *Talent & Building a Progressive, Diverse and Inclusive Culture*

Our philosophy is to make our company a great place for people to work which in turn drives a great customer experience and ultimately, grows shareholder value.

We've applied this philosophy to how we operate, and we continue to measure our progress. Your company has been named as the '2014 Dream Company to Work For' in the manufacturing sector as part of the Global HR Excellence Awards organized by the World HRD Congress. For the second consecutive year, we retained the number 1 position within the manufacturing sector and also moved up one spot to number 3 in India across industries. Ingersoll Rand has cultivated its talent and enabled a value based Winning Culture by adopting best in class HR practices in the industry and driving excellence in training.



Building a PDI culture continues to be a part of our enterprise strategy and to further this endeavor, your company initiated an innovative series to celebrate the Indian Culture. Celebrating diversity of the nation and to increase employee awareness, respect and appreciation of regional differences in India, an event series was initiated this year to celebrate various regions of the country.

Talent attraction and retention continues to be a priority for the company and we've taken all important steps to have an engaged employee force. We will continue to build on this Winning Culture and our HR Excellence as a vital part of our Path to Premier Performance to achieve the outcomes: Engaged Employees, Delighted Customers and Confident Shareholders.

## *CSR Excellence*

At Ingersoll Rand, we believe in creating sustainable products and in making a positive impact with a ripple effect to last the ages. We believe in better, happier, healthier future by Corporate Social Value creation and building a mutually beneficial relationship with the communities we operate in.

This year marked the introduction of the CSR Rules under the Companies Act, 2013. As a socially responsible corporate citizen, your company has increased its CSR budgets to meet the government mandate. Our CSR Policy details out our deep focus on providing Education, Healthcare & Sanitation, Livelihood and furthering Sustainability around the areas of our operations.



All our projects are built on this very foundation and our approach continues to be to engage with the right partners engaged in advancing the core beliefs of Ingersoll Rand. Our work on Swachh Bharat Mission with Habitat for Humanity, spreading Science Education with Agastya, providing mid-day meals for children with Akshaya Patra, supporting Eye care with Sankara Foundation and supporting Lake Uttarhalli with United Way - are all steps towards improving the living standards of the societies where Ingersoll Rand operates.

We continue to responsibly engage to improve societal issues, through our innovative CSR programmes as you'll read about in this year's report.

## *Working towards a better tomorrow*

Looking ahead, we won't change what's working — focusing on the fundamentals of growth, our operating system and our culture to serve our customers. We want to be a company people want to work for, customers want to buy from, investors want to invest in and a company admired by the world.

In 2014, Ingersoll Rand globally made a public commitment to significantly increase energy efficiency and reduce environmental impacts from our operations and product portfolio by 2030, with key milestones specified for 2020. We acknowledge the significant risks of climate change and deteriorating environmental health pose to the world and the urgent need to address and adapt to the effects of climate change. As the Indian economy develops, it is essential to drive robust initiatives to improve energy efficiency and sustainability.

I am optimistic about our future. We have together accomplished a lot and it is now our responsibility, individually and collectively to take the company to the next growth phase. We are committed to drive profitable growth by leveraging what has been created and lead the innovation for emerging economies. Your company is ready to lead the future in the emerging markets, where it plays, and this market will become the ground for the rest of world to learn from.



Venkatesh Valluri  
Chairman



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## Highlights of the Year

	2014-15		2013-14	
Domestic Sales	Rs.	5,079.12 million	Rs.	4,656.61 million
Export Sales	Rs.	1,447.33 million	Rs.	1,221.24 million
(Less): Excise Duty	Rs.	(559.37) million	Rs.	(540.79) million
Other Revenue from Operations	Rs.	588.24 million	Rs.	450.18 million
Total Revenue from operations	Rs.	6,555.32 million	Rs.	5,787.24 million
Profit before tax	Rs.	1,009.46 million	Rs.	984.35 million
As a % of revenue		15.40		17.01
Profit after tax	Rs.	661.46 million	Rs.	669.57 million
As a % of revenue		10.09		11.57
Return on total resources (%)				5.81
Net worth per share	Rs.	303.22	Rs.	289.73
Earnings per share	Rs.	20.95	Rs.	21.21
Price earnings ratio		48.18 times		21.67 times
Dividend per share	Rs.	6.00	Rs.	6.00
Cover		3.5 times		3.5 times
Net sales/total assets		0.5 times		0.5 times
Profit after tax/gross fixed assets (%)		39.78		41.05
No. of employees		724		670
No. of shareholders		20,578		19,952

## 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)	2,764,067	9%
Bodies Corporate and Trusts	762,751	2%
Directors and their relatives	105,000	0% *
Others	4,576,182	15%
Total	31,568,000	100%

\* Less than 1%

# Notice

Notice is hereby given that the Ninety-Third Annual General Meeting of the members of Ingersoll-Rand (India) Limited (the "Company") will be held at Eagleton – The Golf Resort, 30th km., Bangalore – Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109 at 12.00 noon on Wednesday, September 23, 2015 to transact the following business: -

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and Statement of Profit and Loss for the year ended March 31, 2015 together with the reports of the Directors and the Auditors.
2. To declare a dividend on equity shares of the Company for the year ended March 31, 2015.
3. To consider, and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, (Firm Registration No. 007567S/S200012) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting be and is hereby ratified and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient for implementing and giving effect to this resolution .

RESOLVED FURTHER THAT the Board of Directors of the Company, based on the recommendation of the Audit Committee, be and is hereby authorized to fix the remuneration (including terms of payment) including reimbursement of all out-of-pocket expenses, service tax and such other taxes, as may be applicable, in connection with the audit of the accounts of the Company for the financial year ending March 31, 2016.

## SPECIAL BUSINESS

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

RESOLVED THAT Mr. Roman Steinhoff (DIN: 07079541) who was appointed as a Director by the Board of Directors of the Company on February 4,

2015 pursuant to Section 161(4) of the Companies Act, 2013 and other applicable provisions, if any, read with Article 119 of the Company's Articles of Association to fill in the casual vacancy caused by the resignation of Mr. Venkatesh Valluri and who holds office up to the date of this Annual General Meeting being the date up to which Mr. Valluri would have held office if he had not resigned and, in respect of whose appointment, the Company has received notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT Ms. Jayantika Dave (DIN No. 01585850) who was appointed as an Additional Director by the Board of Directors of the Company on September 12, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions, if any, and who holds office up to the date of this Annual General Meeting and, in respect of whose appointment, the Company has received notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT Mr. Venkatesh Valluri, Director (DIN No. 00047514) who was appointed as an Additional Director by the Board of Directors of the Company on February 5, 2015 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions, if any, and who holds office up to the date of this Annual General Meeting and, in respect of whose appointment, the Company has received notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies

(Audit and Auditors) Rules, 2014 and subject to guidelines and approvals of the Central Government as may be applicable, M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2016 be paid remuneration of Rs. 150,000/- plus service tax and such other taxes, as may be applicable, and reimbursement of approved out - of - pocket expenses in connection with audit of the cost accounts of the Company.

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

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

RESOLVED THAT the Company doth hereby approve the Export Agreement, Import Agreement and Services Agreement respectively entered into by the Company for the financial year 2014-15 for (i) export of finished goods to, (ii) import of components from and (iii) rendering services to and availing services from Ingersoll Rand Company, USA ("Holding Company") and transactions carried out under the agreements for specified amounts stated therein, the agreements collectively referred to as 'Holding Company Agreements', principal terms whereof are mentioned in the Explanatory Statement annexed hereto, consent of the Audit Committee and Board of Directors, as applicable, having been obtained thereto.

RESOLVED FURTHER THAT each of the Board of Directors, Audit Committee and the Management of the Company be and is hereby authorized, as may be appropriate or relevant, to implement and give effect to this resolution

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

RESOLVED THAT the Company doth hereby approve the Export Agreement, Import Agreement and Services Agreement respectively entered into by the Company for the financial year 2014-15 for (i) export of finished goods to, (ii) import of components from and (iii) rendering services to and availing services

from Ingersoll Rand International Limited, Ireland, ('Ireland Related Party') and transactions carried out under the agreements for specified amounts stated therein, the agreements collectively referred to as 'Ireland Related Party Agreements', principal terms whereof are mentioned in the Explanatory Statement annexed hereto, consent of the Audit Committee and Board of Directors, as applicable, having been obtained thereto.

RESOLVED FURTHER THAT each of the Board of Directors, Audit Committee and the Management of the Company be and is hereby authorized, as may be appropriate or relevant, to implement and give effect to this resolution

NOTES: -

- (a) 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.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from September 11, 2015 to September 14, 2015, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.
- (c) The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2015, 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 September 10, 2015.
- (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 September 10, 2015. The Company will dispatch the dividend warrants from September 28, 2015 onwards.
- (d) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the

bank account details furnished by the depositories for depositing dividends. Bank account details given by Members to their Depository Participants (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned members. Members who hold shares in dematerialized form must therefore give instructions regarding their bank account details to their DPs. The Company will not act on any request received directly from the Members for changes in their bank account details. Further, instructions, if any, given by members for shares held in physical form will not be applicable to the dividend paid on shares held in electronic form.

In terms of Section 123, read with Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund of the Central Government. Accordingly, the Company would be transferring the Final Dividend 2007-08 for the year ended March 31, 2008 and the Interim Dividend 2008-09 for the year ended March 31, 2009 on or before September 23, 2015 and December 22, 2015 respectively.

Members are requested to ensure that they claim the dividends referred to above, before it is transferred to the said Fund. Members are requested to make their claims to the Company/Registrar and Share Transfer Agents immediately. Please note that as per Section 125 of the Companies Act, 2013, 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.

- (e) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in dematerialized form may file nomination in the prescribed Form SH13 (in duplicate) with the respective Depository Participants and in respect of shares held in physical form, such nomination may be filed with the Company's Registrar and Share Transfer Agents.
- (f) The Ministry of Company Affairs (MCA) has taken Green Initiative in Corporate Governance allowing paperless compliance by Companies through electronic mode. Taking advantage of this Green Initiative of the MCA, the Company has decided

to send all correspondences like notices of general meetings, abstracts, audited financial statements (Annual Report) through electronic means to the registered e-mail addresses of the Members made available to the Company. Please note that the said documents would also be available on the Company's website [www.ingersollrand.co.in](http://www.ingersollrand.co.in) from where they can be downloaded by the members. In case you desire to receive the above mentioned documents in physical form you are requested to send an e-mail to the Company's Registrar and Share Transfer Agents to [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

- (g) Please note that you are entitled to receive the above mentioned documents free of cost upon a requisition from you as a member of the Company. Members holding shares in the dematerialized form who wish to receive the above mentioned documents in electronic form and who have so far not registered their e-mail addresses may do so with their concerned Depository Participant. Members holding shares in physical form who wish to receive the above mentioned documents in electronic form are requested to register their e-mail id with the Company's Registrar and Share Transfer Agents.
- (h) Members who wish to attend the meeting are requested to bring the 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
- (i) Members are requested to affix their signature at the place provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the place of the Meeting. The identity/signature of the members holding shares in dematerialized form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such members are advised to bring the Depository Participant (DP ID) and account number (client ID) to the meeting for recording of attendance at the meeting.
- (j) 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 at least 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.
- (k) As required under Clause 49 of the Listing Agreement of the Stock exchanges, the relevant details of person

seeking reappointment as director, has been furnished in the Corporate Governance Report forming part of this Annual Report.

(I) E- VOTING (Voting through electronic means)

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted vide Notification F. No. 01/34/2013-CL-V-Part-I dated March 19, 2015 enacting the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 93rd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as under:-

A. In case a Member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company/Depository Participants):

- i. Open e-mail and open PDF file viz. "Ingersoll Rand India e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iii. Click on Shareholder – Login
- iv. Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVEN" of Ingersoll-Rand (India) Limited
- viii. Now you are ready for e-voting as Cast Vote Page opens
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional holders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting@irco.com](mailto:evoting@irco.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a member receives a physical copy of the Notice of the Annual General Meeting (for members whose e-mail addresses are not registered with the Company/Depository Participants or requesting physical copy):

i. Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting: EVEN (E-Voting Event Number) USER ID PASSWORD/PIN

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at Downloads section of [www.evoting@nsdl.com](http://www.evoting@nsdl.com)

III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/ PIN for casting your vote.

IV. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on September 19, 2015 (9.00 am IST) and ends on September 22, 2015 (5.00 pm IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 16, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting after September 22, 2015 (5.00 pm IST). Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

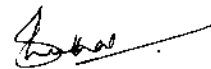
- VI. Any person who acquires shares of the Company and becomes member of the Company after dispatch of notice of Annual General Meeting and holding shares as on the cut-off date i.e. September 16, 2015 may obtain User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- VII. A person whose name is recorded in the register of members or in the beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through polling paper.
- VIII. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 16, 2015.
- X. Ms. Aditi Misra, Advocate, Crawford Bayley & Co., Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of the e-voting period, unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make, not later than three (3) days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- XII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ingersollrand.co.in](http://www.ingersollrand.co.in) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results will also be communicated to

BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited, where the shares of the Company are listed.

- XIII. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company at Unit: Ingersoll-Rand (India) Limited, TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, in the enclosed postage pre-paid self-addressed envelope, not later than September 22, 2015 (5.00 pm IST). Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer not later than September 22, 2015 (5.00 pm IST). Ballot Forms received after this date will be treated as invalid. A member can opt for only one method of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

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



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

Mumbai, May 12, 2015  
Registered Office:  
Plot No. 35, KIADB Industrial Area,  
Bidadi, Bangalore 562 109  
CIN: L05190KA1921PLC036321  
Website: [www.ingersollrand.co.in](http://www.ingersollrand.co.in)

## Annexure to the Notice

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

The Board of Directors (the 'Board'), at its meeting held on February 4, 2015, appointed Mr. Roman Steinhoff as a Director pursuant to Section 161(4) of the Companies Act, 2013 and Article 119 of the Articles of Association of the Company, to fill the casual vacancy caused on the Board by the resignation of Mr. Venkatesh Valluri. Since Mr. Venkatesh Valluri would have retired by rotation at this Annual General Meeting, had he not resigned, Mr. Roman Steinhoff shall cease to hold the office of Director at this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and is eligible for reappointment as Director.

The Company has received a notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Roman Steinhoff as a Director of the Company.

The Board considers that the association of Mr. Roman Steinhoff as a Director of the Company will be beneficial and in the interest of the Company. His office will be subject to retirement by rotation.

A brief profile of Mr. Roman Steinhoff has been provided in the Corporate Governance Report annexed to the Board of Directors Report and forming part of this Annual Report.

The resolution set out at Item No. 4 of the Notice is being placed before the Members of the Company for their approval.

Mr. Roman Steinhoff is an employee of Ingersoll Rand International Limited, Ireland which is a co-subsiary of the Company's ultimate holding company. Ingersoll Rand International Limited, Ireland makes purchases from the Company of the Company's products and the Company also purchases components from Ingersoll Rand International Limited, Ireland as disclosed at the relevant place in the Annual Report. Accordingly, he will be concerned or interested with the transactions entered into by the Company with Ingersoll Rand International Limited, Ireland.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Roman Steinhoff is, in any way, concerned or interested, financially or otherwise, in the resolution.

### ITEM NO. 5

Appointment of a Woman Director on the Board of Directors of every listed company is mandatory as per the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and sub-clause (II) (A) (1) of Clause 49 of the Listing Agreement. Pursuant to this requirement, the Board of Directors (the 'Board'), at its meeting held on September 12, 2014, appointed Ms. Jayantika Dave as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013, Ms. Jayantika Dave holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Jayantika Dave as a Director of the Company.

The Board considers that the association of Ms. Jayantika Dave as a Director of the Company will be beneficial and in the interest of the Company. Her office will be subject to retirement by rotation.

A brief profile of Ms. Jayantika Dave has been provided in the Corporate Governance Report annexed to the Director's Report and forming part of this Annual Report.

The resolution set out at Item No. 5 of the Notice is being placed before the Members of the Company for their approval. None of the Directors or Key Managerial Personnel of the Company or their relatives other than Ms. Jayantika Dave is, in any way, concerned or interested, financially or otherwise, in the resolution.

### ITEM NO. 6

Mr. Venkatesh Valluri resigned as Director from the Board of Directors (the 'Board'), his resignation being effective February 4, 2015. The Board of Directors at its meeting held on February 4, 2015, reappointed Mr. Venkatesh Valluri as an Additional Director and Chairman of the Board effective February 5, 2015 pursuant to Section 161(1) of the Companies Act, 2013. In terms of Section 161(1) of the Companies Act, 2013, Mr. Venkatesh Valluri holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Venkatesh Valluri as a Director of the Company.



The Board considers that the continuing association of Mr. Venkatesh Valluri as a Director of the Company will be beneficial and in the interest of the Company. His office will be subject to retirement by rotation.

A brief profile of Mr. Venkatesh Valluri has been provided in the Corporate Governance Report annexed to the Director's Report and forming part of this Annual Report.

The resolution set out at Item No. 6 of the Notice is being placed before the Members of the Company for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Venkatesh Valluri is, in any way, concerned or interested, financially or otherwise, in the resolution.

#### **ITEM NO. 7**

The Board of Directors (the 'Board') at its meeting held on May 12, 2015 has, on the recommendation of the Audit Committee, appointed M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad to conduct the cost audit of the Company as per the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2015-16.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the Members of the Company.

The Board has, subject to the ratification by the members at this general meeting, determined the remuneration of the cost auditors at Rs. 150,000/- plus reimbursement of out-of-pocket expenses actually incurred by them and approved by the Company in connection with the cost audit.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution.

The resolution set out at Item No. 7 of the Notice is being placed before the Members of the Company for their approval.

#### **ITEM NOS. 8 & 9**

The Companies Act, 2013 ('the Act') was enacted by the Parliament in substitution of the Companies Act, 1956 and came into effect in stages with effect from September 12, 2013 and April 1, 2014.

Section 188 of the Act read with Rule 15 of the Companies

(Meetings of Board and its Powers) Rules, 2014 (rules enacted by the Ministry of Corporate Affairs under section 188 and subsequently amended vide notification dated 14th August, 2014) effectively provides that all transactions involving *inter alia* sale, purchase or supply of goods or materials with a related party other than transactions entered into by the Company in the ordinary course of business which are on an arm's length as defined in explanation (b) to Section 188 shall require prior approval of the Members by way of an ordinary resolution where the sale or supply of such goods or materials exceeds 10 per cent of the annual turnover of the Company.

The transactions between the Company and Ingersoll Rand Company, USA ('Holding Company') and Ingersoll Rand International Limited, Ireland ('Ireland Related Party'), related parties within the meaning of section 188 read with section 2 (76) of the Act, during the financial year ended March 31, 2015 pertaining to export of finished goods to, import of components from and rendering and availing services, referred to in the resolutions set out at Item Nos. 8 and 9, particulars whereof are described hereinafter in the ensuing paragraphs of this Explanatory Statement, were carried out on an arm's length basis as has also been certified by an external subject matter expert.

In view of the transactions having been entered in the ordinary course of business and being on an arm's length basis, in terms of the third proviso to sub-section (1) of Section 188 of the Act, prior approval of the Members of the Company was not required for the transactions entered into by the Company with the Holding Company and the Ireland Related Party.

However, Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges *inter alia* also deals with related party transactions. In respect to such transactions, the Securities and Exchange Board of India ('SEBI') vide its circular dated April 17, 2014 ('Said Circular') has made certain provisions to be followed by listed companies. SEBI amended the Said Circular vide its circular dated September 15, 2014 ('Amending Circular').

The Amending Circular made several changes in Clause 49 which was earlier issued vide the Said Circular. One of the amendments related to the definition of the term 'material' with reference to a related party transaction. Proviso to Clause 49(VII)(C) of the Amended Clause 49 stipulates that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 per cent of the annual

consolidated turnover of a company as per the latest audited financial statements of the company. The former threshold of 20 per cent prescribed vide the Said Circular was revised and brought down to 10 per cent vide the Amending Circular. Thus, in terms of Clause 49 of the Amending Circular, all material related party transactions, that is, transactions which entered into individually or taken together with previous transactions during a financial year exceed 10 per cent of the annual consolidated turnover of the Company as per the latest audited financial statements of the Company, require approval of the Members by way of a special resolution.

The extent of applicability of the Said Circular was stated in paragraph 4 therein ('Applicability Clause'). The Applicability Clause *inter alia* provided that the revised clause 49 of the Equity Listing Agreement ("Said Clause 49") shall be applicable to all listed companies with effect from October 1, 2014. It also stated that the provisions of Clause 49 (VII) as given in Part-B of the Said Circular shall be applicable to all prospective transactions. The Applicability Clause went on to state that all existing material related party contracts or arrangements as on the date of the Said Circular which were likely to continue beyond March 31, 2015 should be placed for approval of the shareholders in the first general meeting subsequent to October 1, 2014 and further stated that a company may choose to get such contracts approved by the shareholders even before October 1, 2014. Further, in terms of the Applicability Clause, the agreements entered into by the Company with Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland, being valid up to December 31, 2015, approval of the Members towards the said transactions is required to be obtained under the Said Clause 49 in the first general meeting subsequent to October 1, 2014. Accordingly, approval of the Members towards the said transactions is being sought at this Annual General Meeting of the Company with respect to the transactions entered during the financial year ended March 31, 2015.

The Company carries on the business *inter alia* of manufacturing and selling air compressors, air conditioners, spare parts and components.

The resolution seeks approval of the Members for:

1. export of finished goods to Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland;
2. import of components from Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland;

3. rendering services to and availing services from Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland.

Ingersoll Rand Company, USA (an indirect wholly owned subsidiary of Ingersoll Rand plc, Ireland) is the holding company and holds 74 % paid-up equity share capital in the Company.

Ingersoll Rand International Limited, Ireland (an indirect wholly owned subsidiary of Ingersoll Rand plc, Ireland) is a co-subsiary of the Company's ultimate holding company.

Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland are related parties within the meaning of section 2(76) of the Act and Clause 49(VII) of the Listing Agreement.

The Company relies substantially on export sales, import of components and rendering and availing of services with the aforementioned related parties for its revenue generation and consistency in performance in the industry. These transactions pursuant to agreements entered into by the Company with its related parties contribute to the industrial productivity and efficiency of the Company.

The business of the Company would be significantly impacted if the transactions of the nature described hereinabove are not carried out or are restricted. It is in the interest of the Company, therefore, to continue to engage in the transactions.

The Company is seeking approval for the three categories of transactions enumerated above.

In terms of Clause 49(VII)(E) of the Listing Agreement, these transactions require approval of the Members by a special resolution.

Accordingly, resolutions at Item Nos. 8 and 9 are being placed before the Members of the Company for their approval.

**The transactions between the Company and Ingersoll Rand Company, USA, ("Holding Company") are as below:**

Ingersoll Rand Company, USA (an indirect wholly owned subsidiary of Ingersoll Rand plc, Ireland) is the Holding Company of the Company and holds 74% paid-up equity share capital in the Company.

The Company exports finished goods to, imports components from, renders Information Technology Services to and avails Administrative Services from the Holding Company.

The particulars of the transactions under the Holding Company Agreements pursuant to paragraph 3 of the Explanation to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Ingersoll Rand Company, USA	Ingersoll Rand Company, USA	Ingersoll Rand Company, USA
Nature of relationship	Holding Company	Holding Company	Holding Company
Nature of material terms, monetary value and particulars of the contract or arrangement.	<p>Exports:</p> <p>The Company has entered into a Memorandum of Understanding with the Holding Company valid up to December 31, 2015 for exports. The salient terms of the same are as given below:</p> <p>A. Products : Air Compressors</p> <p>B. Price: The price shall be determined on prevailing market conditions, demand for the Product generally, utilization of the Company's manufacturing capacity. To be determined on an arm's length, not being higher than the price at which the Seller is selling the Product to other purchasers in the other markets subject to variation relevant to the territory to which it is exported.</p> <p>The export sales of the Company have been in the range of Rs. 1,200 million and exceed 20% of its total revenue for the last 2 financial years. Almost 100% of the Company's exports have been to the Holding Company and its subsidiaries. The Company depends substantially on the Holding Company for its export sales and consequentially for its revenue generation. The sales being made to the Holding Company are, therefore, vital for the Company's business. All export sales of the Company with the Holding Company and other fellow subsidiaries are being carried on an arm's length basis and the Company earns a minimum mark-up of 8% on total manufacturing cost incurred by the Company. On components required for manufacture of air compressors imported from the Holding Company, the prices charged by the Holding Company have been accepted by the Customs Authorities as arm's length prices from time to time.</p>	<p>Imports:</p> <p>The Company has entered into a Memorandum of Understanding with the Holding Company valid up to December 31, 2015 (renewable for further periods) for imports. The salient terms of the same are as given below :</p> <p>A. Products: Components for manufacture of air compressors.</p> <p>Price: As confirmed by an external subject matter expert, the prices paid by the Company on import of components from the Holding Company are on an arm's length basis and the said prices on imports have been accepted as such by the Special Valuation Bench of Customs.</p> <p>B. Payment Terms : Payment to be made within 60 days from date of invoice</p> <p>C. Quantity : Varies by component and as per purchase order issued by the Company from time to time.</p>	<p>Rendering and Availing of Services:</p> <p>The Company renders Information Technology Services to the Holding Company in the form of back office server maintenance, web page updating &amp; maintenance etc. and the service charges are being recovered at cost incurred for rendering of such services plus a minimum mark-up of 10% on those costs. The Holding Company renders Administrative Services to the Company in the form of Strategy and continuous improvement initiatives, Finance and Treasury functions, IT Deployment, Taxation and other regulatory matters etc. The total costs for such Administrative Services are analysed by the Global Team and allocated to all entities across the World based on a systematic and logical allocation methodology and there is no bias involved in such allocation. The costs are allocated on actual cost basis and there is no mark-up involved in the same.</p>

	<p>The Company has been earning a minimum mark-up of 10% on the service charges being recovered from the Holding Company towards rendering of Information Technology Services. Also, the service charges payable by the Company for administrative services availed is being allocated by the Holding Company on cost basis (without mark-up) and on a rational, consistent and systematic basis of allocation. The Company has also been advised (based on a study undertaken of these transactions and pricing adopted) by an external subject matter expert, who has confirmed that the pricing for all these transactions undertaken by the Company are on an arm's length and in accordance with the provisions of Section 188 of the Act.</p> <p>C. Payment Terms :</p> <p>(i) Payment to be made by the Purchaser within 90 days of dispatch or delivery of the Product.</p> <p>(ii) Price may be varied on the basis of price of raw materials and other inputs, taxes etc. in the local market or on account of change in exchange rate of rupee compared to the rate prevailing on the date of the Export Agreement.</p> <p>(iii) Price shall be F.O.B.</p> <p>D. Quantity: Varies by product and as per purchase order to be issued from time to time.</p> <p>E. Period: 2 years from January 1, 2014, that is to say, up to December 31, 2015.</p>	<p>D. Period: 2 years from January 1, 2014, that is to say, up to December 31, 2015 with option to renew for further periods.</p>	<p>Therefore, the costs that are charged to the Company are on an arm's length basis and the allocation methodology adopted is fair and just.</p>
Ancillary Terms	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.
Aggregate value of transactions during the period April 1, 2014 to March 31, 2015	Rs. 996.54 million	Rs. 52.94 million	Recovery of service charges for Information Technology services rendered amounts to Rs. 71.68 million. Amounts paid for other administrative services amounts to Rs. 83.13 million.

The transactions between the Company and Ingersoll Rand International Limited, Ireland ('Ireland Related Party') are as below:

The Company exports finished goods to and imports components from the Ireland Related Party.

The Company depends on the Ireland Related Party partly for its export sales for its revenue generation. The Company also depends substantially on the Ireland Related Party for its imports of components, which components are critical to achieve the desired quality and performance in the compressors manufactured by the Company. The export sales and import purchases being transacted with the Ireland Related Party are, therefore, vital for the Company's business.

The particulars of the transactions under the Ireland Related Party Agreements pursuant to paragraph 3 of the Explanation to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

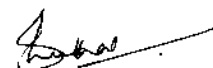
Name of the related party	Ingersoll Rand International Limited, Ireland	Ingersoll Rand International Limited, Ireland	Ingersoll Rand International Limited, Ireland
Nature of relationship	Co-subsidiary of the Company's ultimate holding company	Co-subsidiary of the Company's ultimate holding company	Co-subsidiary of the Company's ultimate holding company
Nature of material terms, monetary value and particulars of the contract or arrangement.	<p>The Company has entered into a Memorandum of Understanding with the Ireland Related Party valid up to December 31, 2015 (renewable for further periods) for its imports. The salient terms of the same are as given below:</p> <p>A. Products : Components required for manufacture of air compressors.</p> <p>B. Price: As confirmed by an external subject matter expert, the prices paid by the Company on import of components from the Holding Company are on an arm's length basis and the said prices on imports have been accepted as such by the Special Valuation Bench of Customs.</p> <p>C. Payment Terms :</p> <p>(i) Payment to be made by the Purchaser within 90 days of receipt or delivery of the Product.</p> <p>(ii) Price may be varied on the basis of price of raw materials and other inputs, taxes etc. in the local market or on account of change in exchange rate of rupee compared to the rate prevailing on the date of the Import Agreement.</p> <p>(iii) Price shall be F.O.B.</p> <p>D. Quantity : Varies by product and as per purchase order to be issued from time to time</p> <p>E. Period: 2 years from January 1, 2014, that is to say, up to December 31, 2015.</p>	<p>The Company has entered into a Memorandum of Understanding with the Ireland Related Party Company valid up to December 31, 2015 (renewable for further periods) for exports. The salient terms of the same are as given below :</p> <p>A. Products : Air Compressors</p> <p>B. Price :</p> <p>The price shall be determined on prevailing market conditions, demand for the Product generally, utilization of the Company's manufacturing capacity. To be determined on an arm's length, not being higher than the price at which the Seller is selling the Product to other purchasers in the other markets subject to variation relevant to the territory to which it is exported.</p> <p>C. Payment Terms :</p> <p>(i) Payment to be made by the Purchaser within 90 days of dispatch or delivery of the Product.</p> <p>(ii) Price may be varied on the basis of price of raw materials and other inputs, taxes etc. in the local market or on account of change in exchange rate of rupee compared to the rate prevailing on the date of the Export Agreement.</p>	<p>Rendering and Availing of Services:</p> <p>The Company renders Information Technology Services to the Ireland Related Party in the form of back office server maintenance, web page updating &amp; maintenance etc. and the service charges are being recovered at cost incurred for rendering of such services plus a minimum mark-up of 10% on those costs</p>

		(iii) Price shall be F.O.B. D. Quantity : Varies by product and as per purchase order to be issued from time to time. E. Period: 1 year from January 1, 2014, that is to say, up to December 31, 2015 with option to renew for further periods.	
Ancillary Terms	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers in the international market, subject to variations as may be approved by the Audit Committee.
Aggregate value of transactions during the period April 1, 2014 to March 31, 2015	Rs. 445.69 million	288.06 million	Recovery of service charges for Information Technology services rendered amounts to Rs. 2.57 million.

Mr. Roman Steinhoff, a Director of the Company, is an employee of Ireland Related Party and may be deemed to be interested in the passing of the resolution at Item Nos. 8 and 9.

Except for Mr. Roman Steinhoff, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolutions at Item Nos. 8 and 9.

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



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

Mumbai, May 12, 2015  
Registered Office:  
Plot No. 35, KIADB Industrial Area,  
Bidadi, Bangalore 562 109  
CIN: L05190KA1921PLC036321  
Website: www.ingersollrand.co.in

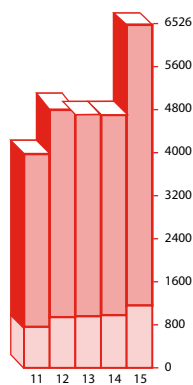
# Directors' Report

To  
THE MEMBERS,  
INGERSOLL-RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-Third Annual Report of the Company along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2015, that is, the year under review.

## 1. FINANCIAL SUMMARY OF THE COMPANY

**SALES**  
(in Millions of Rs.)

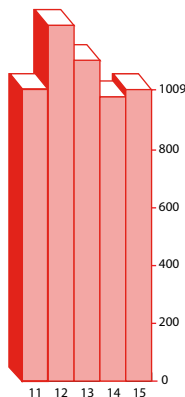


	(Rupees in Million)	
	2014 – 2015	2013 – 2014
Gross Profit	1,049.48	1,077.28
Less: Depreciation	(115.59)	(81.06)
Less: Interest	(20.78)	(11.87)
<b>Profit before taxation and exceptional items</b>	<u>913.11</u>	<u>984.35</u>
Exceptional Item – Sales tax refund relating to earlier years	96.35	–
<b>Profit before taxation and after exceptional items</b>	1,009.46	984.35
Less: Provision for Current Tax	(356.90)	(330.70)
Deferred Tax for the year	(5.07)	(12.57)
Write back relating to prior years (net)	13.97	28.49
<b>Net Profit</b>	<u>661.46</u>	<u>669.57</u>
Add: Balance brought forward from Balance Sheet	5,800.17	5,419.20
	<u>6,461.63</u>	<u>6,088.77</u>
<b>Appropriations:</b>		
Depreciation adjustment	7.69	–
Interim Dividend (including tax thereon)	113.64	110.80
Proposed Final Dividend (including tax thereon)	113.98	110.80
Transfer to General Reserve Account	–	67.00
Balance carried to Balance Sheet	6,226.32	5,800.17
	<u>6,461.63</u>	<u>6,088.77</u>

## 2. MANAGEMENT DISCUSSION AND ANALYSIS

- I. **Industry Structure and Development:** During the year under review, the Indian economy showed signs of a slow recovery, aided by certain Government announcements. There was a shift to positive sentiments led by commitments from the newly elected Central Government. Falling crude prices and increase inflows from FIIs helped stabilize foreign exchange reserves, resulting in lesser inflation and lower current account deficit. Investments in industry continued to be impacted by high rates of interest, slow pace of project implementation, thereby resulting in lower capacity utilization. Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors and moderate growth in these sectors has resulted in marginal revenue growth in the year under review.

**PROFIT BEFORE TAX**  
(in Millions of Rs.)



- II. **Segment-wise operational performance:** There is no change in the nature of business of the Company during the year under review. Air Solutions continues to be the major segment in your Company's operations. The gross revenues of Air Solutions business in the year under review were Rs. 6,515 million as against Rs. 5,894 million in the previous financial year. With the growing economic environment, your Company continues to focus on increasing the local manufacturing content, innovation and market centric product development for the emerging markets.

The gross revenue from contract manufacturing transport refrigeration products from Chennai Plant was at Rs. 502 million as against Rs. 345 million in the previous financial year.

The profit before tax and after exceptional items is Rs. 1,009 million as against Rs. 984 million in the previous financial year.

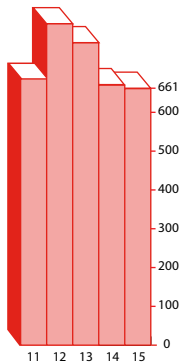
- III. **Outlook:** The initiatives of the Government are steps in the right direction and bode well for the medium to long term perspective. Revival is expected to be aided by implementation of stalled projects. The "Make in India" campaign touching most sectors, if supported by positive actions, have the potential to significantly improve the share of manufacturing in country's GDP. The markets are awaiting a turnaround in the investment cycle in the backdrop of the reform measures. Capacity expansion planned in major sectors like power generation, infrastructure, oil and gas and mining etc. are expected to give rise to opportunities. Your Company will continue to focus on sectors like metals, pharmaceuticals and textiles to grow the revenues through value added services. The production at Chennai Plant is expected to improve. Cost reduction will continue to be a focus area to ensure profitability.

- IV. **Threat and concerns:** The primary threat continues to be pricing being used as a tool by competitors to gain market share. However, your Company is able to maintain/grow market share due to superior product quality and strong brand image. Our focus on innovation ensures that we stay ahead of competition. Foreign currency rate fluctuation will have impact on imports, which is being offset through initiatives like localization of components, value analysis and value engineering.

- V. **Safety, Health and Environment:** Your Company continues to operate with increased focus on the vision of an 'Incident Free' and 'Zero Environment Incidents' organisation. The senior management is committed to conducting the Company's 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 focus area during the year under review. 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. On the energy conservation front, your Company achieved substantial savings by carrying out energy audits and implementing key projects to save energy.



**PROFIT AFTER TAX**  
(in Millions of Rs.)



**VI. Technology Innovation:** Innovation is one of the key pillars around which your Company is built. We believe that Innovation for emerging economies is critical for products to succeed in these markets. We continuously strive to create innovation that drives value for the organization and the customer. Your Company's overall growth strategy is to drive Technology Innovation and Product Development to serve local and global markets. We remain committed to indigenously manufacturing solutions driven by innovation with the launch of 3Clli standard design-CENTAC, gear-driven 30-37kW Chakra as well as oil-free scroll products that showcase our ability to generate design and launch innovative ideas in the market. Your Company also achieved one of the biggest milestone with the installation of 250th Oil Free rotary machine in the field. This milestone reinforces customer confidence built over the years and shows acceptance by the key industry verticals like power, pharmaceuticals, food and beverage, chemicals, electronics, automobile and textile sectors.

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 reverse 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.

### 3. DIVIDEND

Your Company declared an interim dividend at the rate of Rs. 3/- per share, absorbing Rs. 94.70 million. Your Directors now recommend payment of final dividend for the year under review at the rate of Rs. 3/- per share, bringing the total 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. 189.40 million out of the profits for the year (**previous year Rs. 189.40 million**). Dividend distribution tax payable by the Company amounting to Rs. 38.22 million (**previous year Rs. 32.20 million**) has been appropriated out of profits.

### 4. RESERVES

Your Company, before the declaration of dividend in every financial year, transfers such percentage of its profits for that financial year to the General Reserve as it considers appropriate. Pursuant to the provisions of the Companies Act, 2013, in the year under review, your Directors decided to carry forward the full profits for the year under review in the Statement of Profit and Loss.

### 5. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2015 and the date of this report.

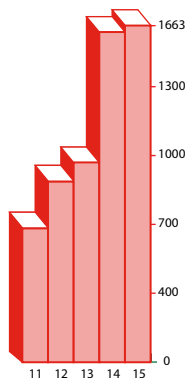
## 6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS IMPACTING THE GOING CONCERN STATUS

There are no significant or material order(s) passed by any of the Regulators or Courts or Tribunals which could impact the going concern status of the Company and the Company's operations in future.

## 7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has effective and adequate internal control systems which ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies. The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved/modified to meet changes in business conditions, statutory and accounting requirements. 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 controls are adequately supported by the Internal Audit Team of the Company which objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board of Directors and the Audit Committee regarding the adequacy and effectiveness of the internal control system. A periodic review by an internal team of managers is also done to check the adequacy of internal controls and its implementation once every quarter.

**GROSS BLOCK**  
(in Millions of Rs.)



## 8. DETAILS OF JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES

Ingersoll Rand Company, USA is the holding Company and Ingersoll-Rand plc, Ireland, is the ultimate holding company of your Company. Your Company does not have any associate, subsidiary or joint venture either in India or anywhere else in the world.

## 9. DEPOSITS

During the year under review, your Company did not accept any fixed deposits. There are no unclaimed deposits as on March 31, 2015.

## 10. AUDITORS

The shareholders of the Company had at 92nd Annual General Meeting held on 12th September 2014, appointed M/s. Price Waterhouse & Co, Bangalore, Chartered Accountants as the auditors for a period of 3 years until the conclusion of the 95th Annual General Meeting of the Company.

M/s. Price Waterhouse & Co, Bangalore has been converted into Limited Liability Partnership (LLP) under the name of M/s. Price Waterhouse & Co Bangalore LLP. Pursuant to the circular issued by the Ministry of Corporate Affairs, Price Waterhouse & Co Bangalore LLP will be the auditor of your Company and will continue to act as auditors until the conclusion of 95th Annual General Meeting. Pursuant to the first proviso to Section 139 (1) of the Companies Act, 2013, the appointment made at

the 92nd Annual General Meeting is required to be ratified by the members at forthcoming Annual General Meeting.

#### 11. COST AUDITORS

The Board of Directors has appointed M/s. Ashish Bhavsar & Associates, Cost Accountants, for conducting the Cost Audit for the year ended March 31, 2015. Cost audit reports for the year ended March 31, 2014 were filed on September 23, 2014 within the time limit as prescribed in the Companies (Cost Audit Report) Rules, 2011.

#### 12. SHARE CAPITAL

Share capital audit as per the directives of the Securities and Exchange Board of India is being conducted on a quarterly basis by M/s. Parikh & Associates, Company Secretaries. The Share Capital Audit Reports are duly forwarded to BSE Limited, the National Stock Exchange of India Limited and the Ahmedabad Stock Exchange where the equity shares of your Company are listed. During the year under review, there is no change in the issued and subscribed capital of your Company, the outstanding capital as on March 31, 2015 is Rs. 315.68 million comprising 31.568 million equity shares of Rs. 10/- each.

#### 13. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return as per Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out in Annexure A forming part of this report.

#### 14. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board of Directors were held during the year under review. For details of the meetings of the Board of Directors, please refer to the corporate governance report of this annual report on page no. 56.

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

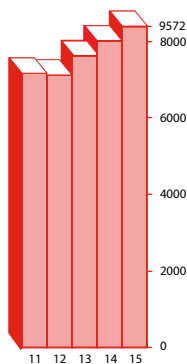
The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is set out in Annexure B forming part of this report.

#### 16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 which presently comprises Mr. Venkatesh Valluri, Chairman, Mr. Hemraj C. Asher, Director and Ms. Jayantika Dave, Director. The Committee has formulated the CSR policy pursuant Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Your Company has taken various steps towards creating social value through our deep focus on providing Education, Healthcare & Sanitation, Livelihood and furthering Sustainability around the areas of our operations. The Company has initiated direct interventional projects in Karnataka, Tamil Nadu, Gujarat and Delhi NCR as part of the CSR focus. Your Company has used a robust process

**NET WORTH**  
(in Millions of Rs.)



to evaluate and bring on board like-minded stakeholders as our partners to achieve our CSR goals through effective programs and implementation. Our partners for the year under review include Sankara Eye Hospital (health care), Habitat for Humanity (sanitation), Agastya Foundation (education), Akshay Patra (healthcare and education) and United Way of Bengaluru (environment and sustainability).

The annual report on CSR activities of the Company for the year under review is set out in Annexure C forming part of this report.

#### **17. INDEPENDENT DIRECTORS**

During the year under review, the members approved the appointments of Mr. Hemraj C. Asher and Mr. Darius C. Shroff as independent directors who are not liable to retire by rotation. Pursuant to Section 149(7) of the Companies Act, 2013, all independent directors have given declarations for the financial year 2015-2016 that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **18. AUDIT COMMITTEE**

The details pertaining to the composition of the Audit Committee required to be given pursuant to Section 177 (8) of the Companies Act, 2013 are given in the corporate governance report section of the annual report on page no. 57. There are no instances of the Board of Directors not accepting the recommendation of the Audit Committee during the year under review.

#### **19. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Hemraj C. Asher and Mr. Darius C. Shroff, independent directors of the Company were appointed by the Members in the meeting held on September 12, 2014. They hold office for a period of 5 years up to the conclusion of the Annual General Meeting in year 2019.

The performance of the independent directors was evaluated by the Board of Directors at its meeting held on March 23, 2015 on the basis of attendance of meetings, knowledge and experience, quality of contributions to Board discussions, integrity etc. and the Board unanimously concluded that the performance of both the independent directors during the year under review has been good.

During the year under review, Ms. Jayantika Dave was appointed by the Board of Directors as Additional Director effective September 12, 2014 and she holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing her candidature for appointment as Director under Section 160 of the Companies Act, 2013.

Mr. Venkatesh Valluri resigned as Director effective February 4, 2015. Mr. Roman Steinhoff was appointed as Director effective February 4, 2015 in the casual vacancy caused by the resignation of Mr. Venkatesh Valluri. He holds office up to the date of the ensuing Annual General Meeting, being the term of office of Mr. Venkatesh Valluri in the normal course.

Mr. Venkatesh Valluri was appointed as Additional Director & Chairman by the Board of Directors effective February 5, 2015. He holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for appointment as Director under Section 160 of the Companies Act, 2013.

There are no changes in Key Managerial Personnel during the year under review.

#### **20. PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 (12) read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are furnished in Annexure D forming part of this report.

## **21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has adopted a Whistle Blower Policy as a mechanism for directors and employees of the Company to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, violations of legal or regulatory requirements, incorrect or misrepresentation in any financial statements and reports etc. This Policy would enable creation of an environment where individuals feel free and secure to raise alarms where necessary. It ensures that whistle blowers are protected from retribution, whether within or outside the organization. The Whistle Blower Policy has been uploaded on the website of the Company [www.ingersollrand.co.in](http://www.ingersollrand.co.in)

## **22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration Committee of the Company which comprises Mr. Hemraj C. Asher, Chairman Mr. Venkatesh Valluri, Director and Mr. Darius C. Shroff, Director has formulated a policy relating to the remuneration of the directors, key managerial personnel and other employees of the Company. The Company's policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details are set out in Annexure E forming part of this report.

## **23. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Company has devised a policy for performance evaluation of independent directors, Board, Committees and other individual directors which include criteria for performance evaluation of the non-executive directors and executive directors.

## **24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Your Company has not given any loans or provided any guarantees or made any investments during the year under review.

## **25. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of related party transactions are stated in the note no. 33 in the financial statements of the Company. All related party transactions that were entered into during the year under review were on an arm's length basis and were in the ordinary course of business of the Company. There are no materially significant related party transactions entered into by the Company with its promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for its approval on quarterly basis.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for the purpose of identifying and monitoring such transactions.

The Related Party Transactions Policy of the Company approved by the Board of Directors is displayed on website of the Company [www.ingersollrand.co.in](http://www.ingersollrand.co.in)

## **26. SECRETARIAL AUDIT REPORT**

The Board of Directors appointed Mr. K. Natesh, Practicing Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report issued by Mr. Natesh K is set out in Annexure F forming part of this report.

There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and by the company secretary in practice for the year under review.

## **27. CORPORATE GOVERNANCE CERTIFICATE**

The Company is committed to adhere to highest standards of Corporate Governance in all areas of its functioning. As required by Clause 49 of the Listing Agreement, a report on Corporate Governance together with a certificate from Mr. K. Natesh, Practicing Company Secretary confirming compliance with the requirements of Corporate Governance is set out in Annexure G forming part of this report.

## 28. RISK MANAGEMENT POLICY

Your Company has constituted a Risk Management Committee which comprises Mr. Venkatesh Valluri – Chairman, Mr. Darius C. Shroff, Director, Ms. Jayantika Dave, Director, Mr. Amar Kaul, Vice President – Air Solutions and Mr. G. Madhusudhan Rao, Vice President – Finance.

The Committee has formulated a risk management policy which identifies the elements of risk, which in the opinion of the Board of Directors, threaten the existence of the Company; sets out the objectives and elements of risk management within the organization; and helps to promote risk awareness amongst employees along with facilitating integration of risk management within the corporate culture.

The formulation and monitoring of the Risk Management Policy at the corporate levels illustrates the executive management's commitment to implement and continuously develop risk management within the Company.

## 29. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a policy on prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no complaints were received by the Company relating to sexual harassment.

## 30. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations provided to them, your Directors, pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, state:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (b) that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as March 31, 2015 and of the profit and loss of the Company for the year ended March 31, 2015;
- (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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 31. ACKNOWLEDGEMENTS

Your Directors are grateful to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

For and on behalf of the Board of Directors



Venkatesh Valluri  
Chairman

Mumbai, May 12, 2015

# Annexure A

## FORM NO. MGT 9

### EXTRACTS OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L05190KA1921PLC036321
ii	Registration Date	1st December, 1921
iii	Name of the Company	Ingersoll - Rand (India) Limited
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	Plot. No.35, KIADB Industrial Area, Bidadi, Bangalore - 562109
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Est., No. 20, E Moosa Road, Mahalaxmi, Mumbai - 400 011. Tel: +91 22 6656 8484

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the Company are given below -

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Air Compressors - Complete Machines & Spare Parts	2813	92%

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Ingersoll-Rand Company 800-E, Beaty Street, Davidson, North Carolina, USA	Foreign Company	Holding Company	74%	Sections 2(46) and 2(87) of Companies Act, 2013

IV Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	23,360,000	-	23,360,000	74%	23,360,000	-	23,360,000	74%	-
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	23,360,000	-	23,360,000	74%	23,360,000	-	23,360,000	74%	-
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	23,360,000	-	23,360,000	74%	23,360,000	-	23,360,000	74%	-
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	858,803	450	859,253	3%	1,181,499	450	1,181,949	4%	1%
(b)	Financial Institutions / Banks	5,997	1,200	7,197	0%	26,687	1,200	27,887	0%	0%
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Governments(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	1,301,789	50	1,301,839	4%	1,378,208	50	1,378,258	4%	0%
(g)	Foreign Institutional Investors	219,804	100	219,904	1%	160,837	100	160,937	1%	-0%
(h)	Foreign Portfolio Investor-Corp	-	-	-	-	15,036	-	15,036	0%	0%
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	2,386,393	1,800	2,388,193	8%	2,762,267	1,800	2,764,067	9%	1%
(2)	Non-Institutions									
(a)	Bodies Corporate	675,356	5,800	681,156	2%	752,057	5,800	757,857	3%	1%
	i) Indian									
	ii) Overseas									
(b)	Individuals	-	-	-	-	-	-	-	0%	0%
(i)	Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	3,950,772	416,871	4,367,643	14%	3,847,065	386,058	4,233,123	13%	-0%
(ii)	Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	768,611	-	768,611	2%	448,059	-	448,059	1%	-1%
(c)	Any Other (Specify)	-	-	-	-	-	-	-	0%	0%
(i)	Trust	2,397	-	2,397	0%	4,894	-	4,894	0%	0%
	Sub-total (B) (2)	5,397,136	422,671	5,819,807	18%	5,052,075	391,858	5,443,933	17%	-1%
	Total Public Shareholding (B) = (B) (1)+(B)(2)	7,783,529	424,471	8,208,000	26%	7,814,342	393,658	8,208,000	26%	0%
	TOTAL (A)+(B)	31,143,529	424,471	31,568,000	100%	31,174,342	393,658	31,568,000	100%	0%
(C)	Shares held by Custodians Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	31,143,529	424,471	31,568,000	100%	31,174,342	393,658	31,568,000	100%	



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Ingersoll-Rand Company	23,360,000	74%	23,360,000	74%	-	-
		23,360,000	74%	23,360,000	74%	-	-

**(iii) Change in Promoter's Shareholding**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Ingersoll-Rand Company				
	At the beginning of the year	23,360,000	74%	23,360,000	74%
	Date wise increase / decrease in Promoters Shareholding during the year alongwith the reasons for increase / decrease	No transactions during the year			
	At the end of the year	23,360,000	74%	23,360,000	74%

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year		Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
<b>1.</b>	<b>General Insurance Corporation Of India</b>						
	At the beginning of the year	01-Apr-2014	560,568	1.78%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	20-Mar-2015	-6,272	-0.02%	Market Sale	554,296	1.76%
		31-Mar-2015	-7,272	-0.02%	Market Sale	547,024	1.73%
	At the end of the year	31-Mar-2015	547,024	1.73%			
<b>2.</b>	<b>IDFC Premier Equity Fund</b>						
	At the beginning of the year	01-Apr-2014	530,084	1.68%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2015	530,084	1.68%			
<b>3.</b>	<b>Bajaj Allianz Life Insurance Company Ltd.</b>						
	At the beginning of the year	01-Apr-2014	408,000	1.29%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	04-Apr-2014	25,000	0.08%	Market Purchase	433,000	1.37%
		16-May-2014	30,000	0.10%	Market Purchase	463,000	1.47%
		30-May-2014	60,608	0.19%	Market Purchase	523,608	1.66%
		09-Jan-2015	5,000	0.02%	Market Purchase	528,608	1.67%
		13-Feb-2015	-3,554	-0.01%	Market Sale	525,054	1.66%
		27-Feb-2015	-1,300	-0.00%	Market Sale	523,754	1.66%
		31-Mar-2015	5,000	0.02%	Market Purchase	528,754	1.67%
	At the end of the year		528,754	1.67%			
<b>4.</b>	<b>United India Insurance Company Limited</b>						
	At the beginning of the year	01-Apr-2014	291,523	0.92%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2015	291,523	0.92%			
<b>5.</b>	<b>UTI - MNC Fund</b>						
	At the beginning of the year	01-Apr-2014	117,000	0.37%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2015	117,000	0.37%			
<b>6.</b>	<b>Akash Bhanshali</b>						
	At the beginning of the year	01-Apr-2014	95,092	0.30%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	25-Apr-2014	12,412	0.04%	Market Purchase	107,504	0.34%
		02-May-2014	3,781	0.01%	Market Purchase	111,285	0.35%
	At the end of the year	31-Mar-2015	111,285	0.35%			

Sl. No.	Name of the ShareHolder	Date	Shareholding at the beginning of the year		Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
7.	<b>Sundaram Mutual Fund A/C Sundaram Infrastructure Advantage Fund ^</b>						
	At the beginning of the year	01-Apr-2014	-	0.00%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	08-Aug-2014	82,636	0.26%	Market Purchase	82,636	0.26%
		15-Aug-2014	944	0.00%	Market Purchase	83,580	0.26%
		22-Aug-2014	1,520	0.00%	Market Purchase	85,100	0.27%
		29-Aug-2014	10,000	0.03%	Market Purchase	95,100	0.30%
		05-Sep-2014	2,150	0.01%	Market Purchase	97,250	0.31%
		12-Sep-2014	15,132	0.05%	Market Purchase	112,382	0.36%
		05-Dec-2014	-2,382	-0.01%	Market Sale	110,000	0.35%
	At the end of the year	31-Mar-2015	110,000	0.35%			
8.	<b>The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company ^</b>						
	At the beginning of the year	01-Apr-2014	38,417	0.12%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	06-Jun-2014	1,230	0.00%	Market Purchase	39,647	0.13%
		04-Jul-2014	1,668	0.01%	Market Purchase	41,315	0.13%
		11-Jul-2014	2,543	0.01%	Market Purchase	43,858	0.14%
		18-Jul-2014	1,136	0.00%	Market Purchase	44,994	0.14%
		19-Sep-2014	2,070	0.01%	Market Purchase	47,064	0.15%
		10-Oct-2014	2,348	0.01%	Market Purchase	49,412	0.16%
		17-Oct-2014	3,074	0.01%	Market Purchase	52,486	0.17%
		24-Oct-2014	3,922	0.01%	Market Purchase	56,408	0.18%
		31-Oct-2014	114	0.00%	Market Purchase	56,522	0.18%
		09-Jan-2015	1,898	0.01%	Market Purchase	58,420	0.19%
		16-Jan-2015	3,521	0.01%	Market Purchase	61,941	0.20%
		23-Jan-2015	813	0.00%	Market Purchase	62,754	0.20%
		30-Jan-2015	836	0.00%	Market Purchase	63,590	0.20%
		06-Feb-2015	1,787	0.01%	Market Purchase	65,377	0.21%
		13-Feb-2015	3,045	0.01%	Market Purchase	68,422	0.22%
		20-Feb-2015	947	0.00%	Market Purchase	69,369	0.22%
		27-Feb-2015	6,764	0.02%	Market Purchase	76,133	0.24%
		06-Mar-2015	820	0.00%	Market Purchase	76,953	0.24%
		13-Mar-2015	3,248	0.01%	Market Purchase	80,201	0.25%
		20-Mar-2015	1,946	0.01%	Market Purchase	82,147	0.26%
	27-Mar-2015	3,013	0.01%	Market Purchase	85,160	0.27%	
	31-Mar-2015	2,047	0.01%	Market Purchase	87,207	0.28%	
	At the end of the year	31-Mar-2015	87,207	0.28%			
9.	<b>Tata Trustee Co. Ltd A/c Tata Mutual Fund - Tata Infrastructure Fund ^</b>						
	At the beginning of the year	01-Apr-2014	-	0.00%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	05-Dec-2014	30,000	0.10%	Market Purchase	30,000	0.10%
		31-Dec-2014	17,036	0.05%	Market Purchase	47,036	0.15%
		09-Jan-2015	10,000	0.03%	Market Purchase	57,036	0.18%
		16-Jan-2015	10,000	0.03%	Market Purchase	67,036	0.21%
		20-Mar-2015	5,000	0.02%	Market Purchase	72,036	0.23%
	At the end of the year	31-Mar-2015	72,036	0.23%			

Sl. No.	Name of the ShareHolder	Date	Shareholding at the beginning of the year		Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
<b>10.</b>	<b>Profitex Shares and Securities Private Limited ^</b>						
	At the beginning of the year	01-Apr-2014	-	0.00%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	02-May-2014	9,573	0.03%	Market Purchase	9,573	0.03%
		09-May-2014	49,592	0.16%	Market Purchase	59,165	0.19%
		16-May-2014	6,912	0.02%	Market Purchase	66,077	0.21%
	At the end of the year	31-Mar-2015	66,077	0.21%			
<b>11.</b>	<b>Jamuna Raghavan *</b>						
	At the beginning of the year	01-Apr-2014	152,593	0.48%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	01-Aug-2014	-4,269	-0.01%	Market Sale	148,324	0.47%
		08-Aug-2014	-28,593	-0.09%	Market Sale	119,731	0.38%
		22-Aug-2014	-20,000	-0.06%	Market Sale	99,731	0.32%
		31-Mar-2015	-99,731	-0.32%	Market Sale	-	0.00%
	At the end of the year	31-Mar-2015	-	0.00%			
<b>12.</b>	<b>Pinebridge Investments Asia Limited A/c Pinebridge Investments GF Mauritius Limited *</b>						
	At the beginning of the year	01-Apr-2014	74,677	0.24%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	11-Apr-2014	-12,890	-0.04%	Market Sale	61,787	0.20%
		09-May-2014	-6,934	-0.02%	Market Sale	54,853	0.17%
		16-May-2014	-12,133	-0.04%	Market Sale	42,720	0.14%
		31-Mar-2015	-42,720	-0.14%	Market Sale	-	0.00%
	At the end of the year	31-Mar-2015	-	0.00%			
<b>13.</b>	<b>L and T Mutual Fund Trustee Ltd - L and T Mid Cap Fund *</b>						
	At the beginning of the year	01-Apr-2014	49,500	0.16%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	25-Jul-2014	6,600	0.02%	Market Purchase	56,100	0.18%
		15-Aug-2014	1,000	0.00%	Market Purchase	57,100	0.18%
		22-Aug-2014	3,511	0.01%	Market Purchase	60,611	0.19%
		31-Oct-2014	-6,000	-0.02%	Market Sale	54,611	0.17%
	At the end of the year	31-Mar-2015	54,611	0.17%			
<b>14.</b>	<b>Jignesh Vijaykumar Shah *</b>						
	At the beginning of the year	01-Apr-2014	47,022	0.15%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	23-May-2014	-2,022	-0.01%	Market Sale	45,000	0.14%
		30-May-2014	-4,500	-0.01%	Market Sale	40,500	0.13%
		06-Jun-2014	-18,000	-0.06%	Market Sale	22,500	0.07%
		31-Mar-2015	-22,500	-0.07%	Market Sale	-	0.00%
	At the end of the year	31-Mar-2015	-	0.00%			

**Notes:**

\* were in the list of Top 10 shareholders as on 01-Apr-2014, but were not in the list of Top 10 shareholders as on 31-Mar-2015  
^ were in the list of Top 10 shareholders as on 31-Mar-2015, but were not in the list of Top 10 shareholders as on 01-Apr-2014  
The details of shareholding, given above, is from 01-Apr-2014 / the date of entering the Top 10 shareholders list till 31-Mar-2015 / the date of leaving Top 10 shareholders list.

**(v) Shareholding of Directors & Key Managerial Personnel**

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Hemraj C. Asher (Independent Director)</b>					
	At the beginning of the year	8,000	0.03%		
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	-	-	-	-
	At the end of the year	8,000	0.03%		
<b>Mr. Darius C. Shroff (Independent Director)</b>					
	At the beginning of the year	10,000	0.03%		
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	-	-	-	-
	At the end of the year	10,000	0.03%		
<b>Mr. G. Madhusudhan Rao (Vice President - Finance)</b>					
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	100	-	100	-
	At the end of the year	100	-	-	-

**V INDEBTEDNESS - Not Applicable**

Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

(Rs. Million)

Sl. No.	Particulars of Remuneration	Mr. Amar Kaul, Manager	Total Amount
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	14.72	14.72
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission		
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
6	Total (A)	14.72	14.72
	Ceiling as per the Act		33.07

**B. Remuneration to other directors:**

(Rs. Million)

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors		Mr. Hemraj C. Asher	Mr. Darius C. Shroff	
	(a) Fee for attending Board / Committee meetings		-	-	-
	(b) Commission		1.20	1.20	2.40
	(c) Others, please specify		-	-	-
	<b>Total (1)</b>		<b>1.20</b>	<b>1.20</b>	<b>2.40</b>
2	Other Non Executive Directors	Mr. Venkatesh Valluri	Ms. Jayantika Dave	Mr. Roman Steinhoff	
	(a) Fee for attending Board / Committee meetings	-	-	-	-
	(b) Commission	0.35	0.20	-	0.55
	(c) Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>0.35</b>	<b>0.20</b>	<b>-</b>	<b>0.55</b>
	<b>Total (B)=(1+2)</b>				<b>2.95</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>17.67</b>
	<b>Overall Ceiling as per the Act</b>				<b>39.68</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	Mr. P. R. Shubhakar, General Manager - Corp. Finance & Company Secretary	Mr. G. Madhusudhan Rao, Vice President - Finance	Total
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	7.54	10.79	18.33
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
6	<b>Total</b>	<b>7.54</b>	<b>10.79</b>	<b>18.33</b>

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - NONE**

# Annexure B

THE INFORMATION REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

## CONSERVATION OF ENERGY

(a) The following energy conservation measures were taken:

- I. Automatic power factor control unit is installed. The power factor is now maintained at about 0.98.
- II. Changed loading pattern of plant compressors – continuous load on Nirvana and variable load on screw compressors has given a 7% saving in energy.
- III. Natural gas burners deployed in paint drying oven, component cleaning machine and cafeteria in place of diesel, electric and LPG burners respectively.
- IV. Recirculation of water for testing of LRBU has resulting in saving of 35 KL/month.
- V. Test setup upgraded to allow lesser time to stabilize before testing Rotary packages and test time reduction in Centrifugal Compressors thereby reducing power cost.
- VI. Optimization of plant voltage in lighting and accessories to operate in lower band (400 to 420V) without affecting performance.
- VII. FRP roof sheets installed to save light during daytime and mirror reflectors installed for tube lights to improve lighting without increasing wattage.
- VIII. Old window air conditioners replaced with new energy efficient air conditioners.
- IX. Mercury vapor lamps being replaced by energy efficient metal halide lamps giving upto 50% energy saving.
- X. Automatic level controller and dry run protection for submersible pumps at the Naroda plant.
- XI. Independent control switches at each location to switch on required lights only.
- XII. Energy meters installed for individual load centres for monitoring electricity utilization as well as energy conservation.
- XIII. Transformers are loaded at optimum efficiency. Consequently, one 500KVA transformer is retained as standby.
- XIV. LED indicator lamps provided on power panels.
- XV. Electronic fan regulators used in place of conventional regulators.
- XVI. Electronic chargers used in place of conventional chargers for batteries.
- XVII. Energy efficient motors used on plant compressor to reduce operating cost.
- XVIII. Timer operated switches to turn on/off street lights, air ventilation plants and toilets.
- XIX. Installed timer operated pneumatic shut off valve to stop air supply during lunch/tea breaks.
- XX. Installed auto shut off taps to save water wastage.
- XXI. Installed VFDs in few critical cranes to save energy and improve performance.
- XXII. Installed VFD in two plant compressors having start delta starter for energy optimization.
- XXIII. Installed VFD and occupancy sensors in LRBU paint booth
- XXIV. Installed VFD in SCBU paint booth blower
- XXV. Part of Earth Day – 2014 celebration, energy audit walk through had been done and control measures were taken – mainly in the area of “switch off” unwanted electrical appliances and creating awareness among all the employees.
- XXVI. Monitoring and maintaining Pf (Power factor) close to Unity.

XXVII. Demand controller mechanism has been installed to ensure not to withdraw power more than sanctioned limit during peak hour (6 PM to 10 PM)

XXVIII. In HVAC system, the SET point has been maintained at 24' deg C and above.

XXIX. By replacing of 55KW Screw compressor with 4KW Evolution compressor, achieved the projected saving of 36057 KWH/year and CO2 footprint of 36 MT

**(b) Additional investments and proposals, if any, being implemented for reduction in energy consumption:**

- I. Gas operated heater to replace electrical heater at component cleaning machines.
- II. Construction of percolation wells for rain water harvesting.
- III. Temperature optimization in split air conditioners.
- IV. Energy efficient high bay lamps to replace ordinary lamps.
- V. Storm water drainage system being incorporated in new design.
- VI. New green building design with IGBC rating in plant transformation.
- VII. Installing timers in water coolers to save energy.
- VIII. Replacing old energy inefficient cooling towers & pumps with new efficient cooling towers.
- IX. Systematic Energy audit and control measures implementation

**(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.

**TECHNOLOGY ABSORPTION**

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/water cooled – single and multi-stage.
- (ii) Rotary Screw
- (iii) 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
2. **Benefits derived as a result of the above R & D:**
- (i) Improved efficiency of products and better customer satisfaction.
  - (ii) Upgradation 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 worldwide.
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. 0.84 Million  |
| (ii) Recurring  | Rs. 18.00 Million |
| (iii) Total   | Rs. 18.84 Million |
| (iv) Total R & D expenditure as a percentage of total turnover..... | 0.31%             |

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. **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:**
- (i) Continued development of Naroda as an Export base for large reciprocating compressor packages and parts.
  - (ii) Import substitution on several mechanical transmissions, valve components, control panels and also progressive indigenization of all product lines.
  - (iii) Development of air-conditioning technology with the set-up of production base at Naroda for bus air conditioning products.
  - (iv) Setting up an in-house test laboratory to validate processes before commencing production.
2. **Benefits derived as a result of the above efforts:**
- (i) Up gradation of facilities and processes in line with the latest global trends
  - (ii) Up gradation of product range incorporating latest features
  - (iii) Product improvements, higher efficiency and reduction in cost per unit.
  - (iv) Products made efficient through adaptation of modern technology to save energy and also to be more environment friendly.
  - (v) More efficient use of raw material using nesting techniques to cut down wastage of resources.
  - (vi) Reduction in manufacturing cost through improvement in productivity thereby offsetting general cost escalation in inputs.

3. 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
Air-conditioning (Bus) technology	2009	In production
New Centrifugal compressor with energy efficient design since	2010	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

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.		1,573.97
(ii) Value of imports calculated on c.i.f. basis	1,563.97	
(iii) Expenditure in foreign currency on account of travelling, IT Infrastructure and others	106.49	
(iv) Remittance in foreign exchange on account of dividend	140.16	1,810.62
Net Earnings/(Outgo) in Foreign Exchange		<u>(236.65)</u>

For and on behalf of the Board of Directors



Venkatesh Valluri  
Chairman

Mumbai, May 12, 2015

# Annexure C

## 1. Brief outline and overview of Company's CSR policy, including overview of projects or programs proposed to be undertaken:

At Ingersoll Rand, we believe in creating sustainable products. We believe in making a positive impact with a ripple effect to last the ages. We believe in better, happier, healthier future.

In line with the revised Companies Act and the Corporate Social Responsibility Policy Rules, your Company has articulated its CSR Policy. The Policy details the ethos behind our work and identifies the areas that are our focus for the CSR projects in India.

### Ingersoll-Rand India CSR Policy

Through our innovations and dedication to corporate citizenship and sustainability, your Company seeks to create a positive impact on societies throughout the world. The Company stands 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.

Ingersoll Rand has a long and proud history of supporting the good works of philanthropic organizations in the countries where it operates. Each year, Ingersoll Rand contributes both time and financial support to the communities in which we live and work. We will continue to align our philanthropy and community outreach efforts with our core business strengths.

### Vision

*Our vision is to advance the quality of life through our social commitments to help build healthy, sustainable, efficient and educated communities.*

### Mission

*Through our efforts, our mission is to create a meaningful difference in people's lives and help to create a positive impact on communities in India.*



The Company has a thorough process to identify and evaluate partners who will help us initiate implementation of our projects on ground to deliver a comprehensive solution to improve the living standards of the societies where Ingersoll Rand operates. As a first step in selecting projects and implementation, Ingersoll Rand actively conducts a baseline study of needs, requirements and impact to be generated. The research includes assessing various inputs such as location of the project, existing levels of aid in the area, population demographics, current needs, impact, and possibilities of scaling the projects among other things. Only after the completion of the study, the results are utilized to charter the next steps for planning the CSR projects in the shortlisted focus areas. These plans are then discussed and approved at the CSR Committee meetings for setting up targets to be achieved.

The Company's CSR Policy is uploaded on the website [www.ingersollrand.co.in](http://www.ingersollrand.co.in).

#### **DETAILS OF CSR PROJECTS UNDERTAKEN DURING THE YEAR :**

##### **Ingersoll-Rand Science Centre in Govt. Girls Senior Secondary School, Jacubpura, Gurgaon**

A charitable education trust that runs the world's largest mobile hands-on science education program for economically disadvantaged children and teachers, Agastya has reached over 5 million children and 200,000 teachers from 12 states in India. The Ingersoll Rand Science Centre in partnership with Agastya is in line with the CSR focus area of providing Education. The project will focus on girl child and in the next one year proposes to impact over 12,000 children and train 125 teachers for stimulating science education through experience and practical mentoring.

**Brief about the project:** At the Science Centre, hundreds of experiments and models are exhibited in Science (Chemistry, Physics and Biology), Math, Ecology and Astronomy. Government school teachers and children visit the centre and are given the opportunity to interact with simple science experiments and models. Science Centers act as a resource centre, teacher training centre, venue for special training activities like project based learning, discovery based learning, integrated learning, Young Instructor Leader training, summer camps and science fairs.

##### **Reach and benefits of the Science Centre**

- Generate 12,000 student and 125 teachers exposures a year (approx.)
- Train 40 teachers and 50 Young Instructor leaders a year.
- Foster curiosity, critical thinking and creativity through hands-on programs.
- Provide a strong and dynamic learning resource base for local schools.
- Help catalyze local rural schools and educators to improve the content and quality of education.
- Act as a hub for Agastya's Mobile Science Labs.

##### **Ingersoll-Rand Mobile Science Lab at Chennai, Bidadi and Naroda**

Ingersoll Rand is running 3 Mobile Science Labs (MSL) in Chennai, Naroda and Bidadi in partnership with Agastya to promote Education as part of its CSR Policy. The MSL is a very powerful and innovative instrument to revolutionize rural education and make hands-on education increasingly accessible. Each MSL travels to doorstep of remote schools with 200+ hands-on science models covering a wide range of topics in Physics, Chemistry, Biology and for Class 5 through 10. The teaching approach is consistent with the National Curriculum Framework and the topics overlap the NCERT syllabus.

##### **Key Highlights**

- Each Mobile Science Lab to target 22,000 student exposures and train 80 teachers annually
- Successful collaboration with industry for Mobile Science Labs in Bidadi, Bangalore and Naroda, Gujarat
- The three Mobile Science Lab programs will challenge the rote-based classroom learning by exposing economically underprivileged students and government school teachers to hands-on science education

### Activities facilitated by the Mobile Science Lab

- Young Instructor Program
- Science Fairs
- Teacher Training
- Night Community Visits

### Mid-day Meal program with Akshaya Patra in Bangalore and Ahmedabad

The Akshaya Patra Foundation is a leading secular registered Foundation working nationwide in India addressing two of the most gripping challenges facing India – hunger and education – through its school midday meal program, working in private-public partnership model with Central Government, State Government and Private Corporations.

### Ingersoll-Rand partnership with Akshaya Patra

- Supports approx. 3,000 children in Bangalore with mid-day meals covering 10 schools
- Supports approx. 3,500 children in Gujarat with mid-day meals covering 11 schools
- Furthers focus on spreading Education and Healthcare for children from disadvantaged backgrounds

This initiative is a step further towards our endeavour to promote education and invest in a better future for the children in the areas of our operation. Working together with Akshaya Patra, Ingersoll-Rand is focused to fight against hunger and provide education. This simple initiative of providing healthy mid-day meals has already created a great and long-term impact.

### Results

- Improved Stats on Malnutrition and Health
- Improvement in Grades
- Reduction in Drop Outs
- Increase in Enrolment
- Better and Wholesome Development

The Company works closely with Akshaya Patra to monitor and record the impact created through this project. A survey is conducted with all beneficiaries including children, school authorities and parents in earmarked schools to record their feedback on the quality of mid-day meals and long term impact.

### Swachh Bharat Abhiyaan: Sanitation Intervention in Chennai, Bangalore and Gujarat

The Company has partnered with Habitat for Humanity in the area of Sanitation to build around 500 toilets for families in Chennai, Bangalore and Ahmedabad. The project will facilitate addressing the issue of lack of sanitation infrastructure in the community with a focus on low income, marginalized community needing financial and technical support to construct and improve their dwelling.

Habitat for Humanity is a global NGO working towards improving the quality of life of people. Their belief is that any possible improvement in infrastructure, especially sanitation, of both rural and urban homes is the stepping stone towards the direction of self-sustainability, hope, and pride.

### Locations

- 123 Sanitation Units at Bengaluru – Hegde Nagar & Kothur
- 123 Sanitation Units at Chennai – Thiruvallur/Kancheepuram districts
- 100 Sanitation Units at Ahmedabad – Dharampur Block, Valsad

A large part of this initiative will cover spreading awareness and creation of demand for sanitation through innovative Behavioural Change Communication (BCC) & Interpersonal Communication (IPC) with sensitization campaigns, hygiene education, personal & menstrual hygiene trainings, etc. for these families and the children.

There is a focus on large-scale awareness building campaign including sensitization campaigns with cultural shows, short films, etc., preparation of IEC, IPC and BCC materials, health and hygiene awareness etc. Hence, educating the families and their children on the need for Sanitation and hygiene.

#### **Impact**

- Supports “Swachh Bharat” mission through Sanitation Intervention with Habitat for Humanity in Bangalore, Chennai and Gujarat
- Project to benefitting around 500 families across these regions
- Educating over 700 children on personal hygiene

#### **Ingersoll-Rand - Sankara Eye Care Van in Karnataka**

The Company has partnered with Sankara Eye Hospital, Bengaluru for the ‘Gift of Vision’ – a Community Rural Outreach program. The program is in line with the Company’s focus on providing Healthcare and will help benefit economically disadvantaged people in remote, rural areas with a special focus on preventive and curable blindness. The Company is supporting the program by donating a customized medical van through which the hospital aims to touch the lives of over 20,000 beneficiaries with 12,000 patients likely to benefit through surgical intervention.

The Sankara Eye Hospital, through its community outreach program, has screened 3,89,939 children for eye ailments and performed 1,00,752 vision restoration surgeries till January 2015. This year, the hospital aims to reach out to 12,000 beneficiaries by conducting up to 144 camps and perform approximately 23,000 free surgeries.

The customized vehicle provided by the Company will be dedicated to the Medical team at Sankara Eye Hospital to conduct camps in Karnataka. The vehicle will also help the team to commute to the camp-site to conduct a post-operative review of the operated patients after 30 days of surgery.

#### **Locations covered:**

- Districts of Bangalore Rural and Bangalore Urban
- Mysore
- Tumkur
- Kolar
- Chikkaballapur
- Ramanagara
- Mandya
- Chamraj Nagar
- Districts of Chittoor & Anantpur in Seemandhra

#### **Impact of Gift of Vision Program**

- Cataract vision restoration surgery has benefitted 44 (37%) women. Of these 44 women, 73% achieved good vision (6/6 – 6/18) and 27% gained average vision (6/24 – 6/60)
- 75 (63%) men have benefitted through cataract vision restoration surgery. Of 75 men, 76% obtained good vision & 20% gained average vision
- The remaining 4% of men whose visual outcome was less than average had pre-existing ocular co-morbidity (other eye diseases) which impacted the outcome. Even in these beneficiaries, there was an average of 2 line improvement in vision

- Based on past study, 85% of the men and 58% of women beneficiaries regained livelihood within few weeks after surgery
- All the patients had discernible improvement in the quality of life.

#### **Adopting Lake Uttarahalli for restoration and rejuvenation**

Uttarahalli Lake (UTL) was adopted in 2011 by the Company under the Wake The Lake Campaign of United Way of Bengaluru (UWBe) towards lake rejuvenation and maintenance. The support has contributed in reviving and developing the lake and enhancing its bio diversity. The lake which is spread across an area of 4.51 hectare has witnessed many changes over the past years from reclaiming the encroached land, construction of sewage treatment plant, mobilizing the community etc.

Moreover, to monitor and evaluate the progress of the lake, a scoring method has been formulated by UWBe called, 'Wake The Lake Score card'. The scoring method was used to monitor the progress of Uttarahalli lake as well. The first assessment as carried out in May, 2013 showed that, the lake was at 27.2 percent. However, with the development process being carried out, it increased to 58 percent as assessed in the same year, in the month of November. In 2014, with the continuous work on the lake, it was reported at 64 percent as assessed. The Company's support for reviving the Lake has helped improve the condition of the Lake in various aspects.

#### **Impact**

- Revival of eco-system in and around the lake by creating micro climate for aquatic flora and fauna.
- Restoration of quality of water in the lake; free from garbage, effluents and other pollutants.
- To secure and preserve lake.
- To bring about community ownership through active volunteerism.

#### **Jammu & Kashmir Disaster Relief Fund**

In response to the devastating floods in Jammu & Kashmir region during September 2014, the Company pledged support and provided disaster relief funds through the Prime Minister Relief Fund. The Floods were identified as the worst in over 60 years with the government calling them a national disaster.

As part of the CSR Policy, 5% of our CSR budgets have been allocated for spend on unforeseen emergencies to be utilized in case of natural disasters for the betterment of the affected communities. The funds donated for J&K Relief to the PM Relief Fund were utilized to this effect.

#### **2. Composition of the CSR Committee:**

Your Company has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 comprising Mr. Venkatesh Valluri, Chairman, Mr. Hemraj C. Asher, Director and Ms. Jayantika Dave, Director.

- |   |                      |
|---|----------------------|
| <b>3. Average net profit of the company for last three financial years:</b> | INR 1,109.43 Million |
| <b>4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):</b> | INR 22.19 Million    |
| <b>5. Details of CSR spend during the financial year:</b>                   |                      |
| (a) Total amount to be spent for the financial year:                        | INR 22.19 Million    |
| (b) Amount unspent, if any:   | INR 5.23 Million     |

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where the projects was undertaken	Amount outlay (Budget) project or programs wise (INR)	Amount spent on the projects or programs  Direct expenditure on projects or programs overheads (INR)	Cumulative expenditure up to the reporting period (INR)	Amount spent: Direct or through implementing agency
1.	Renewal of Science Centre & YIL Program	Promotion of Education	Gurgaon, Haryana	1,637,000	** 409,250	** 409,250	Agastya International Foundation
2.	Mobile Science Lab Program	Promotion of Education	Chennai, Tamil Nadu, Bidadi, Karnataka & Naroda, Gujarat	4,896,000	** 1,483,000	** 1,483,000	Agastya International Foundation
3.	Providing mid-day meal to under privileged children	Eradication of hunger	Ahmedabad, Gujarat and Bangalore, Karnataka	4,759,500	4,759,500	4,759,500	Akashya Patra Foundation
4.	Donating of Tempo Traveller for Gift of Vision Program	Promoting Healthcare	Rural areas of Karnataka	1,325,000	1,245,581	1,245,581	Sankara Eye Hospital
5.	Supporting maintenance and preservation of Uttarhalli lake	Conservation of natural resources	Bangalore, Karnataka,	1,068,100	1,068,100	1,068,100	United way of Bengaluru
6.	Prime Minister's National Relief Fund	National Relief	Jammu and Kashmir Disaster Relief	1,000,000	1,000,000	1,000,000	Government of India
7.	Providing individual house hold sanitation facility	Promoting Healthcare	Bangalore, Karnataka, Chennai, Tamil Nadu and Ahmedabad, Gujarat	6,992,660	6,992,660	6,992,660	Habitat for Humanity India Trust
			<b>Total</b>	<b>21,678,260</b>	<b>^^ 16,958,091</b>	<b>^^ 16,958,091</b>	

\*\* Balance amount will be disbursed basis progress of the projects as per Memorandum of Understanding entered into with the implementing agency

^^ Includes an aggregate amount of INR 9,998,780 accrued in Statement of Profit & Loss, but disbursed after 31st March 2015

6. Resons for not spending the prescribed amount :

The CSR Policy formulated by the Company was sent to the CSR Committee for approval and the same was approved on November 11, 2014. Post the clear directive from the CSR committee, the Company shortlisted CSR programs, reached out to the Implementation Partners and detailed the projects as per CSR Policy. During this time, the Company also worked towards capacity building of its in house CSR team to be able to implement the programs effectively.



The Company submitted the CSR proposals to the CSR Committee for approvals for us to finalize the implementation. The Company has extensively worked on ensuring all aspects of the new Rules have been covered and have spent appropriate time required to seek all approvals and shortlist the best projects in the interest of the organization and the communities it operates in. All the projects undertaken by the Company are medium to long term to be able to showcase significant impact.

The Company signed project MoUs in December 2014 and disbursed the funds in January 2015 to the Implementation Agencies. The CSR Budget for 2014-15 in total was INR 21,678,260. As of 31st March 2015, the Implementation Agencies have utilized INR 16,958,091 as per the Utilization Certificate. However, the remaining amount of the CSR budget should not be taken as unutilized since the budgets have already been sanctioned to the projects that are in the running. Due to the medium-long term nature of the projects, the Implementing agencies will continue to spend on these projects over the coming months of FY 2015-16 and the Company will disburse the funds basis progress of the projects.

The shortfall between the total amount to be spent and the CSR Budget allocated i.e. INR 0.51 Million will be spent in the next financial year.

In our next financial year, we will be appropriately reporting about the completion and impact of these projects as well as the projects of the next financial year.

#### 7. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the Corporate Social Responsibility (CSR) Policy, is in compliance with the CSR objectives and policy of the Company.'



Venkatesh Valluri  
Chairman  
CSR Committee

#### Conclusion

CSR is the company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. At Ingersoll Rand, we are passionate about creating a better future. The Company believes in Corporate Social Value creation and building a mutually beneficial relationship with the communities the Company operates in. The CSR Policy and projects are built on this very foundation and the Company's approach continues to be to engage with the right partners engaged in advancing its core beliefs.

## Annexure D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sl. No	Name and designation of Director/KMP	Remuneration for FY 14-15 (INR million)	% increase in remuneration in FY 14-15	Ratio of remuneration of each director to median remuneration of employees of FY 14-15	Comparison of remuneration of KMP against the performance of the Company
1.	Mr. Venkatesh Valluri, Non-executive Chairman	0.35	Not Applicable	0.59	Not Applicable
2.	Mr. H. C. Asher, Independent Director	1.20	0	2.03	Not Applicable
3.	Mr. D. C. Shroff, Independent Director	1.20	0	2.03	Not Applicable
4.	Ms. Jayantika Dave, Non-Executive Director	0.20	Not Applicable	0.34	Not Applicable
5.	Mr. Roman Steinhoff, Non-Executive Director	-	0	Not Applicable	Not Applicable
6.	Mr. Amar Kaul – Manager under the Companies Act, 1956	14.72	16.50	Not Applicable	Refer Note No.2
7.	Mr. Madhusudhan Rao, Vice President - Finance	10.79	8.00	Not Applicable	Refer Note No.2
8.	Mr. P. R. Shubhakar – General Manager – Corp. Finance & Company Secretary	7.54	11.50	Not Applicable	Refer Note No.2

Notes:

- The Company does not pay any remuneration to non-executive directors other than commission.
- Salaries of employees of the Company are driven by the Company's Remuneration Policy basis the performance of respective business segments, market situation, forecast for the ensuing financial year and the comparative information as available with Company.

(ii)	The percentage increase in the median remuneration of employees in the financial year;	18.99
(iii)	The number of permanent employees on the rolls of company;	724
(iv)	The explanation on the relationship between average increase in remuneration and company performance;	The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance and goals achieved, industry trends, economic situation, future growth prospects, anticipated need to retain employees etc.
(v)	Variations in the market capitalization of the company as at the closing date of the current financial year and previous financial year	March 31, 2015: Rs. 31,869.47 million March 31, 2014: Rs. 14,507.07 million

(vi)	price earnings ratio as at the closing date of the current financial year and previous financial year	March 31, 2015: 48.18 times March 31, 2014: 21.67 times
(vii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase in the salaries of employees other than the managerial personnel is 18.99 % as against average percentage increase in salaries of managerial personnel is 16.50%
(viii)	The key parameters for any variable component of remuneration availed by the directors;	The key parameter for variable remuneration availed by directors include financial performance, time spent in attending meetings, time spent in participating in strategy development, advice given to management on strategic matters etc.
(ix)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not applicable as the Company does not have any executive director
(x)	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

**ANNEXURE TO THE BOARD OF DIRECTORS' REPORT**

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND RULE (5)3 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

Name and Age	Designation and date of commencement of employment	Qualification/Experience	Gross Remuneration Rs.	Particulars of last employment held Designation and Name of the Company (Period for which held in years)
<b>(A) EMPLOYED THROUGH THE YEAR</b>				
Atul Manwah 44 Years	HR Leader - Air Solutions 02-Jul-2006	Microbiologist 20 Years	5,896,016	Spinneys Abudhabi Group Service Manager 7 Years
Prasad Naik 55 Years	Vice President - Information Technology 01-Apr-1999	B.Com, D.B.M, D.F.M, M.M.S 24 Years	10,279,822	General Manager, MIS  Krilosakar Ferrous Industries Limited 6 Years
P. R. Shubhakar 49 Years	General Manager - Corporate Finance & Company Secretary 17-Aug-2000	B.Com, ACA, ACS 25 Years	7,537,486	Sr. Manager Finance & Company Secretary  B C Components India Private Limited 1 Year
K.Balu 45 Years	VP, Product Management, AP & India 02-Apr-2001	BE - Mechanical Maintenance 24 Years	6,600,000	Krilosakar Pneumatic Co Ltd  Manager 8 Years
Sandeep Taneja 40 Years	Finance Leader - Air Solutions 01-Aug-2012	Master of Business Administration, 22 Years	6,366,427	Corning Technologies India Private Limited Finance Manager 1 Year
G. Madhusudhan Rao 58 Years	Vice President - Finance 05-Sep-2012	B.Com, ACA, ACS 30 Years	10,790,226	Finance Director Northern Operating Services Private Limited 2 Years
Amar Kaul 45 Years	Vice President and General Manager 10-May-2011	B. Tech, Engg Business Management 22 Years	14,718,669	Senior Vice President Bharat Forge Limited 7 Years
<b>(B) EMPLOYED FOR THE PART OF THE YEAR</b>				
Nil	Nil	Nil	Nil	Nil
Notes :	1. Gross remuneration as above includes salary, Company's contribution to provident fund, leave travel benefit, medical benefits, personal accident and group insurance premium, house rent allowance, and other allowances as applicable.			
	2. None of the above mentioned employees is a relative of any director of the Company.			
	3. All the employees have adequate experience to discharge responsibilities assigned to them.			

# Annexure E

## Nomination and Remuneration Policy

### 1. PREAMBLE

- 1.1 Ingersoll – Rand (India) Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high calibre and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.
- 1.2 The Companies Act, 2013 vide sub-section (3) of Section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement as amended by the Securities and Exchange Board of India vide Master Circular dated April 17, 2014 makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.
- 1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities to shareholders by :
  - 1.3.1. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014; and
  - 1.3.2. ensuring that the nomination processes and remuneration policies are equitable and transparent.
- 1.4 The responsibilities of the Committee include :
  - 1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;
  - 1.4.2 recommending to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
  - 1.4.3 formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;
  - 1.4.4 devising a policy on Board diversity; and
  - 1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommending to the Board of Directors the appointment and removal of such personnel.
- 1.5 This Nomination and Remuneration Policy has been formulated with a view to :
  - 1.5.1 devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;
  - 1.5.2 encourage personnel to perform to their highest level;
  - 1.5.3 provide consistency in remuneration throughout the Company; and
  - 1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company.
- 1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the

Company, Nomination and Remuneration Committee and Management of the Company in determining the appropriate remuneration policy for the Company.

### 2. DEFINITIONS

Some of the key terms used in the Nomination and Remuneration Policy are as under:

- 2.1 'Board' means the Board of Directors of Ingersoll – Rand (India) Limited or the Company.
- 2.2 'Committee' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.
- 2.3 'Director' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.
- 2.4 'Employee' means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- 2.5 'Key managerial personnel' includes managing director, or Chief Executive Officer or manager and in their absence, a whole time director; company secretary; and Chief Financial Officer.
- 2.6 'Member' means a director of the Company appointed as member of the Committee.
- 2.7 'Nomination and Remuneration Policy' shall mean the policy of remuneration of directors, key managerial personnel and other employees of the Company determined by the Nomination and Remuneration Committee.
- 2.8 'Senior management' means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

### 3. NOMINATION AND REMUNERATION COMMITTEE

- 3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as Members of the Committee from time to time.
- 3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.
- 3.3 The presently nominated members of the Committee are :
  - (i) Mr. Hemraj C. Asher, Chairman
  - (ii) Mr. Venkatesh Valluri
  - (iii) Mr. Darius C. Shroff

### 4. LETTER OF ENGAGEMENT OR CONTRACT OF EMPLOYMENT

- 4.1 Non-executive directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package and added incentives for the director, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance defined by the Company.
- 4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract with

the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

4.3 The Committee and the Board must approve the contracts of employment for the senior management and directors.

4.4 The Board shall disclose the terms and conditions of any contract of employment in accordance with the law.

## 5. REMUNERATION STRUCTURE

### 5.1 REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Board shall, in consultation with the Committee approve and finalize the forms of remuneration to be offered to directors, key managerial personnel, senior management and other employees. The remuneration package shall be composed of amounts that are fixed and variable and the endeavour of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

#### 5.1.1 Fixed Remuneration

The contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate a fixed gross annual salary or base salary payable to the employee. The fixed remuneration or salary shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

#### 5.1.2 Performance Based Remuneration or Incentive-Based Payments

The performance-based or incentive-based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting short and long term performance objectives appropriate to the working of the Company and designed to lay emphasis on the direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by employees in the Company. Incentive-based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

#### 5.1.3 Severance Fees or Termination Benefits

Each contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate in advance the entitlement to payment upon termination of employment for each employee. Making of such payments shall be approved by the Board and the Committee and shall be in consonance with the Nomination and Remuneration Policy of the Company.

#### 5.1.4 Employee Benefits

The Company shall comply with all legal and industrial obligations in determining the benefits available with employees, namely short-term benefits such as salaries, social security contributions, profit sharing and bonuses, post-employment benefits such as gratuity, pension retirement benefits, post-employment life insurance and post-employment medical care; other long-term employee benefits, including long-service leave, long-term disability benefits and termination benefits.

### 5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non-executive directors shall receive a fixed remuneration, including superannuation for their service and may be issued securities in the Company. Non-executive directors shall not be entitled to any performance-based incentives, bonus payments or retirement benefits.

## 6. DISCLOSURES

6.1 The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of Section 134 of the Companies Act, 2013.

6.2 The Nomination and Remuneration Policy and the criteria for evaluation of performance or evaluation criteria as laid down by the Committee shall be disclosed in the Annual Report of the Company.

6.3 Payments to Non-executive directors shall be either disclosed in the Annual Report of the Company or put up on the website of the Company and reference drawn thereto in the Annual Report. Further, the number of shares and convertible instruments held by Non-executive directors shall be disclosed by the Company in its Annual Report.

6.4 With regard to payment of remuneration, the section on the corporate governance of the Annual Report of the Company shall contain the following disclosures, namely :

6.4.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

6.4.2 Details of fixed component and performance linked incentives, along with the performance criteria;

6.4.3 Service contracts, notice period, severance fees; and

6.4.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

## 7. REVIEW AND IMPLEMENTATION

7.1 The Executive Management shall conduct an evaluation of performance for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.

7.2 The remuneration package payable to the employees of the Company shall be approved by the Board.

7.3 The Committee shall be responsible for monitoring the implementation of the policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company.

# Annexure F

## Secretarial Audit Report

For The Financial Year ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Board of Directors,

**INGERSOLL-RAND (INDIA) LIMITED**

Plot No. 35, KIADB Industrial Area, Bidadi 562109, Karnataka

Corporate Identity Number: L05190KA1921PLC036321

Authorized Capital : Rs. 32,00,00,000/-

Paid Up Capital : Rs. 31,56,80,000/-

I have examined the registers, records and documents of **INGERSOLL-RAND (INDIA) LIMITED** ("the Company") for the financial year ended on March 31, 2015,

### A. Maintained under the provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder;

Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Act and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to;

- (a) maintenance of various statutory registers and documents and making necessary entries therein.
- (b) closure of the Register of Members.
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.
- (d) service of documents by the Company on its Members, Directors, Auditors, the Registrar of Companies and others concerned.
- (e) notice of Board meetings and Committee meetings of Directors.
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation.
- (g) sending notices for and holding of Annual General Meeting for the period under report.
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings.
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required.

- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors.
- (k) payment of remuneration to Manager and Independent Directors.
- (l) appointment and remuneration of Statutory Auditors, Cost Auditors and Internal Auditors.
- (m) transfer(s) and transmission(s) of the Company's shares.
- (n) declaration and payment of dividends.
- (o) transfer of amounts as required under the Act to the Investor Education and Protection Fund and transfer of unpaid and unclaimed amount to a separate Bank Account.
- (p) borrowings and registration, modification and satisfaction of charge(s), wherever applicable.
- (q) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act.
- (r) Directors' report.
- (s) contracts, common seal, registered office and publication of name of the Company and
- (t) Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interest and concern in the contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Executive Directors, Senior Management Personnel and Non-Executive Directors separately.
- (c) the Company has obtained all necessary approvals under the various provisions of the Act and

**B. Maintained under the provisions of;**

The Securities and Exchange Board of India Act, 1992 ('SEBI Act'),

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act and

The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act

Based on my examination and verification of the records and documents produced to me and according to the information and explanations given to me by the Company with regard to the following rules, regulations and guidelines prescribed under;

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- (iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
- (v) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
- (vi) The Equity Listing Agreements with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited

I report that, the Company has, in my opinion, complied with the provisions of the aforesaid Act(s) and the rules, regulations and guidelines made under the aforesaid Act(s);

- (a) The Company has complied with the provisions of the Securities Contracts (Regulations) Act, 1956 and the Rules made under the Act, with regard to maintenance of minimum public shareholding.
- (b) The Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited
- (c) The Company was not required to comply with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as there were no such cases.

(d) The Company has adopted a Code of Conduct and policy of Corporate Disclosure Practices for Prevention of Insider Trading, pursuant to the requirement of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. This policy is applicable to all Directors, Managerial Personnel and such employees of the Company, who are expected to have access to Company's unpublished price sensitive information.

(e) The Company was not required to comply with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, as there were no such cases.

(f) The Company was not required to comply with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as there were no such cases

(g) The Company was not required to comply with the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as there were no such cases

(h) The Company has complied with the provisions of the Depositories Act, 1996 and the Bye- laws framed thereunder by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

(i) There were no prosecutions initiated and no fines or penalties were imposed during the year under review under the SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**C. Maintained under the provisions of the Foreign Exchange Management Act, 1999 (FEMA, 1999)**

Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of FEMA, 1999 and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:



- (a) the Rules and Regulations made under FEMA, 1999 to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB)
- (b) The applicable provisions of FEMA 1999 and the Rules and Regulations made under that Act.

D. Maintained under the provisions of;

Sl. No	Acts
1	Air (Prevention and Control of Pollution) Act, 1981
2	Apprentices Act, 1961
3	Collection of Statistics Act, 1953
4	Competition Act, 2002
5	Contract Labour (Regulation and Abolition) Act, 1970
6	Customs Act, 1962
7	Employees' Provident Funds & Miscellaneous Provisions Act, 1952
8	Employees' State Insurance Act, 1948
9	Environment Protection Act, 1986
10	Factories Act, 1948
11	Foreign Exchange Management Act, 1999
12	Income Tax Act, 1961
13	Indian Contract Act, 1872
14	Industrial Disputes Act, 1947
15	Industrial Employment (Standing Orders) Act, 1946
16	Industries (Development & Regulation) Act, 1951
17	Labour Welfare Fund Act of various States
18	Minimum Wages Act, 1948
19	Competition Act, 2002
20	Payment of Bonus Act, 1965
21	Payment of Gratuity Act, 1972
22	Payment of Wages Act, 1936
23	Sale of Goods Act, 1930
24	Sales Tax/Value Added Tax Acts of various States
25	Shops and Establishments Acts of various States
26	The Central Excise Act, 1944
27	Water (Prevention and Control of Pollution) Act, 1974
28	Wealth Tax Act, 1957
29	Workmen's Compensation Act, 1923
30	Registration Act, 1908
31	Applicable Stamps Act(s) and the rules made there under

Based on my examination and verification of the registers, records, documents, statutory audit report and internal audit report(s) produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, adequate systems and processes commensurate with the size and operations of the Company, to monitor and ensure compliance of the aforementioned Act(s) and the rules / regulations / guidelines made / issued thereunder.

I further report that, the Company has complied with the applicable provisions of the Registration Act, 1908 and the applicable Stamps Act(s) and the rules made there under with regard to the agreements entered into by the Company with the third parties.

**Natesh K.**  
 Company Secretary  
 F.C.S. 6835  
 Certificate of Practice No. 7277  
 No. 287, 9th Main, 26th Cross,  
 BSK II Stage, Bangalore-560 070

Place: Bangalore  
 Date: May 12, 2015

# Annexure G

## 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 business ethics and values. The Company has over the years consistently demonstrated good corporate governance practices 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. The Company has an obligation, to conduct business in accordance with highest ethical and legal standards, superior product quality and services, to all our stakeholders including shareholders, employees, customers, suppliers and communities.

#### 2. BOARD OF DIRECTORS

As at March 31, 2015, all Directors of the Company meet the criteria of maximum number of directorship as laid down in Section 165 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. The Company's Board of Directors headed by its Chairman, Mr. Venkatesh Valluri, comprised of 5 Directors, out of which, two are independent directors.

Number of Board Meetings:

Six Board Meetings were held during the year 2014-15 on May 7, 2014, July 23, 2014, September 12, 2014, November 11, 2014, February 4, 2015 and March 23, 2015.

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 Attended during the year	Attendance at the last AGM (September 12, 2014)
Mr. Venkatesh Valluri (Chairman)	Non-Executive	6	Yes
Mr. Hemraj C. Asher	Non-Executive & Independent	6	Yes
Mr. Darius C. Shroff	Non-Executive & Independent	6	Yes
Ms. Jayantika Dave *	Non-Executive	3	No
Mr. Roman Steinhoff #	Non-Executive	1	No

\* Appointed w.e.f. September 12, 2014

# Appointed w.e.f. February 4, 2015

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	5	6
Mr. Darius C. Shroff	5	6
Ms. Jayantika Dave	NIL	NIL
Mr. Roman Steinhoff	NIL	NIL

\* Only Audit Committee/ Stakeholders Relationship Committee/ Corporate Governance Committee/ Management & Remuneration Committee/ Corporate Social Responsibility Committee are considered as per Listing Agreement.

### 3. AUDIT COMMITTEE

The Audit Committee held five meetings during the year on May 6, 2014, July 23, 2014, September 11, 2014, November 10, 2014 and February 3, 2015. 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	5	5
Mr. Darius C. Shroff	5	5
Mr. Venkatesh Valluri	5	5

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 Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, inter alia consists of

- Overseeing of the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;
- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, primarily focusing, inter alia, on
  - Any change in accounting policies and practices and reasons for the change;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Major accounting entries based on exercise of judgment by Management;
  - Compliance with accounting standards;
  - The going concern assumption;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Related party transactions;
- 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;
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit;
- Review with internal auditors and senior management, 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;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- 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, direct and indirect tax compliance, receivables, C forms and compliances in general. The minutes of the Audit Committee Meetings are placed before the Board for their review.

The Committee relies on the expertise and knowledge of the Management, the Internal Audit Team and Statutory Auditors in carrying out its responsibilities. It also uses external expertise where necessary. Management is responsible for the preparation, presentation and integrity of the Company's financial reporting. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with Accounting Standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year under review, in terms of provisions of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board constituted Stakeholder Relationship Committee. This was constituted by reconstitution of the existing Shareholders Grievance Committee. As of March 31, 2015, the Stakeholders Relationship Committee comprise of

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

The Committee meetings are held as and when required. 11 meetings of the Committee were held during the year. The terms of reference of the Stakeholders Relationship Committee, inter alia, consists of

- Monitor redressal of investors/shareholders grievances;
- Approve transfer and transmission of shares;
- Issue of duplicate share certificates;
- Approving of split and consolidation requests;
- Review of shares dematerialized;
- Oversee the performance of the Company's Registrars and Share Transfer Agents;
- 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. G. Madhusudhan Rao, 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. During the year, 960 grievances/queries were received from shareholders/investors and 1 complaint was received from Securities Exchange Board of India (SEBI). All investor grievances/queries, including the 1 complaint 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, 2015.

#### 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of Mr. Venkatesh Valluri, Mr. Hemraj C. Asher and Mr. Darius C. Shroff. Mr. Hemraj C. Asher is the Chairman of the Committee. The Nomination and Remuneration Committee met twice during the year on May 7, 2014 and March 23, 2015.

The terms of reference of committee, inter alia consists of

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Formulate and recommend to the Board a policy for payment of remuneration to Managing Director, Non-Executive Directors, Key Managerial Personnel etc. and its review from time to time.
- Periodically review and suggest revision of the total remuneration package of Managing Director and Key Managerial Personnel under the provisions of Companies Act.
- Decide the actual salary, allowances, perquisites, retivals and increments of Managing Director/Manager under the Companies Act.
- Decide the amount of commission payable to Managing Director/Manager under the provisions of Companies Act.

The Committee has formulated the remuneration policy.

In determining the remuneration package of the Managing Director/Manager under the provisions of Companies Act, 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.

## 6. REMUNERATION TO DIRECTORS

### Criteria for payments to Non-Executive Directors:

Non-Executive Directors have been 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 12, 2014.

The Company has formulated a Nomination and Remuneration Policy as per which the criterion for payment of remuneration to Non-Executive Directors inter alia includes the time spent in attending Board/Committee meetings, time spent in perusing the paper/records/documents, time spent in participating in strategy development and advice given to the Management from time to time on strategic matters.

The details of remuneration paid/payable to Non-Executive Directors for the year 2014-15 are given below:

Name of the Director	Sitting fees (INR)	Commission (INR)
Mr. Venkatesh Valluri (Chairman )	NIL	350,000
Mr. Hemraj C. Asher	NIL	1,200,000
Mr. Darius C. Shroff	NIL	1,200,000
Ms. Jayantika Dave	NIL	200,000
Mr. Roman Steinhoff	NIL	NIL

## 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	September 12, 2014	Eagleton – The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	1
AGM	July 19, 2013	Eagleton – The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	-
AGM	July 19, 2012	Eagleton – The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	-

## 8. NOTES ON DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

### Mr. Roman Steinhoff

Mr. Roman Steinhoff was appointed as Director with effect from February 4, 2015 to fill the casual vacancy caused by the resignation of Mr. Venkatesh Valluri.

Mr. Roman Steinhoff is a Mechanical Engineer and has graduated from Technical College of Bochum in Germany. He has Marketing Executive degree from University of St.Gallen, Switzerland. He joined Ingersoll Rand group in the year 2000 and has handled multiple roles in different business divisions of Ingersoll Rand group since then. At present he is Vice President & General Manager, Compressed Air Systems and Services – EMEIA for Ingersoll Rand group in Belgium.

Mr. Roman Steinhoff does not hold Directorships in any other Indian Limited Companies.

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

**Mr. Venkatesh Valluri**

Mr. Venkatesh Valluri was appointed as Additional Director with effect from February 5, 2015. He holds office up to the date of the ensuing Annual General Meeting of the Company.

Mr. Venkatesh Valluri is aged about 54 years. He is an Electronics Engineering Graduate and Management Graduate from Indian Institute of Management, Ahmedabad. He has total experience of about 29 years. He was President for Ingersoll Rand group operations in India from 2009 until he quit Ingersoll Rand group in December 2014. Earlier to 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.

**Ms. Jayantika Dave**

Ms. Jayantika Dave was appointed as Additional Director on the Board with effect from September 12, 2014. She holds office up to the date of the ensuing Annual General Meeting of the Company.

Ms. Jayantika is a Post Graduate in Management (HR & Marketing) from Delhi University. She is a certified Executive Coach from ICF, a certified assessor for Intercultural Development Inventory (IDI), for Myers Briggs Type Indicator (MBTI), and for Personality & Profiles Inventory (PAPI). She has more than three decades of experience in various capacities in Human Resources functions with different IT and Technology firms. She worked as Vice President – Human Resources for Ingersoll Rand group in India from October 2009 to January 2015. Prior to joining Ingersoll Rand group in 2009, she served as Director, Human Resources, Agilent Technologies Private Limited.

Ms. Jayantika Dave does not hold any other Directorships and Chairmanships/Memberships in Board Committees of Indian Limited Companies.

Ms. Jayantika Dave does not hold any shares in the Company either in her name or for other persons on a beneficial basis.

**9. DISCLOSURES**

All the transactions with related parties were in the ordinary course of business and on arms' length basis. In terms of Clause 49 (VII) of the Listing Agreement the Company started obtaining prior approval of the audit committee for entering into any transaction with related parties. The audit committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. There are no 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 33 to the financial statements in the Annual Report.

A firm of qualified Practicing Company Secretaries carried out a Share Capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The said report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This report is sent to all the Stock Exchanges on a quarterly basis within 30 days from the end of every quarter.

In terms of the provisions of Section 177(9) of the Companies Act, 2013 the Company has implemented a vigil mechanism which includes implementation of the whistleblower policy. No employee has been denied access to the chairman of audit committee. The Company in conjunction with the Legal and Ethics Team of its ultimate holding company has informed its employees that any non-compliant behavior of directors or employees, including non-compliance of its code of conduct, may be reported by them using the ethics hotline or ethics email id.

The Company has carried out the board and directors performance evaluation during the year. The performance of the independent directors was evaluated by the Board as a whole and the director being evaluated did not participate in the meeting at the time of their evaluation. The independent directors evaluated the performance of the non-independent directors and Chairman of the Board.

During the year under review, the Company has taken steps to familiarize its directors including independent directors about the Company operations, business model, industry in which the Company operates and their roles and responsibilities. The details of familiarization programs provided to directors is available on the Company's website [www.ingersollrand.co.in](http://www.ingersollrand.co.in)

## 10. COMPLIANCES

The Company has complied with all the requirements including the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges as well as regulations and guidelines of the Securities and Exchange Board of India (SEBI). Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or statutory authorities. The Company has complied with and adopted the mandatory requirements of the Corporate Governance Code.

### Status of compliance of Non-Mandatory requirements:

The Company has not set up a separate office for the Chairman or Independent Directors. However, they do have access to the Company information whenever required.

The Company has published its quarterly, half yearly and annual accounts in two newspapers including one vernacular newspaper having wide circulation. The results are promptly put up on the website of the Company besides being sent to the stock exchanges. The Company has not circulated separately half yearly financial reports to its shareholders.

There are no audit qualifications in the auditor's report.

The Company does not have a Managing Director. The Chairman is a Non-Executive Director.

Internal auditor has direct access to the audit committee. The audit plan and performance of the internal audit team is reviewed by the audit committee.

## 11. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Directors and Senior Management and all its employees. The Code of Conduct is also posted on the Company's website [www.ingersollrand.co.in](http://www.ingersollrand.co.in). All Directors and Senior Management personnel of the Company have affirmed compliance with the Code. A declaration signed by the Chairman to this effect is appended at the end of this Report.

## 12. CEO/CFO CERTIFICATION

A certificate from the Manager under the provisions of Companies Act, 2013 and Vice President – Finance on the integrity of the financial statements and other matters of the Company for the financial year ended March 31, 2015 was placed before the Board at its meeting held on May 12, 2015.

## 13. RISK MANAGEMENT

The Board has established a risk assessment and minimization procedure which is reviewed by the Board periodically. There is a structure in place to identify and mitigate various identifiable risks faced by the Company from time to time. These risks are reviewed by the Risk Management Committee of the Board and new risks are identified. After identification, controls are put in place with specific responsibility of the concerned officer of the Company.

## 14. MEANS OF COMMUNICATION

The last year's audited accounts were announced by the Company within 60 days of closure of the financial year. The quarterly results during the year were announced within 45 days of close of the fiscal quarter. The results were published in leading newspapers. The financial results, press releases and other major events/developments concerning the Company were also posted on the Company's website [www.ingersollrand.co.in](http://www.ingersollrand.co.in)

- Half yearly report sent to each household of shareholders No
- Quarterly Results – Which newspapers normally published in The Financial Express  
Kannada Prabha
- Any Web site, where displayed The quarterly results are displayed on the Company's website [www.ingersollrand.co.in](http://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

## 15. GENERAL SHAREHOLDER INFORMATION

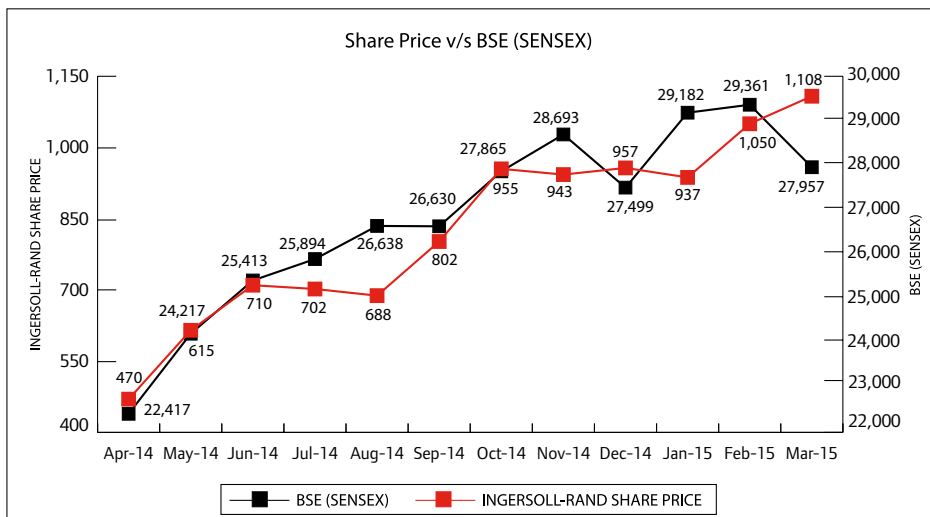
- AGM
  - Date September 23, 2015
  - Time 12.00 Noon
  - Venue Eagleton–The Golf Resort  
30th km Bangalore–Mysore Highway,  
Shyanamangala Cross,  
Bidadi Industrial Area,  
Bangalore 562 109
- Financial Calendar
  - April 2015 to March 2016
  - (a) First Quarter Results Second week of August 2015
  - (b) Second Quarter Results Second week of November 2015
  - (c) Third Quarter Results First week of February 2016
  - (d) Results for the year ending March 2016 Second week of May 2016
- 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 2014-2015 from September 11, 2015 to September 14, 2015 (Both days inclusive)
- Dividend Payment Date September 28, 2015
- Listing on Stock Exchange
  - Bombay Stock Exchange Limited
  - Ahmedabad Stock Exchange Limited
  - National Stock Exchange of India Limited
  - Listing fees for the period 2015 - 2016 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 2014 to March 2015

(in Rupees)

	The Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 2014	469.90	420.00	464.80	426.60
May 2014	614.70	424.90	615.20	441.00
June 2014	710.30	590.05	711.40	585.00
July 2014	701.50	550.60	704.00	556.60
August 2014	688.00	552.00	694.00	559.60
September 2014	802.00	646.30	802.00	643.60
October 2014	954.80	670.25	954.80	670.10
November 2014	942.80	841.00	943.70	840.55
December 2014	956.85	790.00	954.90	789.75
January 2015	937.00	857.75	938.00	857.00
February 2015	1,050.00	860.10	1,049.00	860.10
March 2015	1,107.80	952.50	1,108.00	951.25



- 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 5,700.

- Distribution and Shareholding Pattern as on March 31, 2015

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	18,390	89.37	1,880,070	5.96
501 – 1,000	1,481	7.20	1,146,525	3.63
1,001 – 2,000	383	1.86	563,662	1.78
2,001 – 3,000	122	0.59	307,964	0.98
3,001 – 4,000	45	0.22	157,099	0.98
4,001 – 5,000	36	0.17	165,725	0.50
5,001 – 10,000	63	0.31	450,120	0.52
10,001 and above	58	0.28	26,896,835	85.20
TOTAL	20,578	100.00	31,568,000	100.00
No. of shareholders in physical mode	1,770		393,658	1.25
No. of shareholders in electronic mode	18,808		31,174,342	98.75

- Shareholding pattern as on March 31, 2015 is as follows

Category	No. of shares	%
Ingersoll-Rand Company, New Jersey, U.S.A.	23,360,000	74.00
Foreign Institutional Investors	175,973	0.56
Non Resident Indians	112,838	0.36
Unit Trust of India	200	0.00*
Insurance Companies	1,378,258	4.37
Nationalised Banks and other Banks	27,737	0.09
Foreign Banks	150	0.00*
Mutual Funds	1,181,749	3.74
Domestic Companies	757,857	2.40
Trusts	4,894	0.02
Directors and Their Relatives	105,000	0.33
General Public	4,463,344	14.13
Total	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, 2015
Mr. Venkatesh Valluri (Chairman )	NIL
Mr. Hemraj C. Asher	8,000
Mr. Darius C. Shroff	10,000
Ms. Jayantika Dave	NIL
Mr. Roman Steinhoff	NIL

- 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, 2015, 98.75% 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 

21-30, G.I.D.C. Estate,  
Naroda, Ahmedabad 382 330

-----  
Plot No. 61, 8th Avenue,  
1st Cross Road, Mahindra World City,  
Chengalpattu Taluk,  
Kancheepuram District,  
Tamil Nadu – 603 002
- Address for correspondence 

Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents or to the Compliance Officer at the following address:

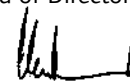
**Registrars & Share Transfer Agents**  
TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Ind. Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011  
E-mail: csg-unit@tsrdarashaw.com

**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.

For and on behalf of the Board of Directors



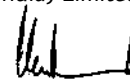
Venkatesh Valluri  
Chairman

Mumbai  
May 12, 2015

**Declaration - Compliance with Code of Conduct**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I, Venkatesh Valluri, Chairman of the Board of Directors of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2015.

For Ingersoll-Rand (India) Limited



Venkatesh Valluri  
Chairman  
(DIN: 00047514)

Place: Mumbai  
Date: May 12, 2015

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

To,  
The Members,  
Ingersoll-Rand (India) Limited

I have examined all the relevant records of Ingersoll-Rand (India) Limited for the purpose of certifying compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreements, with the Stock Exchanges for the financial year ended 31st March, 2015. 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 conditions of 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 explanation 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.**

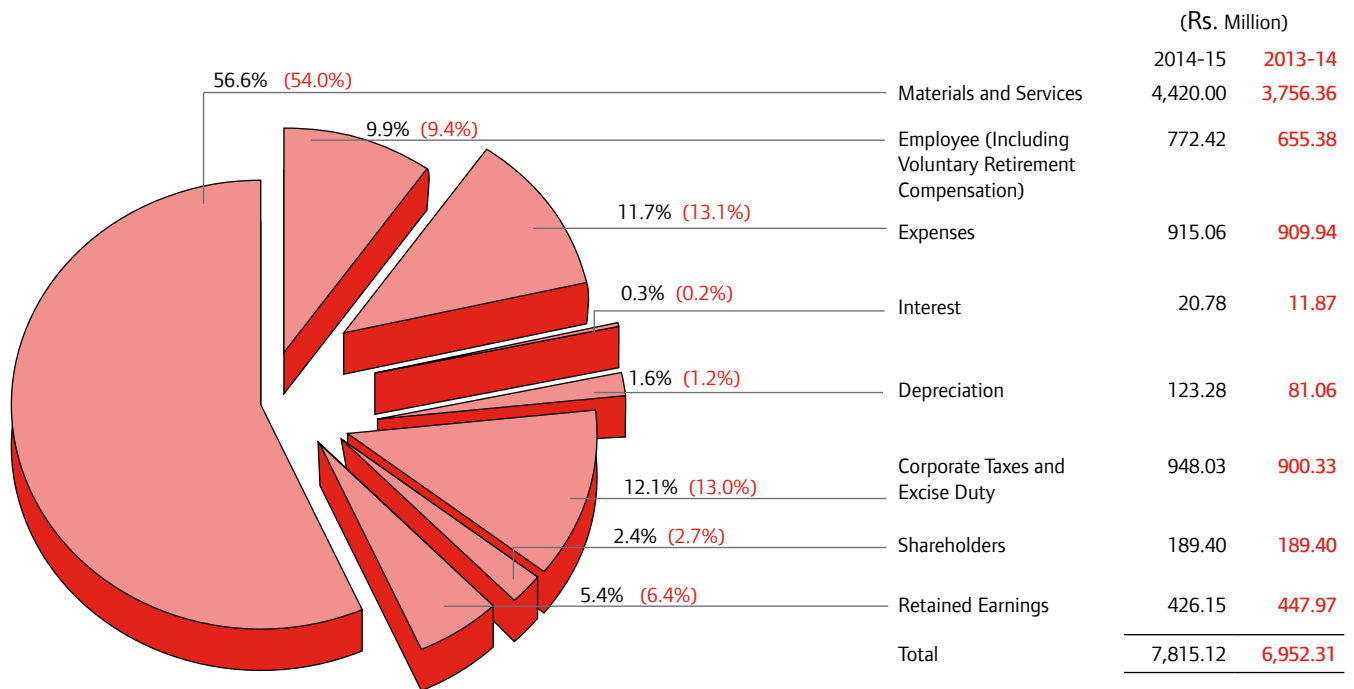
Company Secretary  
F.C.S. 6835

Certificate of Practice No. 7277

No. 287, 9th Main, 26th Cross,  
BSK II Stage, Bangalore-560 070

Place: Bangalore  
Date: May 12, 2015

## → Distribution of Income

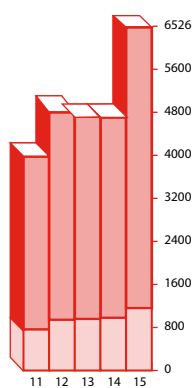


## Ten years at a glance

	(Rs. '000)	2014-15	2013-14	2012-13
1. Sales		6,526,450	5,877,850	5,898,371
2. Other Income		1,288,670	1,074,460	1,037,480
3. Total Income		7,815,120	6,952,310	6,935,851
4. CAGR For Total Income (%)		3.41	0.31	2.91
5. Manufacturing and Other Expenses		6,109,920	5,334,240	5,318,250
6. Depreciation		115,590	81,060	51,760
7. Interest		20,780	11,870	10,900
8. Voluntary Retirement Compensation		-	-	-
9. Profit Before Depreciation & Income Tax		1,125,050	1,065,410	1,163,250
10. Profit Before Tax		1,009,460	984,350	1,111,490
11. Tax		348,000	314,780	332,060
12. Profit After Tax		661,460	669,570	779,430
13. CAGR For Profit After Tax (%)		7.88	-4.99	5.50
14. Dividend		189,408	189,408	189,408
15. Dividend - Rs. per share		6.00	6.00	6.00
16. Fixed Assets (Net)		1,549,490	1,163,240	1,020,281
17. Current Assets, Loans and Advances		9,762,030	9,770,560	9,175,640
18. Total Assets		11,311,520	10,933,800	10,195,921
19. Share Capital		315,680	315,680	315,680
20. Market Price Per Share : 52 Weeks High and Low (H - High ; L - Low)		H 1,107.80 L 420.00	H 473.95 L 301.00	H 543.70 L 383.05
21. Reserves and Surplus		9,256,510	8,830,360	8,382,394
22. Net Worth		9,572,190	9,146,040	8,698,074
23. Loans (Secured and Unsecured)		-	-	-

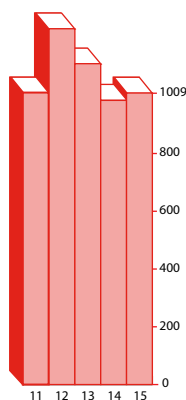
## SALES

(in Millions of Rs.)



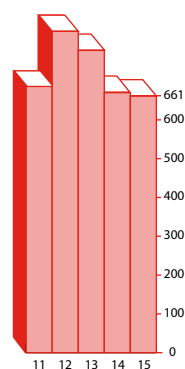
## PROFIT BEFORE TAX

(in Millions of Rs.)



## PROFIT AFTER TAX

(in Millions of Rs.)



2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	
5,997,141	4,970,526	3,760,037	4,056,434	5,306,573	6,473,220	5,188,937	1.
1,005,880	778,991	571,449	765,117	559,746	326,728	329,964	2.
7,003,021	5,749,517	4,331,486	4,821,551	5,866,319	6,799,948	5,518,901	3.
-	-	-	-	-	-	-	4.
5,322,800	4,352,041	3,307,541	3,414,289	4,424,359	5,450,679	4,513,710	5.
50,360	47,530	41,486	41,632	42,453	62,689	62,526	6.
4,710	5,340	18,539	1,731	8,772	9,123	14,541	7.
-	-	10,316	4,847	-	500	7,130	8.
1,282,800	1,059,051	773,040	1,068,960	3,799,353	811,956	561,758	9.
1,232,440	1,011,531	731,554	1,027,328	3,756,900	749,267	499,232	10.
404,810	325,300	257,522	355,274	951,570	284,434	189,639	11.
827,630	686,231	474,032	672,054	2,805,330	464,833	309,593	12.
-	-	-	-	-	-	-	13.
757,632	189,408	189,408	189,408	189,408	189,408	189,408	14.
24.00	6.00	6.00	6.00	6.00	6.00	6.00	15.
453,761	253,621	239,154	223,472	226,724	413,838	412,513	16.
8,999,040	9,357,978	8,731,850	8,378,020	8,005,710	5,935,442	5,445,373	17.
9,452,801	9,611,599	9,020,530	8,649,010	8,289,491	6,371,870	5,880,476	18.
315,680	315,680	315,680	315,680	315,680	315,680	315,680	19.
H 558.50	H 518.40	H 376.90	H 421.45	H 422.10	H 417.45	H 426.70	20.
L 355.20	L 337.00	L 264.55	L 204.75	L 251.25	L 225.10	L 257.30	
7,823,829	7,876,749	7,411,020	7,158,220	6,707,773	4,124,041	3,878,004	21.
8,139,509	8,192,429	7,726,700	7,473,900	7,023,453	4,439,721	4,193,684	22.
-	-	-	-	-	-	-	23.

# Independent Auditors' Report

## To the Members of Ingersoll-Rand (India) Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Ingersoll-Rand (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters, which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by 'The Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations as at March 31, 2015, on its financial position in its financial statements - Refer Notes 5 and 16;
    - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2015; and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For **Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number (FRN): 007567S/S-200012  
[Formerly, Price Waterhouse & Co., Bangalore (FRN: 007567S)]  
Chartered Accountants

**Shivakumar Hegde**

Partner

Membership Number: 204627

Mumbai  
May 12, 2015

## Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Ingersoll-Rand (India) Limited on the financial statements for the year ended March 31, 2015

- i. (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 three 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 have been noticed on such verification.
- ii. (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 during the year. 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.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the Order are not applicable to the Company.
- iv. 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, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
- vi. 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 specified under sub-section (1) of Section 148 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.
- vii. (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 profession tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.



## Annexure to Independent Auditors' Report

- (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 and duty of excise as at March 31, 2015, 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
The Income Tax Act, 1961	Income tax	- (*1)	2002-03	The Income Tax Appellate Tribunal, Bangalore
		- (*2)	2003-04	
		- (*3)	2004-05	
		- (*4)	2005-06	
		- (*5)	2006-07	
		- (*6)	2008-09	
		- (*7)	2009-10	
		51,867,159 (*8)	2010-11	The Dispute Resolution Panel, Bangalore
The Central Excise Act, 1994	Excise duty	6,705,998	2007-08	The Commissioner of Central Excise (Appeals), Bangalore
		143,280,920	2008-13	The Central Excise and Service Tax Appellate Tribunal, Ahmedabad
The Central Sales Tax Act, 1956	Sales Tax	15,098,815	2009-10	The Joint Commercial Tax Commissioner, Ahmedabad

(\*1) Rs.14,525,728 has been deposited "under protest" by the Company.

(\*2) Rs.26,462,768 has been deposited "under protest" by the Company.

(\*3) Rs.16,206,755 has been deposited "under protest" by the Company.

(\*4) Rs.51,391,719 has been deposited "under protest" by the Company.

(\*5) Rs.18,338,642 has been deposited "under protest" by the Company.

(\*6) Rs.634,956 has been deposited "under protest" by the Company.

(\*7) Rs.5,589,413 has been deposited "under protest" by the Company.

(\*8) Rs.14,001,140 has been deposited "under protest" by the Company.

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. As the Company does not have any borrowings from any financial institution or bank, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. 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 material 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 & Co Bangalore LLP

Firm Registration Number (FRN): 007567S/S-200012

[Formerly, Price Waterhouse & Co., Bangalore (FRN: 007567S)]

Chartered Accountants

**Shivakumar Hegde**

Partner

Membership Number: 204627

Mumbai  
May 12, 2015

# Balance Sheet

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Note	As at	
		March 31, 2015	March 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	315.68	315.68
Reserves and Surplus	4	9,256.51	8,830.36
		<u>9,572.19</u>	<u>9,146.04</u>
<b>Non-current Liabilities</b>			
Long-term Provisions	5	25.23	28.09
		<u>25.23</u>	<u>28.09</u>
<b>Current Liabilities</b>			
Trade Payables	6	1,310.03	1,362.81
Other Current Liabilities	7	226.69	223.66
Short-term Provisions	5	177.38	173.20
		<u>1,714.10</u>	<u>1,759.67</u>
<b>Total</b>		<u><u>11,311.52</u></u>	<u><u>10,933.80</u></u>
<b>Assets</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	8.1	1,093.08	1,085.42
Intangible Assets	8.2	-	-
Capital Work-in-progress		456.41	77.82
Deferred Tax Assets (Net)	9	33.32	38.39
Long-term Loans and Advances	10	1,790.32	1,665.68
		<u>3,373.13</u>	<u>2,867.31</u>
<b>Current Assets</b>			
Inventories	11	1,124.37	1,352.53
Trade Receivables	12	1,784.00	1,742.89
Cash and Bank Balances	13	4,175.97	4,170.04
Short-term Loans and Advances	14	550.47	603.04
Other Current Assets	15	303.58	197.99
		<u>7,938.39</u>	<u>8,066.49</u>
<b>Total</b>		<u><u>11,311.52</u></u>	<u><u>10,933.80</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 & Co Bangalore LLP**  
Firm Registration No.(FRN): 007567S/S-200012  
Chartered Accountants  
(Formerly, Price Waterhouse & Co., Bangalore  
FRN 007567S)

**SHIVAKUMAR HEGDE**  
Partner  
Membership Number: 204627

Place: Mumbai  
Date: May 12, 2015

For and on behalf of Board of Directors

**VENKATESH VALLURI**  
Chairman

**H. C. ASHER**  
Director

**G. MADHUSUDHAN RAO**  
Vice President - Finance

**AMAR KAUL**  
Vice President and  
General Manager

**P. R. SHUBHAKAR**  
Gen. Manager - Corp. Finance  
& Company Secretary

Place: Mumbai  
Date: May 12, 2015



# Cash Flow Statement

(All amounts in Rupees Million, unless otherwise stated)

	Year Ended	
	March 31, 2015	March 31, 2014
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	1,009.46	984.35
Adjustments for:		
Depreciation and amortisation expense	115.59	81.06
Interest expense	20.78	11.87
Interest income	(526.42)	(530.40)
Loss/(Profit) on sale/write-off of fixed assets (Net)	(5.28)	2.35
Bad debts written off	50.33	0.14
Provision for doubtful debts and advances	-	14.51
Unrealised foreign exchange (gain)/loss	(42.64)	(12.25)
Provision for doubtful advances (Net)	2.59	6.19
Provision for doubtful debts no longer required written back (Net)	(9.43)	-
<b>Operating profit before working capital changes</b>	<b>614.98</b>	<b>557.82</b>
<b>Changes in Working Capital:</b>		
Increase/(Decrease) in trade payables	(56.58)	323.94
Increase/(Decrease) in short-term provisions	10.81	(3.73)
Increase/(Decrease) in other current liabilities	2.58	(28.47)
Increase/(Decrease) in long-term provisions	(2.86)	(2.44)
(Increase)/Decrease in trade receivables	(81.87)	(355.15)
(Increase)/Decrease in inventories	228.16	(438.12)
(Increase)/Decrease in long-term loans and advances	(13.18)	(1.97)
(Increase)/Decrease in short-term loans and advances	49.99	(308.20)
(Increase)/Decrease in other current assets	(128.33)	(82.01)
Adjustment for unrealised foreign exchange gain/(loss)	42.64	12.25
<b>Cash Generated from Operations</b>	<b>666.34</b>	<b>(326.08)</b>
Taxes paid (net of refunds)	(373.47)	(315.86)
<b>Net cash generated from/(used in) operating activities</b>	<b>292.87</b>	<b>(641.94)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of tangible assets (including Capital work-in-progress)	(601.67)	(207.78)
Sale of tangible assets	6.12	4.32
Investments in Term Deposits (with maturity more than 3 months but less than 12 months)	(6,700.00)	(6,400.00)
Proceeds on maturity of Term Deposits (with maturity more than 3 months but less than 12 months)	6,700.00	6,400.00
Interest received	554.72	511.62
<b>Net cash from/(used in) investing activities</b>	<b>(40.83)</b>	<b>308.16</b>

## Cash Flow Statement (Contd.)

(All amounts in Rupees Million, unless otherwise stated)

	Year Ended	
	March 31, 2015	March 31, 2014
<b>C. Cash flow from Financing Activities</b>		
Dividends paid	(188.95)	(189.37)
Dividend Distribution Tax	(35.04)	(32.20)
Interest paid	(16.98)	(4.65)
<b>Net cash from/(used in) financing activities</b>	<b>(240.97)</b>	<b>(226.22)</b>
Net Increase/(decrease) in cash and cash equivalents	11.07	(560.00)
Cash and Cash equivalents at the beginning of the year	2,259.46	2,819.46
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,270.53</b>	<b>2,259.46</b>
Cash and cash equivalents comprise of:		
Cash on Hand	0.04	-
Cheques on Hand	2.07	4.12
Balances with Banks (including demand deposits)	2,267.45	2,255.66
Effect of exchange differences on balances with banks in foreign currency	0.97	(0.32)
<b>Total</b>	<b>2,270.53</b>	<b>2,259.46</b>

### Notes:

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year ended on that date.
- The above Cash Flow Statement has been prepared under the indirect method 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.
- Prior year's figures have been regrouped/reclassified wherever necessary in order to conform with current year's classification.

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

For **Price Waterhouse & Co Bangalore LLP**  
Firm Registration No.(FRN): 007567S/S-200012  
Chartered Accountants  
(Formerly, Price Waterhouse & Co., Bangalore  
FRN 007567S)

**SHIVAKUMAR HEGDE**  
Partner  
Membership Number: 204627

Place: Mumbai  
Date: May 12, 2015

For and on behalf of Board of Directors

**VENKATESH VALLURI**  
Chairman

**H. C. ASHER**  
Director

**G. MADHUSUDHAN RAO**  
Vice President - Finance

**AMAR KAUL**  
Vice President and  
General Manager

**P. R. SHUBHAKAR**  
Gen. Manager - Corp. Finance  
& Company Secretary

Place: Mumbai  
Date: May 12, 2015

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 1 General Information

Ingersoll-Rand (India) Limited (the 'Company') is a public limited company incorporated in 1921 under provisions of the Companies Act, 1913 and existing under the provisions of the Companies Act, 1956/ Companies Act, 2013. 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 and related services. The Company also manufactures air conditioner package under contract manufacturing arrangement for its fellow subsidiary in India from a plant at Chennai. The Company sells air compressors primarily in India and also exports the products to North American, South American, Asian and European countries. The equity shares of the Company are listed on the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Ahmedabad Stock Exchange Limited.

## 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. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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 are recognised in the Statement of Profit and Loss.

Based on a technical evaluation carried out by Management, depreciation is provided on straight-line method (SLM) over the estimated useful life of the assets, which is similar to the useful life of fixed assets prescribed under Schedule II to the Companies Act, 2013. In respect of additions to/deletions from the fixed assets, depreciation is provided for on a prorata basis, except in respect of fixed assets of a cost not exceeding Rs.5,000, where depreciation has been charged fully in the year of purchase. Leasehold land is amortised over period of lease on a SLM. The estimated useful life of fixed assets given on lease is two years. In respect of fixed assets which are not directly connected with the production activity, such as Research and Development assets, the useful life is estimated at one year.

### 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 amortisation and accumulated impairment losses, if any, and are amortised on a straight line basis over their estimated useful life of three years.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

Gains or losses arising from the retirement or disposal of 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.

## 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. Current investments are carried at cost or fair value, whichever is lower. All other investments are classified as long term investments. 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 or virtual certainty, as may be applicable, 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.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 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 at the date of the transaction.

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.

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract 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 a forward exchange contract are recognised as income or as expense for the period.

## 2.9 Revenue Recognition

- (a) Sales are recognised when goods are despatched (in accordance with the terms of sale) and when significant risks and rewards are transferred. Sales (gross) are recorded inclusive of excise duty but exclude trade discounts and sales tax.
- (b) Service Revenue is recognised as and when services are performed and are recognised exclusive of service tax.

## 2.10 Other Income and Other Operating Revenue

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from export incentives is 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:

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 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. 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.



# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

In respect of other employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is determined by an independent actuary (using the Projected Unit Credit method) at the end of the year, and any shortfall in the fund size maintained by the Trust is additionally provided for by the Company. 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 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 determined by an independent actuary (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 determined by an independent actuary (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.

## 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 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.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 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/income".

## 2.18 Cash and Cash Equivalents

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

## 2.19 Research and Development

Capital expenditure on Development is capitalised as fixed assets and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred during the research phase is expensed as incurred. Development expenditure is capitalised as an intangible asset only if it meets the recognition criteria under Accounting Standard 26 on Intangible Assets, which *inter-alia* includes demonstration of technical feasibility, generation of future economic benefits, etc. Expenditure that cannot be distinguished between research phase and development phase is expensed as incurred.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at	
	March 31, 2015	March 31, 2014
<b>3. Share Capital</b>		
<b>Authorised</b>		
32,000,000 (March 31, 2014: 32,000,000) equity shares of Rs.10 each	320.00	320.00
<b>Issued</b>		
31,568,000 (March 31, 2014: 31,568,000) equity shares of Rs.10 each	315.68	315.68
<b>Subscribed and fully paid-up</b>		
31,568,000 (March 31, 2014: 31,568,000) equity shares of Rs.10 each fully paid-up	315.68	315.68
[The above includes 31,301,500 (March 31, 2014: 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]		
<b>Total subscribed and fully paid up Share capital</b>	<u>315.68</u>	<u>315.68</u>

**(a) Reconciliation of number of equity shares**

	As at March 31, 2015		As at March 31, 2014	
	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	<u>31,568,000</u>	<u>315.68</u>	<u>31,568,000</u>	<u>315.68</u>

**(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 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) Equity shares held by holding company**

	As at	
	March 31, 2015	March 31, 2014
23,360,000 (March 31, 2014: 23,360,000) equity shares held by Ingersoll-Rand Company, New Jersey, USA, 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**

	As at	
	March 31, 2015	March 31, 2014
Number of Equity Shares		
Ingersoll-Rand Company, New Jersey, USA, the holding company	23,360,000 (74%)	23,360,000 (74%)

**(e) Shares reserved for issue under options**

There are no shares reserved for issue under any option.

**(f) Aggregate number of 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, 2015):**

During the period of five years immediately preceding March 31, 2015, no shares are allotted as fully paid-up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	March 31, 2015	As at March 31, 2014
<b>4. Reserves and Surplus</b>		
<b>General Reserve:</b>		
Balance as at the beginning of the year	3,030.19	2,963.19
Add: Transferred from Surplus in Statement of Profit and Loss during the year	-	67.00
Balance as at the end of the year	<u>3,030.19</u>	<u>3,030.19</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	5,800.17	5,419.20
Profit for the year	661.46	669.57
<b>Appropriations:</b>		
Depreciation on revision in estimated useful life (refer Note 24 below)	(7.69)	-
Interim dividend on equity shares for the year	(94.70)	(94.70)
Dividend distribution tax on Interim dividend on equity shares for the year	(18.94)	(16.10)
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	(19.28)	(16.10)
Transfer to General Reserve	-	(67.00)
Balance as at the end of the year	<u>6,226.32</u>	<u>5,800.17</u>
<b>Total Reserves and Surplus</b>	<u>9,256.51</u>	<u>8,830.36</u>

## 5. Provisions

	Long term as at		Short term as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Compensated absences	13.66	17.54	13.10	15.50
	<u>13.66</u>	<u>17.54</u>	<u>13.10</u>	<u>15.50</u>
Other Provisions				
Litigations/disputes	8.67	8.67	-	-
Taxation [Net of Advance Income Tax: Nil (March 31, 2014: Rs.320.89) under short term]	-	-	-	9.81
Proposed final dividend on equity shares	-	-	94.70	94.70
Tax on proposed final dividend	-	-	19.28	16.10
Warranties	2.90	1.88	50.30	37.09
	<u>11.57</u>	<u>10.55</u>	<u>164.28</u>	<u>157.70</u>
<b>Total provisions</b>	<u>25.23</u>	<u>28.09</u>	<u>177.38</u>	<u>173.20</u>

### Provision for litigations/disputes:

Provision for litigations/disputes mainly includes employees claiming damages towards termination of employment and are provided for based on estimates made by the Company. It is expected that this provision will be settled beyond twelve months.

### Provision 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. It is expected that this provision will be settled in the remaining unexpired warranty period ranging from twelve to eighteen months.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Provision for litigations/disputes		Provision for Warranties	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Balance as at the beginning of the year	8.67	8.67	38.97	46.19
Add: Additions	-	-	40.02	15.04
Add: Warranty liability taken over *	-	-	7.81	-
(Less): Amounts used	-	-	(33.60)	(22.26)
<b>Balance as at the end of the year</b>	<b>8.67</b>	<b>8.67</b>	<b>53.20</b>	<b>38.97</b>
Classified as Non-Current	8.67	8.67	2.90	1.88
Classified as Current	-	-	50.30	37.09

\* from Cameron Manufacturing (India) Private Limited (Refer Note 38).

6. Trade payables	As at	
	March 31, 2015	March 31, 2014
Acceptances	195.97	153.25
Payable to Ingersoll-Rand Company, New Jersey, USA, the holding company and fellow subsidiaries	273.30	472.60
Sundry Creditors:		
- Due to Micro Enterprises and Small Enterprises (Note 36 below)	46.71	48.98
- Others	794.05	687.98
<b>Total Trade payables</b>	<b>1,310.03</b>	<b>1,362.81</b>

7. Other current liabilities	As at	
	March 31, 2015	March 31, 2014
Income received in Advance	12.43	13.09
Unpaid dividends (Note)	5.84	5.39
Advance from customers	71.38	121.63
Creditors for capital goods:		
Payable to fellow subsidiaries	13.04	2.71
Payable to others	50.00	10.19
Employee Benefits payable	29.87	29.87
Statutory dues including Provident Fund and Tax deducted at Source	44.13	40.78
<b>Total Other current liabilities</b>	<b>226.69</b>	<b>223.66</b>

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.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 8.1 Tangible Assets

Particulars	Gross Block					Depreciation					Net Block Value
	April 1, 2014	Additions	Adjustments (Note 3)	Disposal	March 31, 2015	April 1, 2014	For the year	Adjustments (Note 3)	Disposal	March 31, 2015	March 31, 2015
Land-Leasehold	213.45	-	-	-	213.45	9.21	2.05	-	-	11.26	202.19
Buildings (Note 1)	507.06	4.71	-	18.24	493.53	52.05	31.12	-	18.24	64.93	428.60
Leasehold Improvements	51.85	10.00	-	-	61.85	17.29	11.08	-	-	28.37	33.48
Plant and Machinery	465.37	78.64	1.12	69.09	476.04	240.62	14.13	1.12	68.62	187.25	288.79
Computer Systems	79.49	22.10	-	-	101.59	60.36	26.32	-	-	86.68	14.91
Electrical Installations	53.14	0.09	25.07	5.09	73.21	11.09	10.50	18.41	5.07	34.93	38.28
Furniture, Fixtures and Equipment	63.19	10.73	3.56	6.86	70.62	37.61	9.94	4.71	6.70	45.56	25.06
Vehicles	4.69	-	-	-	4.69	1.62	0.72	-	-	2.34	2.35
Small Tools	83.05	0.97	(1.50)	-	82.52	56.87	3.64	(8.60)	-	51.91	30.61
Office Equipment	73.63	4.55	(28.25)	0.94	48.99	23.56	13.79	(15.64)	0.75	20.96	28.03
<b>Total A</b>	<b>1,594.92</b>	<b>131.79</b>	<b>-</b>	<b>100.22</b>	<b>1,626.49</b>	<b>510.28</b>	<b>123.29</b>	<b>-</b>	<b>99.38</b>	<b>534.19</b>	<b>1,092.30</b>
Assets given on Operating Lease:											
Plant and Machinery	16.27	-	-	-	16.27	15.49	-	-	-	15.49	0.78
<b>Total B</b>	<b>16.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.27</b>	<b>15.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.49</b>	<b>0.78</b>
<b>Total A+B</b>	<b>1,611.19</b>	<b>131.79</b>	<b>-</b>	<b>100.22</b>	<b>1,642.76</b>	<b>525.77</b>	<b>123.29</b>	<b>-</b>	<b>99.38</b>	<b>549.68</b>	<b>1,093.08</b>

Notes:

- Buildings include Rs.0.67 (March 31, 2014: Rs.0.67) towards a flat owned in a co-operative society in which 5 shares (March 31, 2014: 5 shares) of Rs.50 each fully paid-up, are held by the Company.
- Refer Note 35 (b) for disclosure relating to Research and Development related assets.
- Pursuant to a technical evaluation carried out by management, certain assets have been reclassified during the year. However, there is no impact on the depreciation for the year on account of such reclassification.

Particulars	Gross Block				Depreciation				Net Block Value
	April 1, 2013	Addition	Disposal	March 31, 2014	April 1, 2013	For the year	Disposal	March 31, 2014	March 31, 2014
Land-Leasehold	213.45	-	-	213.45	6.15	3.06	-	9.21	204.24
Buildings (Note 1)	64.92	442.16	0.02	507.06	29.74	22.31	-	52.05	455.01
Leasehold Improvements	51.85	-	-	51.85	6.92	10.37	-	17.29	34.56
Plant and Machinery	327.86	153.53	16.02	465.37	235.87	15.00	10.25	240.62	224.75
Computer Systems	71.31	9.36	1.18	79.49	49.13	12.41	1.18	60.36	19.13
Electrical Installations	9.19	44.35	0.40	53.14	6.63	4.71	0.25	11.09	42.05
Furniture, Fixtures and Equipment	57.81	5.54	0.16	63.19	33.62	4.15	0.16	37.61	25.58
Vehicles	6.10	-	1.41	4.69	1.91	0.53	0.82	1.62	3.07
Small Tools	92.65	-	9.60	83.05	61.89	4.58	9.60	56.87	26.18
Office Equipment	55.60	18.49	0.46	73.63	19.94	3.94	0.32	23.56	50.07
<b>Total A</b>	<b>950.74</b>	<b>673.43</b>	<b>29.25</b>	<b>1,594.92</b>	<b>451.80</b>	<b>81.06</b>	<b>22.58</b>	<b>510.28</b>	<b>1,084.64</b>
Assets given on Operating Lease:									
Plant and Machinery	16.27	-	-	16.27	15.49	-	-	15.49	0.78
<b>Total B</b>	<b>16.27</b>	<b>-</b>	<b>-</b>	<b>16.27</b>	<b>15.49</b>	<b>-</b>	<b>-</b>	<b>15.49</b>	<b>0.78</b>
<b>Total A+B</b>	<b>967.01</b>	<b>673.43</b>	<b>29.25</b>	<b>1,611.19</b>	<b>467.29</b>	<b>81.06</b>	<b>22.58</b>	<b>525.77</b>	<b>1,085.42</b>

Notes:

- Buildings include Rs.0.67 (March 31, 2013: Rs.0.67) towards a flat owned in a Co-operative Society in which 5 shares (March 31, 2013: 5 shares) of Rs.50 each fully paid up, are held by the Company.
- Refer Note 35 (b) for disclosure relating to Research and Development related assets.

## 8.2 Intangible Assets

Particulars	Gross Block				Depreciation				Net Block Value
	April 1, 2014	Addition	Disposal	March 31, 2015	April 1, 2014	For the year	Disposal	March 31, 2015	March 31, 2015
Computer Software	20.01	-	-	20.01	20.01	-	-	20.01	-
<b>March 31, 2015</b>	<b>20.01</b>	<b>-</b>	<b>-</b>	<b>20.01</b>	<b>20.01</b>	<b>-</b>	<b>-</b>	<b>20.01</b>	<b>-</b>

Particulars	Gross Block				Depreciation				Net block value
	April 1, 2013	Addition	Disposal	March 31, 2014	April 1, 2013	For the year	Disposal	March 31, 2014	March 31, 2014
Computer Software	20.01	-	-	20.01	20.01	-	-	20.01	-
<b>March 31, 2014</b>	<b>20.01</b>	<b>-</b>	<b>-</b>	<b>20.01</b>	<b>20.01</b>	<b>-</b>	<b>-</b>	<b>20.01</b>	<b>-</b>

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at	
	March 31, 2015	March 31, 2014
<b>9. Deferred Tax Assets (Net)</b>		
(A) Deferred Tax Assets arising from:		
Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961:		
(a) Provision for Doubtful Debts	21.12	24.33
(b) Provision for Warranty	18.08	13.25
(c) Others	26.68	24.43
<b>Total Deferred Tax Assets</b>	<u>65.88</u>	<u>62.01</u>
(B) Deferred Tax (Liabilities) arising from:		
(a) Difference between carrying amount of fixed assets in the financial statements and the Income Tax Return	(32.56)	(23.62)
<b>Total Deferred Tax (Liabilities)</b>	<u>(32.56)</u>	<u>(23.62)</u>
<b>Total Deferred Tax Asset (Net)</b>	<u>33.32</u>	<u>38.39</u>

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. The impact on Statement of Profit and Loss Account is represented by:

	Year ended	
	March 31, 2015	March 31, 2014
Deferred Tax charge	5.07	12.57
<b>Total</b>	<u>5.07</u>	<u>12.57</u>

	As at	
	March 31, 2015	March 31, 2014
<b>10. Long-term Loans and Advances</b>		
<b>Unsecured, considered good:</b>		
Loans and advances to Fellow Subsidiaries*	1,470.00	1,470.00
Taxes paid under protest	117.78	99.58
Advance Income tax [(Net of provision: Rs.3,596.38 (March 31, 2014: Rs.5,110.90)]	43.71	41.74
Capital Advances	95.03	3.74
Security Deposits	62.51	49.30
Advances recoverable	1.29	1.32
<b>Total Long-term Loans and Advances</b>	<u>1,790.32</u>	<u>1,665.68</u>

\* The loans advanced to fellow subsidiaries, on interest, are repayable on June 28, 2019 as per the loan agreements. These loans are backed by corporate guarantees issued to the Company by the ultimate holding company that are valid up to June 28, 2019.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at	
	March 31, 2015	March 31, 2014
<b>11. Inventories</b>		
Raw Materials [(includes in transit: Rs.145.53 (March 31, 2014: Rs.111.53))*]	862.61	956.73
Work-in-progress	26.09	109.51
Finished Goods [(includes in transit: Rs.45.69 (March 31, 2014: Rs.57.41))]	235.67	286.29
<b>Total Inventories</b>	<u>1,124.37</u>	<u>1,352.53</u>
* Prior year figures included certain input credit of Rs.60.71 inadvertently, which has now been regrouped to Balance with Government authorities in Note 14. This has no impact on the Statement of Profit and Loss Account.		
<b>(a) Details of Inventories</b>		
<b>(i) Finished goods:</b>		
Air Compressors	230.67	276.83
Air Conditioner Packages	5.00	9.46
<b>Total</b>	<u>235.67</u>	<u>286.29</u>
<b>(ii) Work-in-progress:</b>		
Air Compressors	26.06	108.73
Air Conditioner Packages	0.03	0.78
<b>Total</b>	<u>26.09</u>	<u>109.51</u>
<b>12. Trade Receivables</b>		
<b>(a) Unsecured, considered good (Note):</b>		
Outstanding for a period exceeding six months from the date they are due for payment	123.50	127.38
Others	1,660.50	1,615.51
<b>(b) Unsecured, considered doubtful:</b>		
Outstanding for a period exceeding six months from the date they are due for payment	62.14	71.57
Others	-	-
(Less): Provision for doubtful debts	(62.14)	(71.57)
<b>Total Trade Receivables</b>	<u>1,784.00</u>	<u>1,742.89</u>

Note: Includes recoverable from Ingersoll-Rand Climate Solutions Private Limited (IRCSPL), a fellow subsidiary, aggregating to Rs.364.01 (March 31, 2014: Nil) that is backed by a corporate guarantee with an overall limit of Rs.500 (March 31, 2014: Nil) issued by a fellow subsidiary, which is valid up to December 31, 2015.





# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at	
	March 31, 2015	March 31, 2014
<b>16. Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts (Claims filed against the Company by customers/vendors/employees claiming damages for non-performance of contractual obligation/defective supply of products/termination of employment), which is disputed by the Company and the matters are lying under appeal with various forums.	40.65	39.70
(b) Value added tax/Sales tax matters in dispute (Relates to demand on account of non-submission of statutory forms to the department authorities substantiating the levy of concessional tax rate to customers. In connection with the disputes, the Company has furnished a Bank guarantee of Rs.7.67 (March 31, 2014: Nil).	15.10	-
(c) Central Excise matters in dispute (Relates to adjustment on account of levy of additional duty and related demands made by the Excise department, which is disputed by the Company and are lying under appeal with various forums.	202.33	149.91
(d) Income Tax matters [Relates to transfer pricing and other adjustments made by the Income Tax Department for the assessment years 2003-04 to 2007-08 and 2009-10 to 2011-12, which is disputed by the Company and the matters are lying under appeal with various forums. The Company has paid 'under protest' Rs.117.78 (March 31, 2014: Rs.98.18) to the Income Tax Department in this regard]	169.64	119.81
<p>Note: Considering the very nature of the disputes and the dependency on decisions pending with various forums, it is not practicable for the Company to estimate the timing of the cash outflows at this stage with respect to the above contingent liabilities.</p> <p>Contingent liabilities does not include guarantees issued by Banks on behalf of the Company against advances received for supply of products, in connection with customer bids and guaranteeing performance of products sold or timely completion of contractual obligations by the Company of Rs.343.62 (March 31, 2014: Rs.280.50).</p>		
	As at	
	March 31, 2015	March 31, 2014
<b>17. Capital and other commitments</b>		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	148.09	19.58
<b>Total</b>	<u>148.09</u>	<u>19.58</u>
(b) Other Commitments		
Duty free licenses for import:		
The Company has availed duty free licenses to be utilised on import of goods against which export obligations are outstanding and customs duty thereon. As on March 31, 2015, the Company has fulfilled the export obligation	-	14.72
<b>Total</b>	<u>-</u>	<u>14.72</u>

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Year ended	
	March 31, 2015	March 31, 2014
<b>18. Revenue from operations (Gross)</b>		
Sale of Finished goods*	6,526.45	5,877.85
Sale of Services		
Installation and commissioning	275.73	231.78
Business support and auxiliary services	214.62	129.23
Other operating revenue		
Recovery of Freight, Insurance and Packing Expenses	27.91	28.34
Export Incentives	56.42	44.10
Sale of Scrap	7.46	12.42
Lease Rentals - Equipment	6.10	4.31
<b>Total Revenue from operations (Gross)</b>	<b>7,114.69</b>	<b>6,328.03</b>

\* Details of Sales (Finished goods):

Air Compressors - Complete Machine and Accessories	2,990.23	2,808.84
Air Conditioner Packages	454.96	309.62
Spare Parts and Components	2,521.89	2,218.60
Excise duty on finished goods	559.37	540.79
<b>Total</b>	<b>6,526.45</b>	<b>5,877.85</b>

	Year ended	
	March 31, 2015	March 31, 2014
<b>19. Other Income</b>		
Interest Income on:		
Deposits with banks	335.25	352.32
Loans advanced to fellow subsidiaries	171.48	171.23
Income Tax refund	10.27	6.85
Others	9.42	-
Sub lease rentals of facilities	35.17	48.16
Profit on Sale/write off of Fixed Assets (Net)	5.28	-
Provision for doubtful debts no longer required written back (Net)	9.43	-
Net gain on foreign currency translation and transaction	21.66	40.56
Miscellaneous	6.12	5.16
<b>Total Other income</b>	<b>604.08</b>	<b>624.28</b>

	Year ended	
	March 31, 2015	March 31, 2014
<b>20. Cost of materials consumed</b>		
Raw material consumed (Note):		
Opening inventory	956.73	732.25
Add: Purchases (Net)	4,134.04	4,138.89
(Less): Inventory at the end of the year	(862.61)	(956.73)
Cost of raw materials consumed during the year	4,228.16	3,914.41
Packing materials consumed	57.80	55.59
<b>Total Cost of materials consumed</b>	<b>4,285.96</b>	<b>3,970.00</b>

Note: Includes provision on account of obsolescence and scrap and spoilage Rs.38.54 (March 31, 2014: Rs.28.77).

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Year ended	
	March 31, 2015	March 31, 2014
<b>21. Changes in inventories of finished goods and work-in-progress</b>		
(a) Opening inventories		
Finished goods	286.29	92.38
Work-in-progress	109.51	89.78
<b>Total opening inventories</b>	<b>395.80</b>	<b>182.16</b>
(b) Closing inventories		
Finished goods	235.67	286.29
Work-in-progress	26.09	109.51
<b>Total closing inventories</b>	<b>261.76</b>	<b>395.80</b>
<b>Increase/decrease in inventories</b>	<b>134.04</b>	<b>(213.64)</b>
Excise duty on opening stock of finished goods	(17.39)	(4.83)
Excise duty on closing stock of finished goods	19.83	17.39
Increase/(Decrease) in excise duty	2.44	12.56
<b>Increase/(Decrease) in inventories</b>	<b>136.48</b>	<b>(201.08)</b>

	Year ended	
	March 31, 2015	March 31, 2014
<b>22. Employee benefits expense</b>		
Salaries and wages [Refer note (a) below]	699.05	592.63
Contribution to provident and other funds	29.81	26.57
Gratuity	6.92	0.32
Employee Share based payment	-	3.11
Staff welfare expenses	36.64	32.75
<b>Total Employee benefits expense</b>	<b>772.42</b>	<b>655.38</b>

(a) Includes write back of provision for leave encashment (Net) Rs.6.28 [March 31, 2014 Provision for leave encashment (Net): Rs.1.05].

(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 subject to a maximum of Re.1. It 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. Interest shortfall, if any, is met by the Company. The benefits vest immediately on rendering of the services by the employee.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Gratuity		Provident Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(i) Present Value of Defined Benefit Obligation				
Balance at the beginning of the year	133.94	142.51	313.10	275.85
Add: Current Service Cost	9.24	10.62	90.87	59.53
Add: Interest Cost	11.63	10.45	27.74	25.24
Less: Settlement cost	-	-	-	-
Add: Past Service Cost	-	-	-	-
Add: Actuarial (Gain)/Losses	0.01	(5.79)	(5.35)	4.84
Add: Transfer in/out (net)	3.45	-	-	-
(Less): Benefits paid during the year	(14.97)	(23.85)	(41.28)	(52.36)
<b>Balance at the end of the year</b>	<b>143.30</b>	<b>133.94</b>	<b>385.08</b>	<b>313.10</b>
(ii) Fair Value of Plan Assets				
Balance at the beginning of the year	151.31	160.20	325.17	285.11
Add: Expected Return on Plan Assets	12.94	13.34	20.71	33.25
Add: Actuarial Gain/(Loss)	1.02	1.62	-	-
Add: Contributions	-	-	90.72	59.17
(Less): Benefits Paid	(14.97)	(23.85)	(41.28)	(52.36)
Add: Transfer in	3.53	-	-	-
Others	-	-	-	-
<b>Balance at the end of the year</b>	<b>153.83</b>	<b>151.31</b>	<b>395.32</b>	<b>325.17</b>
Actual return on Plan Assets	9.00	9.00	8.75	8.75
(iii) Assets and Liabilities recognised in the Balance Sheet				
Present Value of Defined Benefit Obligation	143.30	133.94	385.08	313.10
Less: Fair Value of Plan Assets	153.83	151.31	395.32	325.17
<b>Amounts recognised as liability/(Asset)</b>	<b>(10.53)</b>	<b>(17.37)</b>	<b>-</b>	<b>-</b>
Recognised/Disclosed under:				
Advances recoverable (Refer Note 14)	10.53	17.37	-	-
<b>Total</b>	<b>10.53</b>	<b>17.37</b>	<b>-</b>	<b>-</b>
* Surplus relating to Provident Fund is not recognised as the plan assets belong to the Trust.				
(iv) Expense recognised in the Statement of Profit and Loss				
Current service cost	9.24	10.62	90.87	59.53
Add: Interest cost	11.63	10.45	27.74	25.24
(Less): Expected Return on Plan Assets	(12.94)	(13.34)	(27.81)	(25.11)
(Less): Settlement cost	-	-	-	-
Add: Past service cost	-	-	-	-
(Less): Actuarial (Gains)/Losses	(1.01)	(7.41)	1.74	(3.30)
Employee Contribution	-	-	(71.73)	(37.88)
<b>Total Expense</b>	<b>6.92</b>	<b>0.32</b>	<b>20.81</b>	<b>18.48</b>
(v) Major Category of Plan Assets as a % of total Plan Assets				
Cash (including Special Deposits)	4.33%	14.32%	12.91%	18.21%
Government Securities	41.56%	34.27%	35.13%	29.86%
Non-Convertible Debentures issued by Corporate	54.11%	51.41%	51.96%	51.93%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Gratuity		Provident Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(vi) Actuarial Assumptions				
Discount rate per annum	7.80%	9.20%	7.80%	9.20%
Expected rate of Return on Plan Assets	9.00%	9.00%	9.00%	9.00%
Expected salary increase per annum	(*)	8.00%	8.00%	8.00%
Attrition rate	10.00%	10.00%	10.00%	10.00%

(\*) Bargainable employees: 3% for two years and 5% thereafter, Others: 10% for next two years and 8% thereafter  
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.

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.

The discount rate is based on the prevailing market yield on Government securities as at the balance sheet date for the estimated term of obligation.

(vii) Amounts recognised in current year and previous four years

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
<b>Gratuity</b>					
Defined benefit Obligations	(143.30)	(133.94)	(142.51)	(141.22)	(139.20)
Plan assets	153.83	151.31	160.20	130.10	107.16
Funded Status	10.53	17.37	17.69	(11.12)	(32.04)
Experience Gain/(Loss) adjustment on plan liabilities	2.15	(3.19)	4.40	(6.84)	(0.66)
Experience Gain/(Loss) adjustment on plan assets	1.02	1.62	2.12	(0.14)	(2.73)
Actuarial Gain/(Loss) due to change of assumptions	(2.16)	8.99	(3.69)	4.22	4.33
<b>Provident Fund</b>					
Defined benefit Obligations	(385.08)	(313.10)	(275.85)	(262.71)	*
Plan assets	395.32	325.17	285.11	271.53	*
Funded Status	10.25	12.07	9.26	8.82	*
Experience Gain/(Loss) adjustment on plan liabilities	-	-	-	-	*
Experience Gain/(Loss) adjustment on plan assets	-	-	-	-	*
Actuarial Gain/(Loss) due to change of assumptions	-	-	-	-	*

\* The Guidance Note on implementation of AS 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India states that Provident Fund set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by employer would be a Defined Benefit plan in accordance with the requirements of para (26b) of AS15. Pursuant to the Guidance Note, the liability in respect of the shortfall of interest determined on the basis of an independent actuarial valuation [carried out as per the Guidance Note (GN29) issued by Institute of Actuaries of India effective from April 1, 2011], as at March 31, 2015 is Nil.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

(viii) Expected Contribution to the Funds in the next year

	Year ended	
	March 31, 2015	March 31, 2014
Gratuity	-	2.50
Provident Fund (including employees' contribution)	90.00	56.16

(c) Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss

(i) Provident fund paid to the authorities	3.88	5.25
(ii) Pension fund paid to the authorities	7.23	3.99
(iii) Employees State Insurance paid to the authorities	0.26	0.19
	<u>11.37</u>	<u>9.43</u>

(d) Employee Share-based Payments

Certain executives of the Company are eligible to participate in the employee share based payment plans, as detailed below, of Ingersoll-Rand Company, New Jersey, USA the holding company. Based on a confirmation received from the ultimate holding company that the cost related to such share based payments will not be recharged to the Company, no liability has been recorded in the financial statements.

Details of share based plan are as follows:

(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. Based on a confirmation received from the ultimate holding company in an earlier year the cost related to such share based payments will not be recharged to the Company. Accordingly, details of number of options granted/ forfeited/ exercised/ outstanding has not been disclosed.

23. Finance costs

Others

Total Finance costs

	Year ended	
	March 31, 2015	March 31, 2014
Others	20.78	11.87
Total Finance costs	<u>20.78</u>	<u>11.87</u>

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Year ended	
	March 31, 2015	March 31, 2014
<b>24. Depreciation and amortisation expense</b>		
Depreciation on Tangible assets	115.59	81.06
<b>Total Depreciation and amortisation expense</b>	<b>115.59</b>	<b>81.06</b>

Note: Pursuant to a technical evaluation carried out during the year, management has revised the estimated useful life of fixed assets, which now aligns to the rates prescribed under Schedule II of the Companies Act, 2013. The impact of the change in estimated useful life of fixed assets is given below:

Asset block	Original useful life in %	Revised useful life (in years)	Impact on opening retained earnings (*)	Increase/(decrease) in depreciation for the year
Buildings	3.34%	30	-	(0.77)
Plant and Machinery	8.33%	15	-	(3.21)
Computer Systems	20.00%	3	2.01	4.88
Electrical Installations	7.07%	10	2.09	3.49
Furniture, Fixtures and Equipment	6.32%	10	2.81	4.67
Office Equipment	4.75%	5	0.78	8.85
Vehicles	10.00%	8	-	0.29
Small Tools	10.00%	15	-	(0.98)
<b>Total</b>			<b>7.69</b>	<b>17.22</b>

(\*) As per Note 7(b) to Schedule II - Part 'C', as the remaining useful life of the fixed assets is Nil, the carrying value of the assets as on that date, after retaining the residual value, is recognised in the opening balance of retained earnings.

	Year ended	
	March 31, 2015	March 31, 2014
<b>25. Other expenses</b>		
Rent	81.66	98.76
Rates and taxes	16.27	6.83
Insurance	10.91	13.06
Power and fuel	42.18	42.33
Repairs and maintenance:		
Buildings	15.26	1.02
Plant and machinery	19.83	33.49
Others	1.50	1.65
Engineering services - Product design, development, etc.	1.53	72.61
IT Infrastructure	19.81	50.05
Cost Contribution (Management Fees)	79.34	121.63
Communication	31.59	45.46
Travelling	123.52	89.85
Freight, Insurance and Other Handling Charges	56.08	37.95
Dealer Commission	8.87	5.12
Advertising expenses	5.52	5.03
Warranty	40.02	15.04
Professional fees	65.77	74.66
Provision for Doubtful Debts (Net)	-	14.51
Provision for Doubtful Advances (Net)	2.59	6.19
Bad Debts Written Off	50.33	0.14
Loss on Sale/write off of Fixed Assets (Net)	-	2.35
Payments to auditors:		
Statutory Audit fees	6.87 (*)	3.77
Tax Audit fees	0.45 (*)	0.25
Limited reviews	0.85	0.85
Certification	0.80 (*)	0.30
Expenditure towards Corporate Social Responsibility (CSR) activities	16.96	-
Miscellaneous	216.55	167.04
<b>Total Other expenses</b>	<b>915.06</b>	<b>909.94</b>
(*) includes Rs.2.45 in aggregate relating to prior years.		
<b>Expenses capitalised as a part of Capital Work-in-progress</b>		
Salaries and wages	6.10	-
Miscellaneous	0.78	-
<b>Total</b>	<b>6.88</b>	<b>-</b>



# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	Year ended			
	March 31, 2015	March 31, 2014		
<b>26. Earnings per Equity share</b>				
Weighted average number of shares outstanding	31,568,000	31,568,000		
Basic and Diluted:				
Profit after Tax	661.46	669.57		
Basic and Diluted Earnings per Share (Rs.)	20.95	21.21		
	Year ended			
	March 31, 2015	March 31, 2014		
<b>27. CIF Value of Imports</b>				
Raw materials, components and spares parts	1,550.28	1,717.45		
Capital Goods	13.69	72.39		
<b>Total</b>	<b>1,563.97</b>	<b>1,789.84</b>		
	Year ended			
	March 31, 2015	March 31, 2014		
<b>28. Expenditure in foreign currency</b>				
Travelling	8.06	6.47		
Cost Contribution (Management Fees)	79.34	121.63		
IT Infrastructure	0.28	32.95		
Employee Share based payment	-	3.11		
Repairs and maintenance - Plant and Machinery	0.51	-		
Others	18.30	33.19		
<b>Total</b>	<b>106.49</b>	<b>197.35</b>		
	Year ended			
	March 31, 2015	March 31, 2014		
<b>29. Details of Consumption and Purchases</b>				
<b>(a) Details of Raw Materials/Packing materials consumed</b>				
Castings, Bars, Plates, Channels, Angles, Flats, etc.	129.98	161.22		
Spare Parts and Components (which individually do not account for more than 10% of the total consumption)	4,098.18	3,753.19		
	4,228.16	3,914.41		
Packing materials	57.80	55.59		
<b>Total</b>	<b>4,285.96</b>	<b>3,970.00</b>		
<b>(b) Value of imported and indigenous materials consumed</b>				
	March 31, 2015		March 31, 2014	
	Amount	%	Amount	%
Raw materials, spare parts and components				
Imported	1,621.10	37.8%	1,432.44	36.0%
Indigenous	2,664.86	62.2%	2,550.12	64.0%
	Year ended			
	March 31, 2015	March 31, 2014		
<b>30. Dividend remitted in foreign exchange</b>				
For the year 2012-2013 (Final Dividend)	-	70.08		
For the year 2013-2014 (Interim Dividend)	-	70.08		
For the year 2013-2014 (Final Dividend)	70.08	-		
For the year 2014-2015 (Interim Dividend)	70.08	-		
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, 2015	March 31, 2014		
<b>31. Earnings in foreign currency</b>				
Exports calculated on FOB basis	1,447.33	1,221.24		
Business support and auxiliary services	126.64	27.01		
<b>Total</b>	<b>1,573.97</b>	<b>1,248.25</b>		

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 32. Segment Reporting:

The Company has considered business segments as the primary reporting segment on the basis that 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 segments 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. The business segments comprise of the following:

- (a) Air Solutions - comprising of reciprocating compressors, centrifugal compressors and system components
  - (b) Environment Solutions - relating to contract manufacturing of air conditioner packages for a fellow subsidiary.
- Geographical segment is considered based on sales within India and outside India.

Particulars	Air Solutions		Environment Solutions		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>A. Primary Segment: Business Segment</b>						
<b>Gross Revenue</b>						
External Revenue	6,514.88	5,894.25	501.92	344.61	7,016.80	6,238.86
Intersegment Revenue	-	-	-	-	-	-
<b>Total Gross Revenue</b>	<b>6,514.88</b>	<b>5,894.25</b>	<b>501.92</b>	<b>344.61</b>	<b>7,016.80</b>	<b>6,238.86</b>
<b>Result</b>						
Segment Result - Profit/(Loss)	449.47	693.20	41.20	(146.31)	490.67	546.89
Less:						
Interest expense					20.78	11.87
Unallocable Corporate expenses					79.34	121.63
Add:						
Interest income					517.00	530.40
Unallocable Other Income (Net)					101.91	40.56
<b>Profit Before Taxation</b>					<b>1,009.46</b>	<b>984.35</b>
<b>Other Information</b>						
Segment Assets	3,698.95	3,286.99	1,354.27	1,444.53	5,053.22	4,731.52
Unallocable Assets					6,258.30	6,202.28
<b>Total Assets</b>					<b>11,311.52</b>	<b>10,933.80</b>
Segment Liabilities	1,382.02	1,365.22	101.86	160.91	1,483.88	1,526.13
Unallocable Liabilities					255.45	261.63
<b>Total Liabilities</b>					<b>1,739.33</b>	<b>1,787.76</b>
<b>Capital Expenditure</b>						
(Including Capital Work-in-Progress)	38.71	20.90	67.45	648.25	106.17	669.15
Unallocable Capital Expenditure					25.62	4.28
<b>Total Capital Expenditure</b>					<b>131.79</b>	<b>673.43</b>
Depreciation	76.80	53.56	38.79	27.50	115.59	81.06
<b>Total Depreciation</b>					<b>115.59</b>	<b>81.06</b>
Non-Cash Expenses other than Depreciation	51.44	14.67	-	-	51.44	14.67
<b>B. Secondary Segment: Geographical Segment</b>						
<b>Gross Revenue</b>						
India					5,442.83	4,990.61
Outside India					1,573.97	1,248.25
					<b>7,016.80</b>	<b>6,238.86</b>
<b>Total Assets</b>					<b>11,311.52</b>	<b>10,933.80</b>

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 33. 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, USA	Immediate Holding Company

#### (ii) Other related parties with whom transactions have taken place during the year:

##### Fellow Subsidiaries:

Thermo King India Private Limited, India	Refrans, S.A., Spain
Ingersoll-Rand Technologies and Services Private Limited, India	Schlage Lock Division LLC, USA
Ingersoll-Rand International (India) Limited, India	Thermoking Corporation, USA
GHH - Rand Schraubenkompressoren GmbH, Germany	Trane Exports LLC, USA
Ingersoll-Rand CZ s.r.o, Czech Republic	Trane India Limited, USA
Hibon Inc., Canada	Thermo King Services Limited, Ireland
Ingersoll-Rand (Chang Zhou) Tools Co., Ltd., China	Ingersoll-Rand Climate Solutions Private Limited, India
Ingersoll-Rand Air Solutions Hibon Sarl, France	Ingersoll-Rand European Sales Limited, UK
Ingersoll-Rand Company South Africa (Pty) Limited, South Africa	Ingersoll-Rand Machinery (Shanghai) Company Limited, China
Ingersoll-Rand International Limited, Ireland	Ingersoll-Rand Global Holding Company Limited, USA
Ingersoll-Rand Malaysia Co. Sdn. Bhd., Malaysia	Trane U.S. Inc, USA
Nanjing Ingersoll-Rand Compressor Co. Ltd., China	
Officina Meccaniche Industriali SRL, Italy	
Plurifiter D.O.O, Slovenia	
Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	

##### Key Management Personnel

Amar Kaul, Vice President & Gen. Manager
B. Jayaraman, Vice President - Finance (upto December 31, 2013)
G. Madhusudhan Rao, Vice President - Finance (from November 1, 2013)
Prasad Y Naik, Vice President - IT

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

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## (b) Transactions/Balances

	Holding Company		Fellow Subsidiaries	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(a) Sale of finished goods	996.54	876.22	847.55	643.82
(b) Rent received	-	-	31.44	43.11
(c) Rent paid	-	-	9.34	9.34
(d) Purchase of raw materials, components and trading items#	52.94	112.79	676.16	580.18
(e) Purchase of fixed assets	-	-	17.55	20.31
(f) Expenses recharged by other companies				
(i) Cost Contribution (Management Fees)	79.34	121.63	-	-
(ii) IT Infrastructure	-	32.74	-	-
(iii) Engineering services - Product design, development, etc.	-	-	-	66.61
(iv) Advertising	-	-	4.57	4.50
(v) Travel	-	-	-	0.79
(vi) Other Miscellaneous expenses	3.79	1.06	31.42	72.63
(g) Business support and auxiliary services	71.68	16.20	142.94	112.12
(h) Interest Income on Intercompany Loans given			171.48	171.23
(i) Interest Income - Others			9.42	-
(j) Dividend paid	140.16	140.16	-	-
(k) Outstanding Receivables*	235.73	320.69	422.24	400.20
(l) Unbilled revenues*			82.81	22.35
(m) Outstanding Intercompany Loans receivable**			1,470.00	1,470.00
(n) Outstanding Payables	27.05	336.61	259.29	138.70

# In the prior year, Rs.201.92 relating to fellow subsidiaries was inadvertently shown under holding company, which has now been reclassified.

\* Includes Rs.373.43 recoverable from Ingersoll Rand Climate Solutions Private Limited, which is backed by corporate guarantee issued by a fellow subsidiary.

\*\* Backed by corporate guarantees issued by ultimate holding company.

## (c) Details relating to Key Management Personnel:

Remuneration Paid:\*

	March 31, 2015	March 31, 2014
(a) Amar Kaul	12.91	12.14
(b) B. Jayaraman (upto December 31, 2013)	-	15.78
(c) G. Madhusudhan Rao (from November 1, 2013)	10.79	5.26
(d) Prasad Y Naik	9.58	9.57

\* Excludes share based payments administered directly by the holding company

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties	March 31, 2015	March 31, 2014
(a) Sale of finished goods		
- Nanjing Ingersoll-Rand Compressor Co. Ltd., China	-	49.26
- Ingersoll-Rand International Limited, Ireland	288.06	253.07
- Ingersoll-Rand Climate Solutions Private Limited, India	448.50	296.55
(b) Rent received		
- Ingersoll-Rand International (India) Limited, India	3.68	5.39
- Ingersoll-Rand Technologies and Services Private Limited, India	4.04	11.40
- Ingersoll-Rand Climate Solutions Private Limited, India	23.73	26.32
(c) Rent paid		
- Ingersoll-Rand Technologies and Services Private Limited, India	9.34	9.34
(d) Purchase of raw materials, components and trading items		
- Ingersoll Rand International Limited, Ireland	445.69	112.79
- GHH-Rand Schraubenkompressoren GmbH, Germany	67.64	81.91
- Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	110.86	64.70
(e) Purchase of fixed assets		
- Ingersoll-Rand Technologies and Services Private Limited, India	3.58	9.03
- Ingersoll-Rand Climate Solutions Private Limited, India	-	8.79
- Trane India Limited, USA	12.82	-
(f) Expenses recharged by other companies		
- Ingersoll-Rand Technologies and Services Private Limited, India	23.19	116.77
- Thermo King Services Limited, Ireland	-	25.49
- Ingersoll-Rand International (India) Limited, India	12.13	-
(g) Business support and auxiliary services		
- Ingersoll-Rand Technologies and Services Private Limited, India	44.98	64.74
- Ingersoll-Rand International (India) Limited, India	8.39	9.39
- Ingersoll-Rand Climate Solutions Private Limited, India	33.79	31.86
- Trane U.S. Inc,	48.47	-
(h) Interest Income on Intercompany Loans given		
- Ingersoll-Rand Technologies and Services Private Limited, India	102.10	102.14
- Ingersoll-Rand Climate Solutions Private Limited, India	60.70	51.72
- Thermo King India Private Limited, India	8.67	17.37
(i) Interest Income - Others		
- Ingersoll-Rand Climate Solutions Private Limited, India	9.42	-
(j) Outstanding Receivables		
- Ingersoll Rand International Limited, Ireland	43.37	-
- Ingersoll-Rand Climate Solutions Private Limited, India	364.01	337.00
- Nanjing Ingersoll -Rand Compressor Co. Ltd., China	-	10.64

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	March 31, 2015	March 31, 2014
(k) Unbilled revenues		
- Ingersoll-Rand Climate Solutions Private Limited, India	82.81	22.35
(l) Outstanding Intercorporate Loans receivable		
- Thermo King India Private Limited, India	74.37	74.38
- Ingersoll-Rand Climate Solutions Private Limited, India	520.63	520.63
- Ingersoll-Rand Technologies and Services Private Limited, India	875.00	875.00
(m) Outstanding Payables		
- GHH-Rand Schraubenkompressoren GmbH, Germany	27.27	13.50
- Ingersoll Rand International Limited, Ireland	158.85	22.73
- Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	32.83	28.45
- Ingersoll-Rand Technologies and Services Private Limited, India	-	15.15
- Thermo King Services Limited, Ireland	-	26.29

## 34. 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 non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into certain sub-leases and all such sub-leases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

	Year ended	
	March 31, 2015	March 31, 2014
With respect to all operating leases;		
Lease payments recognised in the Statement of Profit and Loss during the year [Includes minimum lease payments of Rs.50.39 (March 31, 2014: Rs.79.25)]	81.66	98.76

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	Year ended	
	March 31, 2015	March 31, 2014
Not later than one year	44.42	51.21
Later than one year and not later than five years	61.74	33.36
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 between 11 to 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.

	Year ended	
	March 31, 2015	March 31, 2014
Sub-lease income recognised in the Statement of Profit and Loss during the year	41.27	52.47

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

## 35. Particulars of Research and Development Expenditure (Note)

	Year ended		
	March 31, 2015	March 31, 2014	
(a) Revenue Expenditure debited to various heads of account:			
Material Consumed	1.28	-	
Employee benefits expense	14.97	13.90	
Other expenses	1.75	0.69	
	<u>18.00</u>	<u>14.59</u>	
(b) Capital (Note)			
Description - Gross block	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations
Balance as at March 31, 2014	5.71	0.32	0.05
Additions during the year	0.84	-	-
Deletions during the year	-	-	-
Balance as at March 31, 2015	6.55	0.32	0.05

Note: Vide letter dated 29th September 2012, the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India has accorded recognition to the Company's In-House R&D unit, Naroda, Ahmedabad. The above disclosure is based on requirement stipulated by DSIR, Ministry of Science and Technology, Government of India.

## 36. Dues to micro enterprises and small enterprises

	March 31, 2015	March 31, 2014
(a) (i) The principal amount remaining unpaid as at end of the year	17.94	26.11
(ii) Interest due thereon remaining unpaid as at end of the year	3.26	2.21
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 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	120.41	244.06
(ii) Interest actually paid under Section 16 of the MSMED 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 MSMED 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	2.64	5.11
(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 MSMED Act	22.87	15.55

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.

# Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

37. The Company has not entered into any foreign currency forward contract to hedge its risk associated with foreign currency fluctuations. The unhedged foreign currency exposures as at the Balance Sheet date are as follows:

Particulars	Currency	As at		As at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		Foreign Currency		(INR)	
Trade Receivables	USD	5.31	7.00	332.62	419.05
Trade Receivables	EUR	0.01	0.02	0.79	1.73
Trade Receivables	ZAR	0.55	0.13	2.85	0.75
Trade Payables	USD	4.78	7.36	299.68	440.87
Trade Payables	EUR	0.86	1.04	58.48	84.27
Trade Payables	GBP	0.01	0.04	0.82	3.91
Trade Payables	JPY	3.96	0.39	7.59	0.68
Advances recoverable	USD	0.45	0.25	27.92	14.76
Advances recoverable	EUR	0.02	0.02	1.04	1.55

38. During the year, pursuant to the ultimate holding company acquiring the 'Centrifugal Compressor Division (CC Division)' of Cameron International Corporation, USA, the Company has acquired the CC Division of Cameron Manufacturing (India) Private Limited by way of an 'Asset Transfer' arrangement with effect from January 1, 2015 for a net consideration of Rs.16.69 million.

39. The Company had a long standing dispute with the Department of Commercial Taxes, Government of Karnataka (the "Department"), in connection with the classification of certain road construction equipment manufactured and sold by the Company (that business has since been transferred/sold to an independent third party as a part of global divestiture). The Department disputed the classification of the products under the Karnataka Sales Tax Act, 1957, and demanded sales tax at a higher rate than what was charged by the Company to its customers. The Company had remitted the differential tax "under protest", and charged the amounts to the Statement of Profit and Loss in the financial year 2002-03. The dispute, which was lying under appeal with various appellate authorities, was ruled in favour of the Company by the High Court of Karnataka in the year 2012-13. The Company had filed an application to the Department seeking a refund in the year 2013-14.

Subsequent to the balance sheet date, the Company has received a recomputation statement from the Sales tax authorities confirming the excess tax paid aggregating to Rs.96.35 (March 31, 2014: Nil), which has been recognised as income and disclosed as an 'Exceptional Item' in the Statement of Profit and Loss.

## 40. Prior Year Figures

Prior year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

For **Price Waterhouse & Co Bangalore LLP**  
Firm Registration No.(FRN): 007567S/S-200012  
Chartered Accountants  
(Formerly, Price Waterhouse & Co., Bangalore  
FRN 007567S)

**SHIVAKUMAR HEGDE**  
Partner  
Membership Number: 204627

Place: Mumbai  
Date: May 12, 2015

For and on behalf of Board of Directors

**VENKATESH VALLURI**      **H. C. ASHER**  
Chairman      Director

**G. MADHUSUDHAN RAO**      **AMAR KAUL**  
Vice President - Finance      Vice President and  
General Manager

**P. R. SHUBHAKAR**  
Gen. Manager - Corp. Finance  
& Company Secretary

Place: Mumbai  
Date: May 12, 2015



## INGERSOLL-RAND (INDIA) LIMITED

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

May 12, 2015

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<br>Trade World, 4th Floor,<br>Kamala Mills Compound,<br>Senapati Bapat Marg, Lower Parel<br>Mumbai- 400 013<br>Tel : 022 - 2499 4200<br>Fax : 022 - 2495 0664               | ii) Central Depository Services ( India ) Limited<br>Phiroze Jeejeebhoy Towers.<br>17 <sup>th</sup> Floor, Dalal Street,<br>Mumbai- 400 023<br>Tel : 022 - 2272 3333<br>Fax : 022 - 2272 3199 |
| iii) TSR Darashaw Limited<br>6-10, Haji Moosa Patrawala Ind. Estate,<br>20, Dr. E. Moses Road,<br>Mahalaxmi, Mumbai 400 011<br>Tel : 022 - 6656 8484<br>Fax : 022 - 6656 8494<br>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 or before the dates specified against each of the years shown below :

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
2011-2012 (Final)	August 21, 2019
2012-2013 (Interim)	December 7, 2019
2012-2013 (Final)	August 20, 2020
2013-2014 (Interim)	December 9, 2020
2013-2014 (Final)	October 14, 2021
2014-2015 (Interim)	December 12, 2021

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 :

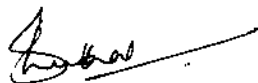
The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2015 if declared at the Annual General Meeting will be made payable on September 28, 2015 to those members whose names appear in the Register of Members of the Company on September 10, 2015. In respect 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 September 10, 2015.

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 Agents of the Company.

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 &  
Company Secretary

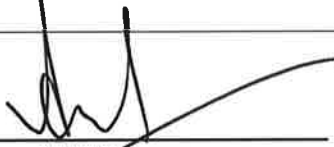





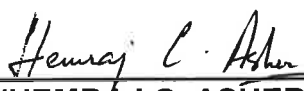




**Ingersoll-Rand (India) Limited**  
Plot No. 35, KIADB Industrial Area,  
Bidadi, Bangalore - 562109

## FORM A

### Form of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	INGERSOLL – RAND (INDIA) LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	<del>Whether appeared first time / repetitive / since how long period</del>
5.	To be signed by -	
	CEO / Managing Director	 <b>(AMAR KAUL)</b> Vice President & General Manager – Air Solutions [Manager under Companies Act, 2013] Place: Gurgaon      Date: August 27, 2015 
	CFO	 <b>(G. MADHUSUDHAN RAO)</b> Place: Bangalore      Date: August 24, 2015 
	Auditor of the company	<b>For Price Waterhouse &amp; Co Bangalore LLP</b> Firm Registration No. (FRN): 007567S/S-200012 <b>Chartered Accountants</b> (Formerly, Price Waterhouse & Co., Bangalore FRN: 007567S/S)  <b>SHIVAKUMAR HEGDE</b> Partner Membership No. 204627 Place: Bangalore      Date: August 31, 2015 
	Audit Committee Chairman	 <b>(HEMRAJ C. ASHER)</b> Place: Mumbai      Date: August 29, 2015