

July 31, 2019

**DGM – Corporate Relations,
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code - 500210

The Listing Department**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C – 1,
Block G, Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051
Scrip Symbol – INGERRAND EQ

**The Listing Department,
Ahmedabad Stock Exchange Limited**

Kamdhenu Complex,
Opp Sahajanand College,
Panjarapole, Ahmedabad – 380 015
Scrip Code - 26610

Dear Sir/Madam,

Subject: Notice of 97th Annual General Meeting and Annual Report

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed 97th Annual General Meeting Notice and Annual Report. The same will be made available on the Company's website at <http://ingersollrand.co.in/invest/annual-reports.html>

You are requested to take the same on record and bring this to the notice of the members accordingly.

Thanking you,

Yours faithfully,
For Ingersoll-Rand (India) Limited



P. R. SHUBHAKAR

General Manager – Corp. Finance & Company Secretary



CC:

**National Security Depository Limited
Central Depository Services (India) Limited**

CIN: L05190KA1921PLC036321

Regd. Office: 8th Floor, Tower D, IBC Knowledge Park, No. 4/1, Bannerghatta Main Road, Bangalore – 560029

Tel : 080-2216 6000 Fax: 080-2728 7482 Website: www.ingersollrand.co.in

All agreements contingent upon strikes, accidents and other conditions beyond our control
All contracts are subject to approval by an officer of the company, quotations are subject to change without notice



PURSUING EXCELLENCE



Ingersoll-Rand (India) Limited

REGISTERED OFFICE & CORPORATE OFFICE

8th Floor, Tower D,
IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road,
Bengaluru – 560029
Phone : +91 80 2216 6000
Fax : +91 80 2728 7482
Website : www.ingersollrand.co.in

REGIONAL AND OTHER OFFICES

Ahmedabad-Bengaluru-Chandigarh-
Chennai-Ghaziabad-
Gurgaon-Jamshedpur-Kolkata-
Mumbai-Nagpur-Pune-Secunderabad-
Surat

MANUFACTURING FACILITY

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

BOARD OF DIRECTORS

Mr. Amar Kaul Chairman and Managing Director
Mr. Kumar St Clair Paul
Mr. Anil Gopinathan
Ms. Jayantika Dave
Mr. Darius C. Shroff
Mr. Sekhar Natarajan
Ms. Vijaya Sampath

OFFICERS

Mr. Vikas Goel Chief Financial Officer
Mr. Prasad Y. Naik Vice President - Information Technology

COMPANY SECRETARY

Mr. P. R. Shubhakar

AUDITORS

B S R & Co. 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 comfortable, sustainable 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.

Our Strategy for Sustained Leadership



Growth Excellence

We use analytics to make clear, strategic choices on what businesses and markets to invest in and pursue, and how to succeed by introducing productive, energy-efficient and reliable products and services to deliver on customer needs.



Winning Culture

We engage our employees and develop a workforce with diverse backgrounds and skills to foster an environment of innovation and integrity that leads to better products and services for our customers, society and the environment.



Operational Excellence

We pursue continuous process improvement that drives growth, creates value, fosters employee engagement, and enhances quality and the customer experience.



CHAIRMAN'S MESSAGE

Amar Kaul
Chairman and Managing Director

Dear Shareholders,

Welcome to the 97th Annual General Meeting of your company. As we close another year of pursuing excellence while driving sustainable innovation, I would like to express my gratitude on behalf of the Board of Directors, for the unflinching trust you have placed in us. It is this trust that has helped us reach new milestones and pioneer industry trends while remaining steadfast in our commitment to reduce the world's carbon footprint.

In 2018, the world economy witnessed a slowdown. This is largely attributable to the softening of international trade along with trade tensions escalating, and some large emerging markets experiencing substantial financial market pressure.

We have felt the extent of this pressure in the Indian market too. While the year began on a strong note, soon we were faced with the challenge of rising oil prices and financial market volatility. As these problems smoothed out over the year, the weakened global economic growth became the emerging hurdle in our growth path. However, India has still maintained its pole position as one of the world's fastest growing economies, even in face of global economic uncertainty. In fact, it is expected to remain at the top of the global growth profile in the next decade as well, thanks to some key initiatives that acted as fuel for sustainable growth.

Flagship initiatives such as the implementation of the GST legislation, Insolvency and Bankruptcy Code, FDI

liberalization, Ease of Doing Business and Make in India, launched by the Government of India ensured that growth across the macro-economic parameters remained unaffected.

The Indian manufacturing sector has witnessed a steady recovery in the last two years with an estimated GVA at 8.1% in 2018-19 as compared to 5.9% during 2017-18. But if we are to meet our aspiration to become a USD 5 Trillion economy in the coming few years with the manufacturing sector contributing USD 1 Trillion, then deeper reforms and a more simplified regulatory regime are sought to give a thrust to the current momentum. India is poised to move ahead on the journey of economic and inclusive growth in FY20 amidst hopes and expectations that the toolkit of measures, particularly the acceleration of reforms announced by the government in recent years, would rapidly transform India and drive the economy to a high growth phase.

With an encouraging economic momentum as the backdrop, Ingersoll Rand has not only sustained its progress this year too, but has also further strengthened its position as a market leader.

Delivering excellence and sustainability lies at the core of Ingersoll Rand's vision; and nurturing an inclusive environment for our team and partners alike gives that vision fruition.

As India marches ahead on a solid growth trajectory to complete 74 glorious years of independence, and the vision of a Better India continues to take shape, Ingersoll Rand is geared to translate its multi-pronged and progressive agenda into action for the year 2019-20 and grow exponentially in this conducive environment.

Accomplishing Growth

For the year ending March 31, 2019, we recorded revenues of Rs. 739.07 crores from continuing operations which is a phenomenal 20.2% higher compared to that of previous financial year owing to increased revenue from sale of products to domestic customers. Our profits after tax for the year ending March 31, 2019 stood at Rs. 80.9 crores which is 9% lower compared to profit after tax of previous financial year, primarily due to lower interest income (consequent to reduction in deposits with banks after the special dividend pay-out), which was handsomely compensated by increase in sales volumes.

Delivering Excellence

Through the year our initiatives were reflective of our focus to deliver customer delight, have a more engaged workforce and deepen the trust of our shareholders.

Our intention to organize business around the needs of the customer in a simplified manner spurred us to introduce a fundamental shift in how we serve our customers. We have moved to an 'account management' structure where one sales professional assumes sole ownership of customers' needs using Ingersoll Rand suite of services. This change from multiple touch points to one face for customers will lead to personalized, deeper customer relationships.

We highly regard and acknowledge the contribution of our channel partner community towards our successful journey, and as an annual affair, this year again we held an extremely successful channel meet for Direct and Distribution channels. Launched in 2017, the Ingersoll Rand Channel Partners Accelerating Network (I-CAN) initiative has started yielding results. This initiative has led to brainstorming and working together on strategic growth areas as well as improved on-time shipment rate, faster quality issues resolution, and higher customer satisfaction index.

Your company kept up its efforts to amplify brand awareness and reputation by participating in key industry events and seminars throughout the year to showcase our product and solutions excellence. We engaged heavily with a wide spectrum of important industries across the length and breadth of the country.



Operational Excellence

In an effort to ensure that we are up-skilling our sales arm, we adopted Salesforce.com's industry-leading sales force automation toolkit. This state-of-the-art cloud platform accessible anytime, anywhere truly provides the mobility to our sales team to excel from any part of the world. Through sales excellence, we continue to invest in our people, mature our practices as a sales organization and strengthen our partnerships with our customers.

Environmental, Health and Safety (EHS) benchmarks are areas of prime focus at Ingersoll Rand. Your company is committed to pursue the goal of "zero workplace injuries" and "incident free" operations, and ensure all employees are aligned with this objective. This year we also attained a 17% reduction in fresh water consumption at Naroda plant by reuse of treated domestic waste water. Our relentless focus towards energy saving measures helped us attain substantial savings by carrying out energy audits and implementing projects to save energy.

Winning Together

Staying invested in growing a rich, diverse and inclusive culture continues to be central to Ingersoll Rand's ethos.

The Employee Engagement Index score for 2018 continued its upward trend with

96% participation rate from employees across locations validating the company's commitment towards building a winning culture.

To reinforce our commitment towards establishing an increasingly diverse workforce, multiple initiatives were taken to increase the representation and retention of female employees through the Gender Diversity Employee Resource Group (ERG). This further underscores our intent to uphold the pledge of Paradigm for Parity Coalition made by our parent company to bring gender parity to corporate leadership structure by 2030. Continuing to place a premium on the wellness of our employees, this year again we sponsored the Global Corporate Health Challenge. Around 225 of our employees participated in the same, displaying their leaning towards a healthy work-life balance.

In another initiative, our Career Progress Navigator tool is helping provide equal opportunity towards growth and career advancement within Ingersoll Rand, spurring competency and employee satisfaction. In the same vein, we continued our journey towards lean thinking and problem solving by establishing MDIs and training employees on Lean Leadership by exposing them to 2 weeks of Lean Leader Development Program (LLDP).

Our continued initiative to strengthen the industry-academic relationship and pave way for future talent saw over 1000 students visiting our Naroda plant on the



Employee volunteer team at the Earth Day Tree Plantation Activity

occasion of International Manufacturing Day. The students from various colleges running vocational studies, engineering and management programs across Gujarat joined us at the manufacturing site and were delighted to get this opportunity.

Making a Difference

Our passion for growth and our concern for the world beyond the walls of our business continues to be stoked in equal measure. As such, in compliance with the Companies Act 2013, we continued to support existing initiatives and undertook some new ones that align with our purpose as an organization.

With a strong belief in nurturing the future generation and encouraging an environment of equity for marginalized sections of society, our partnerships with several not for profit organizations helped us take action that mattered.

Our support for the Government of India led mid-day meal scheme was able to cover 6070 children across 33 schools in Ahmedabad, Gujarat while our projects focused on furthering STEM (Science, Technology, Engineering and Mathematics) education progressed to make scientific concepts simple and application-based for identified beneficiaries in Haryana and Gujarat.

We also entered the third year of our association with National Skill Development Corporation (NSDC) aimed to train 1100 of the country's educated youth from weaker sections. Over 675 candidates have been trained till date and 81% of them successfully placed. Additionally, the partnership has skilled over 290 women till date with a focus on their economic independence.

Taking forward our social responsibility focus on community development, we supported the completion of pay and use Public Toilet Complexes and continued to maintain the patches of land in Gurgaon we adopted last year.

Kerala was struck by massive floods which were declared a calamity of a "severe nature" by the Central Government this year. In an endeavor towards positive intervention amidst this mass destruction, we allocated 5% of our CSR budget to contribute in the recovery and rehabilitation efforts undertaken by the state.

Crystallizing our collective vision of creating long-term value in the world, are our compassionate and engaged employees who volunteered wholeheartedly in all our community development initiatives. In 2018, the volunteering hours of our



employees went up by 20% since last year to over 2100 hours.

Pursuing Excellence

As we usher in the new financial year, we look forward with renewed optimism to grow steadily along with India's now diversified and resilient GDP while keeping our eyes firmly focused on delivering excellence in every initiative we undertake. Armed with our rich legacy and commitment, Ingersoll Rand is well-gearred to continue to be an

integral part of India's industrial production growth story.

This year we renew our resolve to deliver top-tier financial performance and create enduring value and returns for all our esteemed stakeholders and society.

Sincerely,

Amar Kaul
Chairman and Managing Director

Highlights of the Year

	2018-19		2017-18	
Domestic Sales	Rs.	49,476.85 lakhs	Rs.	42,313.84 lakhs
Export Sales	Rs.	14,952.85 lakhs	Rs.	12,555.68 lakhs
(Less): Excise Duty	Rs.	- lakhs	Rs.	(1,045.59) lakhs
Sale of Services	Rs.	8,284.76 lakhs	Rs.	6,723.54 lakhs
Other Revenue from Operations	Rs.	1,193.01 lakhs	Rs.	932.11 lakhs
Total Revenue from Operations	Rs.	73,907.47 lakhs	Rs.	61,479.58 lakhs
Profit before tax	Rs.	12,735.42 lakhs	Rs.	13,190.58 lakhs
As a % of revenue		17.23		21.46
Profit after tax	Rs.	8,087.02 lakhs	Rs.	8,905.85 lakhs
As a % of revenue		10.94		14.49
Net worth per share	Rs.	132.59	Rs.	357.48
Earnings per share	Rs.	25.64	Rs.	28.16
Price earnings ratio		24.33 times		23.22 times
Dividend per share (Excluding special dividend)	Rs.	6.00	Rs.	6.00
Cover		4.3 times		4.7 times
Net revenue from operations/total assets		1.2 times		0.5 times
Profit after tax/gross fixed assets (%)		49.47		57.43
No. of employees		721		694
No. of shareholders		31,233		23,578

Distribution Schedule of Shareholdings

	Number of Shares	Percentage(%)
Principals	23,360,000	74.00%
Institutional Investors (Includes Govt./Govt. sponsored Financial Institutions/Foreign Banks/ Other Banks/Mutual Funds)	2,057,517	6.52%
Bodies Corporate & Trusts	572,581	1.81%
Directors and their relatives	76,200	0.24%
Others	5,501,702	17.43%
Total	31,568,000	100.00%

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Notice

Notice is hereby given that the 97th Annual General Meeting of Ingersoll – Rand (India) Limited (the “Company”) will be held on Thursday, August 29, 2019 at 12.00 noon at Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bengaluru - 560 001 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and Statement of Profit and Loss for the financial year ended on March 31, 2019 together with the reports of the Directors and the Auditors.
2. To declare final dividend on equity shares of the Company for the financial year ended on March 31, 2019.

SPECIAL BUSINESS

3. **To appoint Mr. Kumar St Clair Paul as a Director.**

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

RESOLVED THAT Mr. Kumar St Clair Paul (DIN No. 08363506) who was appointed by the Board of Directors of the Company as an Additional Director of the Company effective March 27, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“the Act”) and Article 118 of the Articles of Association of the Company and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

4. **To appoint Mr. Anil Gopinathan as a Director.**

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

RESOLVED THAT Mr. Anil Gopinathan (DIN No. 08380238) who was appointed by the Board of Directors of the Company as an Additional Director of the Company effective March 27, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“the Act”) and Article 118 of the Articles of Association of the Company and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

5. **To appoint Ms. Jayantika Dave as an Independent Director.**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Ms. Jayantika Dave (DIN: 01585850) who was appointed as an Additional Director by the Board of Directors of the Company with effect from March 28, 2019 in terms of Section 161(1) of the Act and Article 118 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from March 28, 2019 to March 27, 2024.

6. **To appoint Ms. Vijaya Sampath as an Independent Director**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Ms. Vijaya Sampath (DIN: 00641110) who was appointed as an Additional Director by the Board of Directors of the Company with effect from March 27, 2019 in terms of Section 161(1) of the Act and Article 118 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from March 27, 2019 to March 26, 2024 .

7. **To approve payment of remuneration to directors other than whole time directors and managing directors of the Company**

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

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) approval of the Company be and is hereby accorded for the payment to Directors (who are neither in the whole time employment nor managing director) remuneration, by way of commission, calculated in accordance with the provisions of the Act not exceeding one percent of the net profits of the Company and to be allocated to each Director as may be determined by the Board of Directors of the Company (the “Board”) in each financial year.

RESOLVED FURTHER THAT this resolution shall be effective for a period of five years from the financial year commencing from April 1, 2019.

8. **To ratify payment of remuneration to Cost Auditor of the Company for the financial ending on March 31, 2020**

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 Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants (Firm Registration Number 000387) appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost accounting records of the Company for the financial year ending March 31, 2020 be paid Rs. 235,000/- (Rupees Two lakh thirty five thousand only) plus reimbursement of out of pocket expenses actually incurred during the course of audit and applicable taxes.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of implementing and giving effect to this resolution.

NOTES: -

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item Nos. 3 to 8 above and the relevant details of the Directors seeking appointment under Item Nos. 3 to 6 above as required under Regulation 26 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be duly filled, stamped, signed and should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms etc. must be supported by an appropriate resolution/authority as applicable, issued on behalf of the appointing organization.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. A proxy holder shall prove his identity at the time of attending the AGM.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. A Corporate Member intending to send its authorised representative to attend the AGM in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the relevant Board resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on its behalf at the AGM.

6. M/s. B S R & Co. LLP. Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office for a period of five (5) years commencing from the 95th AGM held on 3rd August 2017, subject to ratification by the members at every AGM. However, pursuant to the notification of certain sections of the Companies (Amendment) Act, 2017, with effect from 7th May 2018, the ratification of the Statutory Auditors by members is no longer required. Taking into consideration this amendment, the resolution for ratification of their appointment has not been brought before the members of the Company and is therefore not included in the annual report.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from August 14, 2019 to August 19, 2019, both days inclusive, for the purpose of payment of final dividend, if declared at the AGM.
8. The Final Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended on March 31, 2019 if approved by the Members at the AGM, will be paid :
 - (i) in respect of shares held in electronic form on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL), as at the end of business on August 13, 2019;
 - (ii) in respect of shares held in physical form to those Members whose names appear 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 August 13, 2019. The Company will dispatch the dividend warrants from September 3, 2019.
9. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants (DPs).
10. Members holding shares in physical form are requested to intimate any change of address and / or bank

mandate to Company's Registrar and Share Transfer Agents at the earliest.

11. (i) Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven (7) years. Further according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for seven (7) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company would be transferring the unpaid or unclaimed dividend for Final Dividend 2011-12 and Interim Dividend 2012-13 on or before August 21, 2019 and December 7, 2019 respectively as well as the corresponding equity shares relating thereto. The shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the Rules.

Members are requested to ensure that they claim the dividends referred to above before these are transferred to the said Fund. Members are requested to make their claims to the Company / Registrar and Share Transfer Agents immediately. Members are also requested to furnish Bank Account No., name of the Bank, Branch, IFSC Code and Place with PIN Code No. where the account is maintained to prevent fraudulent encashment of dividend warrants.
- (ii) During the financial year 2018-19, the Company has transferred to IEPF unclaimed dividend and the corresponding shares thereto as follows:

Particulars	Amount of dividend (Rs.)	No. of equity shares
Final dividend for the financial year 2010-11	263,088	300
Special/Interim dividend for the financial year 2011-12	1,826,631	4,172

12. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in dematerialized form may file

nomination in the prescribed Form SH-13 (in duplicate) with the respective DPs and in respect of shares held in physical form, such nomination may be filed with the Company's Registrar and Share Transfer Agents.

13. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agents of the Company.
14. The Ministry of Corporate Affairs, New Delhi (MCA) has taken Green Initiative in Corporate Governance allowing paperless compliance by companies through electronic mode. Accordingly, your Company has sent the electronic copy of this Annual Report along with Attendance Slip and Proxy Form to the e-mail addresses of the members registered with the Company. Members who have not registered their e-mail address so far are requested to register the same at the earliest. For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode. Members of the Company who have registered their e-mail address are also entitled to receive the aforementioned documents in physical form, upon request. Please note that the said documents would also be available on the Company's website www.ingersollrand.co.in from where it can be downloaded by the members. In case you desire to receive the abovementioned 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 mentioning your folio / DP ID and Client ID.
15. Members who wish to attend the AGM are requested to bring attendance slip sent herewith duly filled in and the copy of the Annual Report. Copies of Annual Report will not be distributed at the AGM.
16. Members are requested to affix their signature at the place provided on the attendance slip annexed to the proxy form and handover the slip at the entrance to the place of the AGM. 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 AGM for recording of attendance at the AGM.
17. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary of the Company so as to reach at least

seven (7) days before the date of the AGM so that the information required may be made available at the AGM, to the best extent possible.

18. E- VOTING (Voting through electronic means)

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide to members the facility to exercise their right to vote on the resolutions proposed to be passed at this 97th AGM by electronic means and the business may be transacted through e-Voting Services provided by 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/DPs):
 - 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.
 - vi. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - viii. Select "EVEN" of Ingersoll-Rand (India) Limited.
 - ix. Now you are ready for e-Voting as Cast Vote Page opens.
 - x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.

- xiii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - xiv. 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 with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives a physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company/DPs or upon request):
- i. Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (E-Voting Event Number) USER ID PASSWORD.
 - 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
- 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 August 26, 2019 (9.00 am IST) and ends on August 28, 2019 (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 August 22, 2019, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting after August 28, 2019 (5.00 pm IST). Once the vote on a resolution is cast by the Member, the Member shall not be permitted to change it subsequently
- VI. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of Notice of the AGM and holds shares as on the cut-off date i.e. August 22, 2019 may obtain a User ID and Password by sending a request at 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 AGM 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 in the paid-up equity share capital of the Company as on the cut-off date of August 22, 2019.
- X. Mr. K. Natesh, Practicing Company Secretary, 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 AGM, 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 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 August 28, 2019 (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. Any change of address of Members or queries relating to their shares may also be addressed to the Registrar and Share Transfer Agents at the aforesaid address.
- Members have the option to request for physical copy of the Ballot Form by sending an e-mail to

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 August 28, 2019, (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.

to consolidate multiple folios. Members who hold shares in identical and in the same order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agent M/s TSR Darashaw Limited to consolidate their holdings in one folio.

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

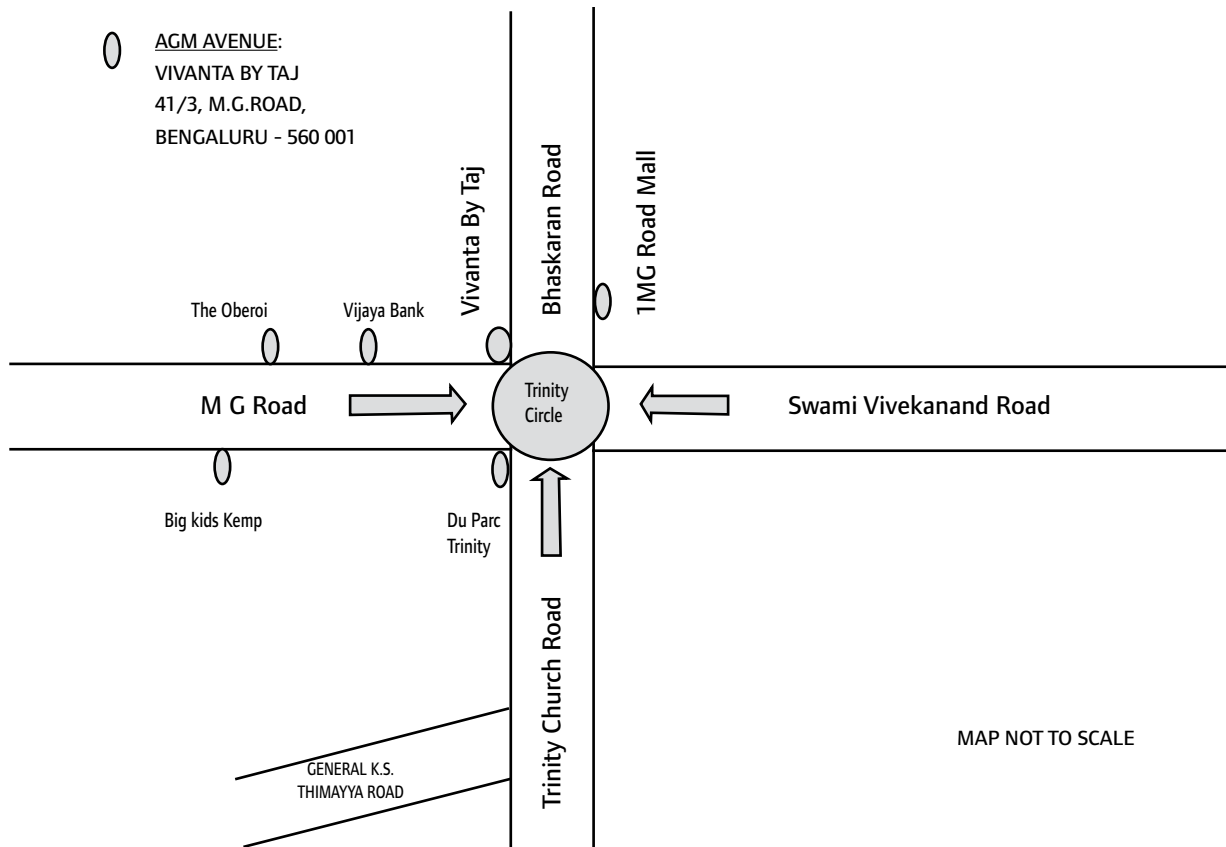
P. R. SHUBHAKAR
General Manager - Corp. Finance & Company Secretary

19. All documents referred to in this Notice and accompanying explanatory statement are open for inspection at the registered office of the Company on all working days of the company between 10.00 am IST and 1.00 pm IST up to the date of the AGM and at the venue of the AGM for the duration of this AGM.
20. With a view to serving the members better and of administrative convenience, an attempt would be made

New Delhi, May 16, 2019

Registered Office:
8th Floor, Tower D, IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road,
Bengaluru – 560 029
CIN: L05190KA1921PLC036321
Website: www.ingersollrand.co.in

“ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON AUGUST 29, 2019 AT VIVANTA BY TAJ, 41/3, M. G. ROAD, BENGALURU – 560 001”



Annexure to the Notice

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

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 8 of the accompanying notice :-

Item Nos. 3 & 4

The Board of Directors ("the Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Kumar St Clair Paul and Mr. Anil Gopinathan as Additional (Non-Executive) Directors of the Company effective March 27, 2019. Pursuant to the provisions of Section 161 of the Act and Article 118 of the Articles of Association of the Company, Mr. Kumar St Clair Paul and Mr. Anil Gopinathan will hold office up to the date of the ensuing Annual General Meeting (AGM) and are eligible for appointment as Director of the Company.

The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a member of the Company proposing the candidature of Mr. Kumar St Clair Paul and Mr. Anil Gopinathan for the office of Director of the Company. Mr. Kumar Paul and Mr. Anil Gopinathan, once appointed, will be liable to retire by rotation.

The Company has received from Mr. Kumar St Clair Paul and Mr. Anil Gopinathan consent, in writing, to act as Director of the Company and intimation to the effect that he is not disqualified under Section 164(2) of the Act.

Mr. Kumar St Clair Paul is presently working as Director – International Tax for Ingersoll Rand Company ("IRCO"), USA which is Company's holding company. IRCO purchases products from the Company and the Company also purchases components from IRCO. Accordingly, he may be deemed to be concerned or interested, financially or otherwise, in the Company's transactions with IRCO.

Mr. Anil Gopinathan is presently an employee of Ingersoll Rand Technologies and Services Private Limited ("IRT SPL"), a subsidiary of the Company's ultimate holding company, and is designated as Vice President & General Manager – IRET. IRT SPL is a related party to the Company. Accordingly, he may be deemed to be concerned or interested, financially or otherwise, in the Company's transactions with IRT SPL.

A brief profile of Mr. Kumar St Clair Paul and Mr. Anil Gopinathan has been provided as annexure to this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Mr. Kumar St Clair Paul and Mr. Anil Gopinathan to whom the resolution

relates, are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolutions set forth in Item No. 3 and 4 of the Notice for the approval of the members.

Item No. 5

Ms. Jayantika Dave was appointed as Non-Executive Director on September 12, 2014. She has resigned as such Non-Executive Director effective March 27, 2019.

Subsequently, the Board of Directors ("the Board"), upon recommendation of the Nomination and Remuneration Committee, appointed Ms. Jayantika Dave as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective March 28, 2019. Pursuant to the provisions of Section 161 of the Act and Article 118 of the Articles of Association of the Company, Ms. Jayantika Dave will hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of Rs. 1,00,000/-, proposing the candidature of Ms. Jayantika Dave for the office of Director.

The Company has received from Ms. Jayantika Dave consent, in writing, to act as Director, intimation to the effect that she is not disqualified to act as Director and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for the appointment of Ms. Jayantika Dave as an Independent Director of the Company for a period of five years commencing from March 28, 2019 to March 27, 2024. Ms. Jayantika Dave, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Ms. Jayantika Dave fulfils the conditions specified in the Act and is independent of the Management of the Company. A copy of the letter of appointment of Ms. Jayantika Dave as an Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

A brief profile of Ms. Jayantika Dave has been provided as Annexure to this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Ms. Jayantika

Annexure to the Notice

Dave to whom the resolution relates, are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice for the approval of the members.

Item No. 6

The Board of Directors (“the Board”), upon recommendation of the Nomination and Remuneration Committee, appointed Ms. Vijaya Sampath as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective March 27, 2019. Pursuant to the provisions of Section 161 of the Act and Article 118 of the Articles of Association of the Company, Ms. Vijaya Sampath will hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of Rs. 1,00,000/-, proposing the candidature of Ms. Vijaya Sampath for the office of Director.

The Company has received from Ms. Vijaya Sampath consent, in writing, to act as Director, intimation to the effect that she is not disqualified to act as Director and a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for the appointment of Ms. Vijaya Sampath as an Independent Director of the Company for a period of five years commencing from March 27, 2019 to March 26, 2024. Ms. Vijaya Sampath, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Ms. Vijaya Sampath fulfils the conditions specified in the Act and is independent of the Management of the Company. A copy of the letter of appointment of Ms. Vijaya Sampath as an Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

A brief profile of Ms. Vijaya Sampath has been provided as Annexure to this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Ms. Vijaya Sampath to whom the resolution relates, are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at Item No. 6 of the Notice for the approval of the members.

Item No. 7

Under the Act, directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

Article 121 of the Articles of Association of the Company, inter alia, provides for payment of commission to a Director, who is neither in the whole time employment nor a Managing Director of the Company, and fees for attending a meeting of the Board of Directors or Committee thereof, being the maximum sum as may be prescribed by the Companies Act, 2013 or the Central Government.

Section 197 of the Act, provides, inter alia, that a director, who is neither in the whole-time employment of a Company nor a Managing Director may be paid remuneration by way of commission not exceeding one percent of the net profits of the Company, if the Company has a Managing or Whole time Director or Manager, provided such payment is authorised by ordinary resolution passed in that behalf.

Having regard to the time and attention devoted by the Directors to the affairs of your Company, the Board of Directors of your Company, has subject to the approval of the members, proposed to remunerate the non-executive directors (i.e. directors other than the Managing Director and Whole-time Director) by payment of commission not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act. The said remuneration to non-executive directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

The shareholders had approved the payment of commission to the non-executive Directors and passed a special resolution under the provisions of Section 197 of the Act at 92nd annual general meeting held on September 12, 2014. Validity of this special resolution for payment of commission is up to the financial year 2018-19. The overall remuneration that will be paid to directors who are neither managing directors nor whole-time directors will not exceed one per cent of the net profits of the company in the presence of a managing or whole-time director or manager.

It is proposed to take fresh approval for the payment of commission for a period of five years with effect from the financial year commencing April 1, 2019.

Mr. Darius C. Shroff, Mr. Sekhar Natarajan, Ms. Jayantika

Annexure to the Notice

Dave and Ms. Vijaya Sampath, Directors of the Company, are interested and concerned in this resolution. None of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Resolution set out at Item No. 7 of the Notice for the approval of the members.

Item No. 8

The Board of Directors of the Company (the 'Board'), on the recommendation of the Audit Committee, has approved the appointment of M/s. Ashish Bhavsar & Associates, Cost Accountants (Firm Registration Number 000387), as Cost Auditor to conduct the audit of the cost records of the Company as per the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending on March 31, 2020. M/s. Ashish Bhavsar & Associates, Cost Accountants, have submitted a letter confirming their eligibility for appointment as cost auditor.

The Board has, subject to the ratification by the Members at this Annual General Meeting, determined the remuneration of the cost auditor at Rs. 235,000/- plus reimbursement of out of pocket expenses actually incurred by them in connection with the cost audit.

In accordance with the provisions of Section 148 of the Act

read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought as referred to in the resolution at Item No. 8 of the Notice for the payment of remuneration amounting to Rs. 235,000/- plus applicable taxes and out of pocket expenses for the financial year ending on March 31, 2020.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, interested or concerned, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the resolution set out at Item No. 8 of the Notice for the approval of the members.

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

P. R. SHUBHAKAR
General Manager - Corp. Finance & Company Secretary
New Delhi, May 16, 2019

Registered Office:
8th Floor, Tower D, IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road,
Bengaluru – 560 029
CIN: L05190KA1921PLC036321

Annexure to the Notice

Website: www.ingersollrand.co.in

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr. Kumar St Clair Paul
Director Identification Number	08363506
Date of Birth / Age	14th February 1961 / 58 years
Date of appointment as Director	27th March 2019
Qualification	Post Graduate in Law from Harvard Law School and Graduate from Sri Lanka Law College
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none"> • Mr. Kumar Paul has more than three decades of experience as a lawyer in both public and private sector enterprises. • He has worked as Partner with McDermott Will & Emery LLP at New York. Earlier he has worked as International Tax Manager with Pricewaterhouse Coopers LLP, as Director and Director General of the Securities & Exchange Commission of Sri Lanka and as Senior State Counsel of Attorney General's Department of Sri Lanka. • He has extensive knowledge in areas of International Taxation and Financial Planning & Analysis. • At present Mr. Kumar Paul is working as Director, International Tax, Ingersoll Rand Company in USA.
Directorships held in other listed companies in India	Nil
Memberships / Chairmanships of committees held in other listed companies in India	Nil
Shareholding in the Company	Nil

Name of the Director	Mr. Anil Gopinathan
Director Identification Number	08380238
Date of Birth / Age	4th April 1968 / 51 years
Date of appointment as Director	27th March 2019
Qualification	Graduate in Mechanical Engineering from College of Engineering, Trivandrum and Masters in Mechanical Engineering from Wright State University - Dayton, OHIO.
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none"> • Mr. Anil has extensive knowledge in areas of product development and leading large engineering teams within diverse Automotive, Industrial & FMCG business units with a total experience of 27 years. • He started his career with Ashok Leyland as Senior Engineer. He joined Tecumseh Products Company in 1999 and worked in various capacities viz. Project Engineer, Chief Engineer, Director Engineering, Vice President, Sr. Vice President - Product Engineering till September 2011. • He has joined Ingersoll Rand in October 2011 as Senior Director, Ingersoll Rand Engineering and Technology Centers (IRETC). In January 2014, he was promoted as VP & General Manager - IRETC and is presently managing world-class engineering teams of 700+ professionals, establishing vision, setting goals, and in motivating, empowering and developing highly engaged workforce.
Directorships held in other listed companies in India	Nil
Memberships / Chairmanships of committees held in other listed companies in India	Nil
Shareholding in the Company	Nil

Annexure to the Notice

Name of the Director	Ms. Jayantika Dave
Director Identification Number	01585850
Date of Birth / Age	24th January 1955 / 64 years
Date of appointment as Director	28th March 2019
Qualification	Post Graduate in Management (HR & Marketing)
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none"> • 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 served as Director, Human Resources, Agilent Technologies Private Limited and she was working as Vice President – Human Resources at Ingersoll Rand group in India till January 31, 2015.
Directorships held in other listed companies in India	Nil
Memberships / Chairmanships of committees held in other listed companies in India	Nil
Shareholding in the Company	Nil

Name of the Director	Ms. Vijaya Sampath
Director Identification Number	00641110
Date of Birth / Age	26th May 1953 / 66 years
Date of appointment as Director	27th March 2019
Qualification	Graduate in English Literature from Madras University and Degree in law from Mysore University. She is fellow member of Institute of Company Secretaries of India.
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none"> • Ms. Vijaya started her career with the NICCO group, Kolkata. In 1985, she joined to Duncan (GP Goenka) group and returned for a second stint in each of these groups from 1988 until December 1993. In the year 1994, she joined Indian Aluminum Company (a subsidiary of the erstwhile Fortune 100 Alcan Aluminum) initially as VP, Legal & Company Secretary and was appointed as director on the Board in the year 2000. She was also nominated as director on Utkal Aluminum International, a joint venture with Norsk Hydro, Tatas, Indian Aluminum and Alcan for setting up a million tonne aluminum refinery in Orissa. • Ms. Vijaya joined J Sagar Associates in the year 2000, as partner in Delhi. She has led a large team of their in-house legal experts and successfully completed complex joint ventures, cross border acquisitions, PE investments and international commercial arrangements. • In January 2004, Ms. Vijaya joined Bharti Airtel Group as global Group General Counsel and Company Secretary. She has successfully handled legal, secretarial, corporate and regulatory compliances with high standard of transparency and governance of entire group until her retirement in March 2012. • Later, she was Senior Partner in corporate law practice of Lakshmikumaran & Sridharan, Law firm till August 2017.
Directorships held in other listed companies in India	5
Memberships / Chairmanships of committees held in other listed companies in India	7
Shareholding in the Company	Nil

Details of Memberships/Chairmanship of Audit Committee and Stakeholders' Relationship Committee are provided. Directorships in foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc. are not provided

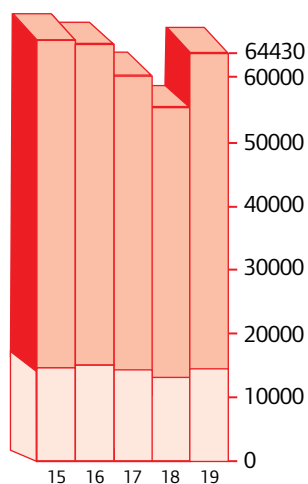
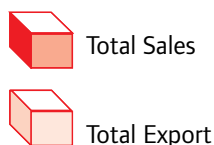
Directors' Report

To
THE MEMBERS,
INGERSOLL-RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-Seventh Annual Report along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2019, that is, the year under review.

1. FINANCIAL SUMMARY OF THE COMPANY

GROSS SALES (in Rs. Lakhs)



	(Rupees in Lakhs)	
	2018-19	2017-18
Gross Profit:	13,931.14	14,216.22
(Less): Depreciation and amortization expenses	(1,137.34)	(1,259.71)
(Less)/Add: Finance costs	<u>(49.01)</u>	<u>208.02</u>
Profit before taxation and exceptional items	12,744.79	13,164.53
(Less): Provision for Current Tax	(4,311.27)	(4,348.98)
(Less): Deferred Tax for the year	(388.71)	(299.16)
Add: Write back relating to prior years (net)	<u>48.31</u>	<u>372.43</u>
Net Profit	8,093.12	8,888.82
Other comprehensive income: (net of tax)	(6.10)	17.03
Total comprehensive income for the year	8,087.02	8,905.85
Add: Balance in retained earnings brought forward from earlier years	79,182.57	72,556.40
	<u>87,269.59</u>	<u>81,462.25</u>
Appropriations:		
Dividends paid (including tax thereon)	79,158.34	2,279.68
Balance carried to Balance Sheet	<u>8,111.25</u>	<u>79,182.57</u>
	<u>87,269.59</u>	<u>81,462.25</u>

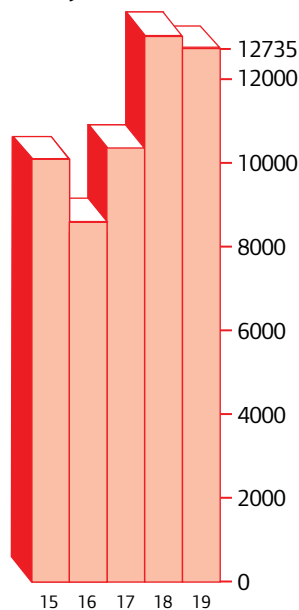
2. MANAGEMENT DISCUSSION AND ANALYSIS

- I. **Industry Structure and Development:** The financial year 2018-19 witnessed a number of positive developments marked by key structural initiatives taken by the Government of India to build strength across macro-economic parameters for sustainable growth. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of 2017-18, seems to have bottomed out as 2018-19 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, machinery sales and exports having shown some uptick. The Indian economy has recovered from the effects of demonetization and the reformative Goods and Services Tax.

The Indian economy has shown mixed signals in 2018-19 with growth remaining volatile and inflation cooling. The GDP growth which stood at

PROFIT BEFORE TAX

(in Rs. Lakhs)



7.7 per cent during January-March 2018 accelerated to 8.0 per cent during April-June 2018. However, it declined to 7.0 per cent during July-September 2018. The macro economic data print released by the Indian government statistics agency Central Statistics Office (CSO) indicates cautious optimism about the Indian economy. According to the second Advance Estimates of national income, the expected GDP print for FY19 has been marked down to 7.0 per cent from 7.2 per cent growth recorded in FY18. The growth of manufacturing sector is expected to accelerate to 8.3 per cent this fiscal, up from 5.7 per cent in 2017-18.

Currently, India is the world's seventh-largest economy at USD 2.2 trillion. Our country has emerged as the fastest growing major economy in the world as per the Central Statistics Organization and International Monetary Fund (IMF) and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by strong democracy and partnerships.

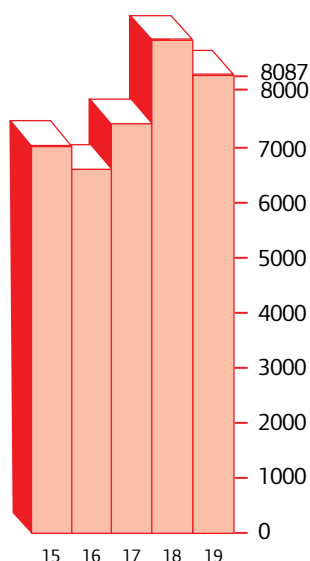
Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors and these sectors have shown moderate growth improving the revenue by 3% during the year under review.

- II. **Segment-wise operational performance:** Air Solutions is the only segment in your Company's operations. The gross revenue of Air Solutions business in the year under review was Rs. 73,907 lakhs as against Rs. 62,525 lakhs in the previous financial year. Your Company continues to focus on local innovation and creating markets "In India; For India; By India".

The profit before tax is Rs. 12,745 lakhs in the year under review as against Rs. 13,165 lakhs in the previous financial year.

- III. **Outlook:** The International Monetary Fund (IMF) alludes that the growth run in the country is expected to continue and even become stronger in 2019. Agency is optimistic that the Indian economy would expand by 7.5% in FY20 and 7.7% in FY21. The growth rates for the Indian economy are pegged much higher than the global growth rates for the same years thus placing the Indian economy on a solid footing even amidst growing global uncertainties. As India marches ahead on a solid growth trajectory to complete 75 glorious years of independence, Indian Industry remains committed to building a better India by actioning its agenda for the year 2019-20. The Company expects the market for air compressors to grow reasonably in line with general industrial outlook. The export sector is expected to grow at a slower rate.
- IV. **Threat and concerns:** Growth in the industrial sector depends on government policies and effective implementation of the same to boost industrial output. Your Company constantly monitors the challenges from amongst the ecosystem comprising competition, industry, product life cycle, raw materials cost and takes steps to maintain and enhance existing competence. The primary threat continues to be competitors that are using price pressures as a tool to win the market share. Availability of spurious parts and components at cheap prices is also an added threat. Fluctuating foreign currency rates will have impact on imports.
- V. **Safety, Health and Environment:** Environmental, Health and Safety (EHS) are areas of prime focus at Ingersoll Rand. Your Company is committed to

PROFIT AFTER TAX
(in Rs. Lakhs)



pursue the goal of “zero workplace injuries” and “incident free” operations, and ensure all employees are aligned with this objective. The management demonstrates utmost commitment and responsibility in complying with safety norms and improved workplace culture. At the manufacturing stage, sustainability approach is reflected in the responsible processes that help maximize efficiency, improve yield, and minimize wastage of precious resources like water. Regular health check-up and hygiene studies are conducted annually for the employees. Your Company continues to monitor the hazardous and non-hazardous waste generation and disposal, improving its own environmental footprint by continually reducing greenhouse gas (GHG) emissions, consumption of water and by recycling and reusing the waste in a responsible manner. Your Company has also achieved substantial savings by carrying out energy audits and implementing projects to save energy.

VI. Technology Innovation: Your Company has continued to invest in technology innovation to sustain its leadership position and be the pioneer of best-in-class solutions for its customers. This year, your company has added new products to the existing wide gamut of products and introduced new models to its line of Next Generation R-Series oil-flooded rotary screw air compressors, which provide more energy-efficient solution for customers with high capacity air requirements. Last year, we launched RS200 to RS250 models rotary screw air compressor that reduce energy cost by approximately 10% for large manufacturing facilities. This year we have launched RS45 to RS75 that can deliver up to 17% more Free Air Delivery (FAD) and 16% Lower Spec Power than previous models and are built with all New Single Stage Airend which are world class with exceptional reliability.

With this and more, we continue to introduce break-through innovation into the market to partner with our customers in their quest for excellence.

VII. *Disclosure as per Paragraph B (1) (h) (i) under Schedule V of the SEBI Listing Regulations .

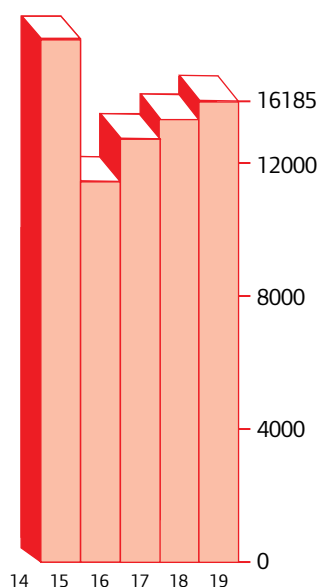
Sl. No.	Particulars	As on March 31, 2018	As on March 31, 2019	Percentage change
1	Current Ratio	6.23	2.50	-60%
2	Return on Net Worth	7.89%	19.32%	-145%

* Disclosure has been given only for such ratios listed in the said SEBI Listing Regulations which has a difference of equal to or more than 25% as on March 31, 2019 in comparison to the previous financial year ended on March 31, 2018.

Reason for the above significant change:

- **Current Ratio:** This is liquidity ratio that measures a company’s ability to pay short-term obligations or those due within one year. It tells investors how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. Current assets listed on a company’s balance sheet include cash, accounts receivable, inventory and other assets that are expected to be liquidated or turned into cash in less than one year. Current liabilities include accounts payable, wages, taxes payable and the current portion of long-term debt.

GROSS BLOCK (in Rs. Lakhs)



There has been a substantial reduction in the bank balance (which is a cash component for the purpose of computing the current ratio of the Company) due to the payout of special dividend declared in May 2018.

- **Return on Net worth:** It is the calculation that reveals how much Profit company generates to their shareholders from the Equity. There has been a significant reduction in the net worth due to the payment of major portion of retained earnings as special dividend in May 2018.

3. DIVIDEND

Your Company on November 2, 2018 declared an interim dividend at the rate of Rs. 3/- per share, absorbing Rs. 947.04 lakhs for the financial year under review, out of profit for the year 2018-19

Your Directors at their meeting held on May 16, 2019 have, subject to the approval of the members at the ensuing Annual General Meeting, recommended payment of final dividend for the year under review at the rate of Rs. 3/- per share.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the dividend distribution policy of the Company has been disclosed in the Corporate Governance Report and on the website of the Company.

4. TRANSFER TO RESERVES

Pursuant to the provisions of the Act, your Directors do not propose to transfer any amount to the reserves and the full profits for the year under review will be held in Retained Earnings.

5. THE STATE OF COMPANY'S AFFAIRS

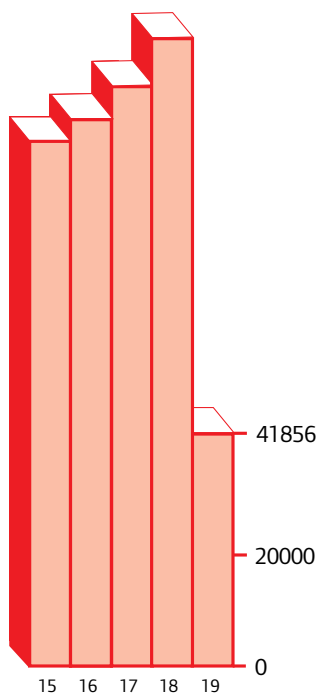
For the year ending March 31, 2019, your Company has recorded revenues of Rs. 73,907 lakhs from continuing operations which is a phenomenal 18.2% higher compared to that of previous financial year owing to increased revenue from sale of products to domestic customers. Our profits after tax for the year ending March 31, 2019 stood at Rs. 8,087 lakhs which is 9% lower compared to profit after tax of previous financial year, primarily due to lower interest income (consequent to reduction in deposits with banks after the special dividend pay-out), which was handsomely compensated by increase in profit from sales volumes.

6. GARDNER DENVER TO COMBINE WITH INGERSOLL RAND'S INDUSTRIAL SEGMENT

Ingersoll Rand plc ("Ingersoll Rand"), the ultimate holding company of Ingersoll – Rand (India) Limited ("Company") and Gardner Denver Holdings Inc. ("Acquirer") have issued a joint press release on 30th April 2019 announcing their intention to create a global leader in mission-critical flow creation and industrial technologies, which upon completion would entitle the Acquirer indirectly through its various subsidiaries, ability to exercise 74% of the voting share capital of the Company and control which is currently held by Ingersoll Rand Company.

Citigroup Global Markets India Private Limited, on behalf of the Acquirer and Charm Merger Sub Inc., a person acting in concert with Acquirer, has issued a public announcement on 7th May 2019 ("Public Announcement") for acquisition of up to 8,207,680 fully paid-up equity shares from the public shareholders of the Company, constituting 26% of the fully diluted voting equity share capital of the

NET WORTH
(in Rs. Lakhs)



Company. The Public Announcement has been made in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The completion of the said acquisition is subject to certain conditions, including the receipt of regulatory clearances and approval in various jurisdictions and other customary conditions for the global transaction.

7. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments which has occurred, affecting the financial position of the Company between the end of the financial year of the Company i.e. March 31, 2019 and the date on which this report has been signed.

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

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

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

The Company's management is responsible for establishing and maintaining an adequate system of internal controls over financial reporting. Accordingly, the Board of Directors has laid down internal financial controls to be followed by the Company and such policies and procedures to be adopted by the Company for ensuring efficient and orderly conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of financial information. The said internal controls are commensurate with the size, scale and complexity of your Company's operations and facilitate prevention and timely detection of any irregularities, errors and frauds. 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 Company through its own Corporate Internal Audit Department carries out periodic audits to independently assess 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 operating effectiveness of the internal control system. The Audit Committee evaluates the internal financial control system periodically.

10. 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.

11. DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits as on March 31, 2019.

12. AUDIT

A. STATUTORY AUDIT:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 95th Annual General Meeting approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 95th Annual General Meeting till the conclusion of 100th Annual General Meeting of the Company. Pursuant to amendments in Section 139 of the Act, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018.

The Report given by M/s. B S R & Co. LLP, Chartered Accountants on the financial statements of the Company for the year ended March 31, 2019 is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2018-19, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

B. COST AUDIT:

The Company has maintained adequate records and books of accounts pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed under Section 148 of the Act. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Ashish Bhavsar & Associates, Cost Accountants, (ICMA Firm Registration No. 000387) as Cost Auditors for conducting the audit of the cost records maintained by the Company for the year ending March 31, 2020. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Act and Rules thereunder requisite resolution for ratification of remuneration payable to the Cost Auditors by the members has been set out in the Notice of the 97th Annual General Meeting of your Company.

During the year 2017-18, the Cost Accountants had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

C. SECRETARIAL AUDIT

The Secretarial Audit Report given by the Secretarial Auditors is annexed as Annexure – D1 and forms integral part of this Report. There is no qualification, reservation or adverse remark or disclaimer in the Report of the Secretarial Auditors for the year 2018-19. Therefore no detail is required to be disclosed under Section 134 (3)(f)(ii) of the Act.

In terms of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Mr. Natesh K, Company Secretary (CP No. 7277) as the Secretarial Auditor of the Company in relation to the financial year ending 31st March, 2020. Your Company has received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

Annual Secretarial Compliance Report issued by Mr. Natesh K, Practicing Company Secretary as per paragraph E to the Schedule V of the SEBI Listing Regulations, 2015 as notified vide circular dated February 08, 2019 issued by SEBI is enclosed herewith as Annexure - D2.

13. SECRETARIAL STANDARDS

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from October 1, 2017. The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

14. SHARE CAPITAL

The Company has only one class of share viz. equity share with a face value of Rs.10 each. 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, 2019 is Rs.3,156.80 lakhs comprising 31,568,000 equity shares of Rs.10/- each. Share capital audit as per the directives of the Securities and Exchange Board of India is being conducted on a quarterly basis by Parikh & Associates, Company Secretaries and the Audit Reports are placed on the table of the Board Meeting and duly forwarded to the stock exchanges where the equity shares of your Company are listed.

15. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return in Form MGT 9 as on March 31, 2019 as required under Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 has been uploaded on website of the Company at the link www.ingersollrand.co.in

16. NUMBER OF MEETINGS OF THE BOARD

During the year 2018-19, the Board of Directors met six times. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

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

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

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has a long and proud history of supporting good activities of philanthropic organizations. Each year, your Company contributes time and financial support to the communities and beneficiaries in and around its areas of operation. This year, your Company has continued its CSR initiatives to focus on providing education, healthcare & sanitation, conservation of environment, livelihood and furthering sustainability. These activities are in accordance with Schedule VII of the Act. The Board of Directors and CSR Committee review and monitor from time to time all the CSR activities being undertaken by the Company.

The details of CSR activities carried out by your Company during the year under review are set out in Annexure - B forming part of this report.

The Board has adopted a policy on Corporate Social Responsibility which has been uploaded on website of the Company www.ingersollrand.co.in

19. INDEPENDENT DIRECTORS

The Board has an optimum combination of Independent and Non-Independent Directors. In line with the requirements of the SEBI Listing Regulations, more than half of the Board comprise of Independent Directors.

As on date, Mr. Darius C. Shroff, Mr. Sekhar Natarajan, Ms. Jayantika Dave and Ms. Vijaya Sampath are independent directors of the Company.

Ms. Jayantika Dave (DIN 01585850) resigned as Non-Executive Director of the Company effective March 27, 2019.

In view of Regulation 17 (1A) of SEBI Listing Regulations becoming effective from April 1, 2019, Mr. Hemraj C. Asher ceased to be a Non-Executive & Independent Director effective April 1, 2019.

In terms of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on March 27, 2019, subject to the approval of the shareholders at the forthcoming Annual General Meeting, has appointed Ms. Jayantika Dave (DIN: 01585850) and Ms. Vijaya Sampath

(DIN: 00641110) as Additional Director (Independent and Non-Executive) of the Company for a period of 5 successive years from their date of appointment. Both of them hold office up to the date of the forthcoming Annual General Meeting and are eligible for appointment.

The Board recommends for the approval of the Members through an Ordinary Resolution in the 97th Annual General Meeting of your Company, the appointment of both Ms. Jayantika Dave and Ms. Vijaya Sampath as Independent and Non-Executive Directors.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 (b) of the SEBI Listing Regulations.

20. AUDIT COMMITTEE

Mr. Sekhar Natarajan, Mr. Amar Kaul and Mr. Darius C. Shroff continue as members of the Committee. At the meeting of the Board held on March 27, 2019, Ms. Jayantika Dave, Mr. Kumar Paul and Ms. Vijaya Sampath were inducted into the Committee as members. The powers and role of Audit Committee are included in the corporate governance report section of the annual report. All the recommendations made by the Audit Committee was accepted by the Board of Directors.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. DIRECTORS:

In terms of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on March 27, 2019 subject to the approval of the shareholders at the forthcoming Annual General Meeting, has appointed Mr. Anil Gopinathan (DIN: 08380238) and Mr. Kumar St Clair Paul (DIN: 08363506) as Additional Directors of the Company. In accordance with the provisions of the Act, an Additional Director holds office up to the date of the next Annual General Meeting of the Company.

The Company has received notices in writing from a member proposing the candidature for appointment of Mr. Anil Gopinathan and Mr. Kumar St Clair Paul as Directors of the Company.

The Board recommends for the approval of the Members through an Ordinary Resolution in the 97th Annual General Meeting of your Company, the appointment of both Mr. Anil Gopinathan and Mr. Kumar St Clair Paul as Directors.

The brief resume and other relevant details of Directors seeking appointment has been given in the annexure to the Notice of the Annual General Meeting.

B. KEY MANAGERIAL PERSONNEL:

The Key Managerial Personnel (KMP) of the Company as on date are:

- Mr. Amar Kaul, Chairman and Managing Director
- Mr. Vikas Goel, Chief Financial Officer
- Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary

22. PARTICULARS OF EMPLOYEES

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Rules”), is appended as Annexure – C to the Report. The information as per Rule 5(2) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

23. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living corporate values. The Code of Conduct is applicable to all employees of the Company.

The suppliers and vendors of the Company are also required to adhere to Code of Conduct as it is a prerequisite for conducting business with your Company.

The Company's Whistle Blower Policy is the mechanism for directors and employees of the Company to report 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. The mechanism provides for adequate safeguards against victimization of those who avail the mechanism and also provides for direct access to the Chairman of Audit Committee in exceptional cases.

The Whistle Blower Policy has been uploaded on the website of the Company www.ingersollrand.co.in

24. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee of the Board is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Nomination and Remuneration Committee 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, pursuant to the provisions of the Act and Regulation 19 of SEBI Listing Regulations are set out in the policy which has been uploaded on the website of the Company www.ingersollrand.co.in

25. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, SEBI Listing Regulations and the Remuneration Policy of the Company, the Board of Directors, Independent Directors and Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees as well as of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the individual Directors. Further a separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company.

Summary of evaluation is presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable). The Directors expressed their satisfaction with the evaluation process.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loans or provided any guarantees or made any investments within the meaning of Section 186 of the Act.

27. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a policy on Related Party Transactions which has been uploaded on website of the Company www.ingersollrand.co.in

All Related Party Transactions (RPTs) that were entered into during the year were on an arm's length basis and were in the ordinary course of business. All RPTs are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature.

A statement giving details of all RPTs is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

As per Regulation 23(2) of SEBI Listing Regulations, material RPTs shall require prior approval of the Members. A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover as per last audited financial statements of the Company. In pursuance of the same, the shareholders of the Company have approved and authorised the Board of Directors and Audit Committee to enter into transactions, in excess of 10% of the Company's annual turnover, with Ingersoll Rand Company, USA and Ingersoll Rand International Limited, Ireland up to December 31, 2020.

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.

The disclosure of RPTs as required by Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company. Transactions with related parties, as per the requirements of Ind AS 24 are disclosed in note no. 36 to the financial statements.

28. CORPORATE GOVERNANCE

At the Company, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, to boost long-term shareholder value and to respect minority rights. The Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company.

As required under Regulation 34 read with Schedule V of SEBI Listing Regulations, a report on Corporate Governance together with the compliance certificate from Mr. Natesh K, Company Secretary confirming compliance with the requirements of Corporate Governance is set out in Annexure - E forming part of this report.

29. RISK MANAGEMENT POLICY

Your Company has constituted a Risk Management Committee which comprises Mr. Amar Kaul – Chairman, Mr. Darius C. Shroff, Director, Ms. Jayantika Dave, Director, Mr. Anil Gopinathan, Director, Mr. Kumar St Clair Paul, Director and Mr. Vikas Goel, CFO.

The Company has laid down procedures and informed the Committee members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Risk Management Committee monitors the risks and their mitigation actions.

30. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Compliance 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 complaint relating to sexual harassment has been received.

31. 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 Act, 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, 2019 and of the profit and loss of the Company for the year ended March 31, 2019;

- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, 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.

32. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation to all employees of the Company for their whole-hearted efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers and all other business associates for their continuous support to the Company and for the faith reposed in the management during the year under review.

For and on behalf of the Board of Directors

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

New Delhi, May 16, 2019

Annexure - A

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. Replaced 250-watt of 350 lamps (MH), 100-watt LED light fixtures thereby reducing monthly consumption by 9000 KWH and also ensured improvement of illumination in factory building of value stream centac, large recip and rotary.
- II. Replaced 400 numbers of conventional light fittings of appropriate watt capacity with LED lights across the plant and have reduced monthly electricity consumption by 2000 KWH in type-30 building and re-manufacturing unit.
- III. Replaced electrical Induction heating system of 72 Kw with PNG gas fired burner for T-30 paint system wash zone and have reduced monthly electricity consumption by 25000 KWH.
- IV. Reused 3024 KL of treated waste water and reduced fresh water consumption by 16 % for the manufacturing facility.
- V. Installation of new crane at our re-manufacturing unit with VFD to save energy and improve performance.
- VI. MCC panels have been replaced with upgraded switch gear with LOTO provision and Individual Energy Meter to have better monitoring of energy consumption pattern.
- VII. Auto-Programming of 45-Kw ventilation system in rotary test cells to avoid cooling loss.
- VIII. Installed 4 units of 30 HP VFD in HP test bed in small air testing line to optimize energy consumption and achieve operational flexibility.
- IX. DC tools installed in T-30 assembly lines for better & accurate torque to ensure better quality as well as energy conservation and reduction in noise by eliminating use of compressed air operated tools for assembly
- X. Air curtains and PVC curtains installed at the all entrances of T-30 Assembly area to prevent cooling loss.

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

- Gas operated heating system to replace electrical heater in conveyer type component cleaning machine.
- Identify opportunities for savings through energy audit of plant implementation of online control monitoring system in Phase-2 HVAC.
- HVLS fan in shop floor area to optimize us of HVAC
- Compressed air audit to be carried out for air loss prevention.
- Energy efficient compressor for utilities.
- Application of special coating on roof top for reducing heat load on the building.
- Installation of zero liquid discharge system for industrial waste water.

(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 & DRYERS

Types:

- (i) Reciprocating air-cooled – single and multi-stage.
- (ii) Contact Cooled Rotary Screw
- (iii) Centrifugal
- (iv) Cycling and Non cycling Refrigerated Dryers
- (v) Desiccant Dryers

Areas:

- (i) Thermodynamics
- (ii) Energy Efficiency
- (iii) Computational fluid dynamics
- (iv) RMS : Remote Monitoring System
- (v) Finite Element Analysis
- (vi) Induction Motors
- (vii) Digital pulsation analysis for acoustic and mechanical vibrations
- (viii) IoT – Internet of Things: Digital solutions

2. Benefits derived as a result of the above R & D:

- (i) Next generation product range offering high value in terms of energy efficiency.
- (ii) Development of products with advanced features which will have digital connectivity for better operational efficiency.
- (iv) Introducing a product range with more environment friendly refrigerants.
- (v) Products developed is having global acceptance.
- (vi) Levering Modular product architecture to expedite product development process.

3. Future Plan of Action:

- (i) Global Design hub for designing higher efficiency air compressor, dryer and packages.
- (ii) Focus on new technological advancement in compressors & dryers.
- (iii) Introduce comprehensive large range of refrigerated compressed air dryers.

4. Expenditure of R & D:

- | | |
|---|------------------|
| (i) Capital | Rs. 29.66 Lakhs |
| (ii) Recurring | Rs. 208.75 Lakhs |
| (iii) Total | Rs. 238.41 Lakhs |
| (iv) Total R & D expenditure as a percentage of total turnovers | 0.32% |

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 all range of compressors and dryers.
 - (ii) Levering globally developed modules to enhance product development process.
 - (iii) Development of dryer technology with set up of production base at Naroda.
 - (iv) Continual capability and capacity enhancement of an in-house R&D laboratory to expedite and support product development process.
 - (v) Part of global network of product development activities.
2. Benefits derived as a result of the above efforts:
 - (i) Shorter product development cycle
 - (ii) Offering customers cutting edge technology
 - (iii) Product enhancement offering highest level customer satisfaction
 - (iv) Products developed with highest reliability
 - (v) Optimum usage of resources to channelize efforts
 - (vi) Talent and knowledge base development
3. In case of imported technology [imported during the last 5 years reckoned from the beginning of the financial year], following information is furnished:

Technology Imported	Year	Status
Refrigerated compressed air dryers	2013	in production
New centrifugal compressor with energy efficient design	2014	in production
CCR compression module with high energy efficiency	2019	in development

Enhancement of products to meet global energy efficiency and sustainability regulations with focus on more efficient and environment friendly products.

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. and other regions for adapting to the most modern technology available in the world.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:		(Rs. Lakhs)
(i) Earnings in foreign exchange on account of exports, deemed exports, Income from services rendered, recovery of expenses and engineering fees		19,524.86
(ii) Value of imports calculated on c.i.f. basis	16,462.00	
(iii) Expenditure in foreign currency on account of travelling, cost contribution and others	1,909.57	
(iv) Remittance in foreign exchange on account of dividend	<u>48,588.80</u>	<u>66,960.37</u>
Net Earnings / (Outgo) in Foreign Exchange		<u>(47,435.51)</u>

For and on behalf of the Board of Directors

New Delhi, May 16, 2019

Amar Kaul
Chairman & Managing Director

Annexure - B

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline and overview of Company’s Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken:

At Ingersoll Rand, our vision and mission guides us well into being a corporate with a heart and purpose. Our business is rooted in anticipating and addressing global trends that impact the way we live, work and move. Sustainability is the very foundation of our business with our longstanding commitment to environment, social and governance (ESG) issues. Every day, we think bigger and bolder to innovate for our customers, create long-term value for our shareholders and contribute to a more sustainable world.

Our CSR Policy

Ingersoll Rand strives to embody the best practices in corporate citizenship. Our CSR Policy reflects the same and details out the philosophy that drives our CSR interventions in the country along with the approach to deliver solutions that help improve lives in the community. In line with our philosophy, we select our projects after detailed need assessment studies and with implementation partners that share our vision in this journey. With careful monitoring and detailed impact analysis, we continue to build scalable projects that run over a 3-5 year horizon making a deeper impact in the communities we want to engage.

The Company’s detailed CSR Policy has been uploaded on the website of the Company - (<http://www.ingersollrand.co.in>)

Our Philosophy

Tackling Malnutrition in children from underprivileged backgrounds in order to improve health and hence decrease absenteeism in the classrooms.	Providing Education and spreading awareness on science and engineering amongst children so as to increase their access to technology and practical knowledge of science.	Skilling and providing livelihood to the educated youths from the weaker sections of the society by helping them to get industry ready skills and secure jobs.	Community Development through initiative to provide remedy to certain social issues that impact the communities within which we operate.
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CSR Beneficiaries under Each Focus Areas



Details of CSR projects undertaken during the year 2018-19

Skilling and Providing Livelihood

Supporting Government's Skill India Mission

While the Indian economy is poised to grow impressively, we believe efforts need to be made in creating more economic independence for the youth by training them to be absorbed in the industry. As a leading player in the manufacturing sector, Ingersoll Rand continues to increase focus in the areas of skill development and job creation for the educated youth of our country. Our aim is to make growth more inclusive and help the educated, unemployed youth to imbibe skills and help them with opportunities for economic independence.

Through our three year partnership with National Skill Development Corporation (NSDC), we have committed to train 1,100 youth by making a contribution of approximately INR 2.2 crores. Over 675 candidates have been trained till date with 81% of them are successfully placed. Additionally, the partnership has provided to over 290 women till date with a focus to make them economically independent by molding them as a skilled personnel. Through the lifecycle of this program, an ambitious placement rate of over 70%, with job offers ranging from INR 10,000- 15,000 per month in the automotive and healthcare sectors has been achieved.

By conducting certain courses under the Healthcare and Automotive Sectors with 48% women participation till date, the project has brought together numerous stakeholders and created a productive synergy between them. Training will continue to be provided according to the National Skills Qualification Framework (NSQF) with a optimum combination of theory teaching (manuals) and practical training (labs).

In FY 2018-19 specifically, the third year batches of the programs have commenced with the program concluding in 2019 respectively. 14 batches of 422 students will be undergoing the CNC Operator and GDA program combined. An additional highlight includes a small pilot batch of a diverse set of students specifically trained for the CNC – Programming course.

Highlights for second year of partnership

- 48% of the candidates trained were women.
- 86% of the students have successfully been certified for having technical skills.
- Out of 442 students trained, 144 students belong to the SC, ST & OBC categories;
- 77% of students have been placed according to their matching skill levels;
- More than 30% of the candidates placed belonged to the SC, ST& OBC categories.
- The average salary offered to such candidates is INR 10,968.25.

The initiative, undertaken in collaboration with NSDC and National Skill Development Fund is one of our major focus areas for corporate citizenship in the country. The programs are also supported by our employees as volunteers who visit the training centres and coach student beneficiaries in various competencies. In their sessions, employees engage with students and encourage them to ask questions which helps trainees gain an understanding of field experience. HR leaders had conducted soft skills trainings for some batches where the cohort was trained on areas like interview tips, importance of body language, etc. Such dialogues and sessions help to develop soft skills of trainees and builds their confidence as they set out to join the corporate world.

Program overview:

Skill Training to 1100 youth	Over 500 women beneficiaries	Sector Focus: Automotive and Healthcare	Job Roles: Quality Control Inspector, CNC Operator, CNC Programmer and General Duty Assiatant	Location: Delh/ NCR	Impact: Employability; Income Generation; Enhanced learning and Adaptability
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STEM Intervention in Schools

Addressing gaps in education systems through experiential, hands-on science education

Strengthening our belief in the need for sparking creativity and building interest in STEM (Science, Technology, Engineering and Mathematics), this is our sixth year of pioneering the cause with Agastya International Foundation. The unique methods and programs with Agastya have helped address gaps in the education systems that are stretched to their limits. Our interventions through key projects in Gurgaon, Haryana and Naroda, Gujarat have focused on creative thinking and problem solving approach while making science concepts simplistic and application based.

Science Centre at Govt. Model Sanskriti Senior Secondary School, Sushant Lok, Gurgaon

Our science centre in Gurgaon is in its sixth year of inception and within the year has benefited over 10,000 students and trained 150 teachers across 12 schools.

The year was actively marked by multiple activities including science fairs, summer/ winter camps, various workshops like low cost model making, YIL (Young Instructor Leader), teacher training program etc.

Science centers function as hubs, where models and experiments are exhibited for visitors from the resident school as well as nearby schools in the vicinity benefitting a large number of beneficiaries.

Mobile Science Lab in Naroda, Gujarat

The Ingersoll Rand – Agastya Mobile Science Lab (MSL) in Naroda is in the third year of its running having successfully impacted government school children and teachers from remote locations with no access to science labs and experiments. While a Science Centre can help beneficiaries in the urban and semi-urban locations, an MSL is an effective program for children living in isolated rural villages.

This year alone, the MSL has covered 20 schools generating unique exposures for 4,000 students and 230 teachers. Four science fairs were conducted and 350 Young Instructors demonstrated scientific phenomena. The Science fairs and summer/ winter camps benefitted 75 teachers and delivered 23,800 students exposures including 15,800 girls.

Mobile labs are a cost-effective way to spark the imaginations of millions of children in rural India and helps us achieve our goal of spreading STEM touch-points to the communities where we operate. The power our STEM programs lies not only in the academic performance of the children but also in opening their minds to the future world of science and technology.

Providing Nutrition and Eradicating Hunger

Supporting Mid-day meal scheme to provide multi-dimensional impact on health and education.

Research shows that a mid-day meal is a great incentive for bringing children to school every day and to reduce drop outs from schools. A mid-day meal is often also the first meal of the day for majority of children in India.

Ingersoll Rand continues to believe in supporting holistic growth and development of children who are the future of the country. In the fifth year of our partnership with Akshaya Patra, we've continued to support the school lunch program in the geographical areas of our operation. Through the program, we are supporting the government of India led mid-day meal scheme in Government schools and Government aided schools. We believe that this partnership will help under privileged class of children to fight hunger and bring more children to school.

This academic year, the organization has supported 6,070 children covering 33 schools in Ahmedabad, Gujarat by feeding wholesome and nutritious mid-day meals on 245 school working days. The food served is well complied with the norms prescribed by Mid-Day Meal scheme – i.e., 12 g of Protein and 450 Kcal of Energy.

Community Development

Increasing Green Cover through Tree Plantation

Last year, Ingersoll Rand took a step towards adopting multiple patches of land in Gurgaon, Haryana in a drive towards afforestation, increasing the green cover and reducing the pollution in the region. We adopted four high traffic zones

in prominent locations within Gurgaon and worked with our implementation partner for tree plantation, fencing and maintaining these respective patches of land.

This year our focus has been to continue the maintenance of these patches of land with regular watering, tree plantation, substituting seasonal plants, tree guards amongst other things.

Our project with Uthaaan has helped further our sustainability agenda whilst offsetting rising pollution levels due to rapid urbanization in Gurgaon. The project is designed on the public-private-partnership model with land allocation by HUDA (Haryana Urban Development Authority) and MCG (Municipal Corporation of Gurgaon) for the green movement.

Supporting Swachh Bharat Mission

Our project with Sulabh International while furthering the Swachh Bharat Mission in the country, aims to educate and develop hygiene habits amongst people. We partnered with Sulabh in 2017 and recorded the completion of our projects this year through the building of a pay and use Public Toilet Complex at Delhi Metro Station.

A block of 6 Toilets including 3 Male and 3 Female have been built respectively at the Delhi Metro station complex at high footfall locations in South Delhi. The “Pay & Use methodology” will continue to make the project a self-sustainable one. The land for the complex has been allotted by DMRC (Delhi Metro Rail Corporation) with a tri-partite agreement between the company, DMRC and Sulabh International.

With a successful implementation, the project is providing accessibility of hygienic sanitation facilities to the commuters of Delhi Metro. The project will also result in freedom from health hazards while ensuring zero pollution of surface or ground water.

Disaster Relief for Kerala Floods

As defined in our CSR Policy, every year, 5% of our CSR budget is kept aside for supporting unforeseen emergencies that may cause due to natural disasters that lead to mass destruction.

The massive floods in Kerala were declared a calamity of a “severe nature” by the Central Government this year. The Kerala floods caused immense loss to human lives, household and infrastructure with greater impact on the poor and the marginalized living in poor vulnerable pockets.

In response to the devastating floods in Kerala, Ingersoll Rand pledged support and disaster relief through its partner United Way of Bengaluru. With the project, we supported restoration and refurbishment of two Government Schools at Thondernadu and Edavaka Gram Panchayath of Manthavady taluk, in Wayanad district of Kerala. The intervention has led to a positive impact for 677 students and their families providing them with an avenue to continue education and build a better future.

Employee Volunteering

Our employees are an integral part of our CSR journey in the country as they commit their time and energy in furthering the social causes. We invest in the long-term well-being and development of our associates and communities in pursuit of putting more back into society than we take from it.

Our social sustainability vision extends to involvement in the communities in which Ingersoll Rand associates live and work. Across the country, our employees support our local communities on a personal level. Our extended CSR network in our offices in India, works with local NGO partners to ensure support for our programs in their location along with effective monitoring and employee engagement.

This year, we achieved a 50 percent increase in the number of volunteering hours committed by our employees who championed various causes to make a difference in their local communities. Activities included project launches, serving mid-day meals, science fairs, soft skills training sessions, collection drives, tree plantation etc.

The Ingersoll Rand employees volunteering program has helped the organization to further create a real impact in the society and have helped our employees stay consistently engaged and inspired.

2. Composition of the CSR Committee:

As of March 31, 2019, the CSR Committee comprises of Mr. Amar Kaul, Chairman, Ms. Jayantika Dave, Mr. Sekhar Natarajan and Mr. Anil Gopinathan.

3. Average net profit of the company for last three financial years: Rs.10,907.95 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs.218.16 lakhs

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: Rs.218.48 lakhs

(b) Amount unspent, if any: NIL

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

							(INR in Lakhs)
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 project was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Mobile Science Lab	Promotion of education	Naroda, Gujarat	14.26	14.26	14.26	Agastya International Foundation
2	Science Centre	Promotion of education	Gurgaon, Haryana	20.32	20.32	20.32	Agastya International Foundation
3	Mid-day meals	Eradication of hunger/ Promotion of education	Ahmedabad, Gujarat	57.67	57.67	57.67	The Akashya Patra Foundation
4	Tree plantation and environment conservation	Ensuring Environmental Sustainability	Gurgaon, Haryana	7.44	7.44	7.44	Uthaan
5	Skill development projects	Promotion of education	Gurgaon, Haryana	94.47	94.47	94.47	National Skill Development Corporation
6	Community toilets	Healthcare and sanitation	New Delhi	11.50	11.50	11.50	Sulabh International Social Service Organization
7	Kerala Flood Relief - Restoration of schools	Promotion of education	Wayanad, Kerala	12.82	12.82	12.82	United Way of Bengaluru
			Total	218.48	218.48	218.48	

6. Reasons for not spending the prescribed amount:

Not applicable

7. Responsibility Statement

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

Amar Kaul

Chairman
CSR Committee

Conclusion

Corporate Social Responsibility (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 - C

INFORMATION PURSUANT TO 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 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl. No	Name and designation of Director/ KMP	Remuneration for FY 18-19 (INR Lakhs)	% increase in remuneration in FY 18-19	Ratio of remuneration of each director to median remuneration of employees for FY 18-19	Comparison of remuneration of KMP against the performance of the Company
1	Mr. Amar Kaul – Chairman & Managing Director	289.24	10.10%	Not Applicable	Refer Note No.2
2	Mr. H. C. Asher, Independent Director	12.00	-	Not Applicable	Not Applicable
3	Mr. D. C. Shroff, Independent Director	12.00	-	Not Applicable	Not Applicable
4	Ms. Jayantika Dave, Non-Executive Director	12.00	-	Not Applicable	Not Applicable
5	Mr. Sekhar Natarajan, Independent Director	12.00	-	Not Applicable	Not Applicable
6	Mr. Vikas Goel – Chief Financial Officer	146.38	3.95%	Not Applicable	Refer Note No.2
7	Mr. P. R. Shubhakar – General Manager – Corp. Finance & Company Secretary	103.39	4.70%	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.
 - The percentage increase in the median remuneration of employees in the financial year; 5.87%
 - The number of permanent employees on the rolls of company; 721
 - 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 8.98 % as against average percentage increase in salaries of managerial personnel is 6.25%
 - 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 participating in strategy development, advice given to management on strategic matters etc.

Annexure - D1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

INGERSOLL-RAND (INDIA) LIMITED

8th Floor, Tower D, IBC Knowledge Park,

No. 4/1, Bannerghatta Main Road,

Bangalore - 560029, Karnataka, India

I have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by Ingersoll-Rand (India) Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable) and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. (Not Applicable)

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Equity Listing Agreements entered into by the Company with BSE Limited, the National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

Secretarial Audit Report (Contd..)

I further report that, with regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws/ guidelines/ rules applicable specifically to the Company (as certified by the management):

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	Payment of Bonus Act, 1965
20	Payment of Gratuity Act, 1972
21	Payment of Wages Act, 1936
22	Sale of Goods Act, 1930
23	The Central Goods and Services Tax Act, 2017
24	The Integrated Goods and Services Tax Act, 2017
25	Shops and Establishments Acts of various States
26	Water (Prevention and Control of Pollution) Act, 1974
27	The Employees Compensation Act, 1923
28	Registration Act, 1908
29	Applicable Stamp Act(s) and the rules made there under
30	The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
31	Respective State GST Act

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, the Company has filed Form MGT-14 for intimating revision of remuneration of Chairman and Managing Director, beyond 30 days from the date of event along with the payment of additional fee.

I further report that during the audit period no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards have taken place.

I further report that, the Company on 13.11.2018 had received notice for default under Section 159/220 of the Companies Act, 1956 for non-filing of Financial Statements and Annual Return for the Financial Year 2005-06. Accordingly, the Company has filed Form 23AC and Form 23ACA for the Financial Year 2005-06.

Place: Bangalore
Date : May 13, 2019

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report

Secretarial Audit Report (Contd..)

Annexure A

The Members

INGERSOLL-RAND (INDIA) LIMITED

8th Floor, Tower D, IBC Knowledge Park,

No. 4/1, Bannerghatta Main Road,

Bangalore, Karnataka- 560029, India

My report of even date is to be read along with this letter.

- (1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore

Date : May 13, 2019

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277

Annexure - D2

SECRETARIAL COMPLIANCE REPORT OF INGERSOLL-RAND (INDIA) LIMITED

I have examined:

- (a) all the documents and records made available to me and explanation provided by Ingersoll-Rand (India) Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2019 (“Review Period”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sl. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NA	NA	NA	NA

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

Secretarial Compliance Report (Contd.)

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NA	NA	NA	NA

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Non-furnishing of acknowledgement for filing of Foreign Liabilities and Assets	31.03.2018	Refiling of Foreign Liabilities and Assets and obtaining acknowledgement.	PCS had insisted Refiling of Foreign Liabilities and Assets and obtaining acknowledgement. The Company has complied with the same.
2.	Filing of Form MGT-14 by mentioning incorrect date	31.03.2018	Refiling of Form MGT-14 by mentioning correct date.	The Company to rectify the error has filed revised form MGT-14.

Place: Bangalore
Date : May 13, 2019

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277

Annexure - E

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

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

MANDATORY REQUIREMENTS

A. COMPANY’S PHILOSOPHY ON CODE OF 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 Board of Directors are committed to sound principles of Corporate Governance in the Company by following professionally acknowledged good governance policies. The Company has a strong history of fair, transparent and ethical governance practices and has over the years adopted values and ethical business practices resulting in consistent demonstration of good corporate governance practices. The corporate governance framework ensures timely disclosure and sharing of accurate information regarding Company’s financials and performance. The Company is committed to carry on its business in an honest, responsible and ethical manner which ensures fiscal accountability, operational excellence and fairness to all stakeholders including shareholders, employees, customers, suppliers and community at large. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V of SEBI Listing Regulations as applicable, with regard to corporate governance

B. BOARD OF DIRECTORS

As at March 31, 2019, the Company has Eight (8) Directors headed by Mr. Amar Kaul as the Chairman of the Board. Of the eight Directors, one is Executive Director, two are Non-Executive Directors and five are Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations.

Number of Board Meetings:

Six Board Meetings were held during the financial year 2018-19 and the gap between two meetings did not exceed 120 days. The meetings were held on May 10, 2018, August 9, 2018, November 1, 2018, November 2, 2018, February 8, 2019 and March 27, 2019. Necessary quorum was present during all the meetings.

Also, a separate meeting of Independent Directors in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25 of SEBI Listing Regulations was held on March 27, 2019 which was attended by all the Independent Directors. The Independent Directors have reviewed the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole.

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	Number of Board Meetings (%)		Attendance at the last AGM (August 10, 2018)
		Held during the year (%)	Attended during the year	
Mr. Amar Kaul (Chairman & Managing Director)	Executive	6	6	Yes
Mr. Darius C. Shroff	Non - Executive & Independent	6	6	Yes
Mr. Hemraj C. Asher *	Non - Executive & Independent	6	6	Yes

Name of Director	Status i.e. Executive and Non-Executive & Independent	Number of Board Meetings (%)		Attendance at the last AGM (August 10, 2018)
		Held during the year (%)	Attended during the year	
Ms. Jayantika Dave ^	Non-Executive & Independent	6	6	Yes
Mr. Sekhar Natarajan	Non - Executive & Independent	6	6	Yes
Mr. Kumar St Clair Paul #	Non - Executive	1	1	No
Mr. Anil Gopinathan #	Non - Executive	1	1	No
Ms. Vijaya Sampath #	Non - Executive & Independent	1	1	No

(%) Excluding the separate meeting of the Independent Directors in which non-independent directors were not present.

* Ceased to be Director w.e.f. April 1, 2019

^ Ceased as Non-Executive Director w.e.f. March 27, 2019 and appointed as Non-Executive & Independent Director w.e.f. March 28, 2019

appointed as Director w.e.f. March 27, 2019

As per disclosure received from Directors, none of the Directors hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. None of the Directors of your Company are inter-se related to each other.

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. Amar Kaul (Chairman and Managing Director)	NIL	NIL
Mr. Hemraj C. Asher	4	4
Mr. Darius C. Shroff	3	2
Ms. Jayantika Dave	1	NIL
Mr. Sekhar Natarajan	3	4
Mr. Kumar St Clair Paul	1	NIL
Mr. Anil Gopinathan	1	NIL
Ms. Vijaya Sampath	6	5

* Only Audit Committee and Stakeholders' Relationship Committee are considered as per SEBI Listing Regulations.

During the year 2018-19, information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its review.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company www.ingersollrand.co.in

The number of equity shares held by the Directors as on March 31, 2019 are given below:

Name of Director	Category	No. of shares held as on March 31, 2019
Mr. Amar Kaul (Chairman and Managing Director)	Executive	NIL
Mr. Hemraj C. Asher	Non - Executive & Independent	8,000
Mr. Darius C. Shroff	Non - Executive & Independent	10,000
Ms. Jayantika Dave	Non - Executive & Independent	NIL
Mr. Sekhar Natarajan	Non - Executive & Independent	NIL
Mr. Kumar St Clair Paul	Non - Executive	NIL
Mr. Anil Gopinathan	Non - Executive	NIL
Ms. Vijaya Sampath	Non - Executive & Independent	NIL

C. COMMITTEES OF THE BOARD

As on March 31, 2019, there are five committees of the Board viz. Audit Committee, Corporate Social Responsibility (CSR) Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee.

1. AUDIT COMMITTEE

The Audit Committee held four meetings during the year on May 10, 2018, August 9, 2018, November 2, 2018 and February 8, 2019. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Sekhar Natarajan, Chairman	4	4
Mr. Darius C. Shroff	4	4
Mr. Amar Kaul	4	4
Ms. Vijaya Sampath*	-	-
Mr. Kumar Paul*	-	-
Ms. Jayantika Dave*	-	-

*Appointed as members of the Committee at the Board Meeting held on March 27, 2019.

The previous AGM of the Company was held on August 10, 2018 and was attended by Mr. Sekhar Natarajan, Chairman of the Audit Committee.

Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary, acts as the Secretary of the Committee.

The Committee invites such of the executives, as it deems appropriate (particularly the head of the finance function), representatives of the statutory auditors and internal auditors to be present at its meetings.

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 Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, 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
 - o Any change in accounting policies and practices and reasons for the change;
 - o Significant adjustments made in financial statements arising out of audit findings;
 - o Major accounting entries based on exercise of judgment by Management;
 - o Compliance with accounting standards;
 - o 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 tax compliance, GST compliance, receivables, 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.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee functions in accordance with Section 178(5) of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations. As of March 31, 2019, the Stakeholders Relationship Committee comprise of

Name of the Director	Designation
Mr. Darius C. Shroff, Chairman	Chairman
Mr. Hemraj C. Asher #	Member
Mr. Amar Kaul	Member
Ms. Vijaya Sampath *	Member
Mr. Kumar St Clair Paul *	Member

* Appointed as members of the Committee at the Board Meeting held on March 27, 2019.

ceased to be member effective April 1, 2019

The Committee meetings are held as and when required. 18 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;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends and issue of new/duplicate certificates;
- Review of measures taken for effective exercise of voting rights by the shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company;
- 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.

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, 1,026 grievances / queries were received from shareholders / investors and 8 complaints were received from Securities Exchange Board of India (SEBI) and other statutory authorities. All investor grievances/queries and complaints from statutory authorities have been resolved to the satisfaction of the complainants before the end of the financial year. There was no outstanding complaint at the end of the year or on date of this report.

All valid requests for share transfers received during the year have been acted upon and there are no share transfer requests pending as on March 31, 2019.

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprised of Mr. Hemraj C. Asher, Chairman, Mr. Darius C. Shroff and Mr. Amar Kaul during the year under review. The Nomination and Remuneration Committee met 2 times during the year on May 10, 2018 and March 27, 2019. At the meeting of the Board held on March 27, 2019, the Nomination and Remuneration Committee was restructured whereby Ms. Jayantika Dave was appointed as Chairperson (in lieu of Mr. Hemraj C. Asher) and Mr. Sekhar Natarajan was appointed as a Member of the Committee.

The terms of reference of nomination and remuneration 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/bonus payable to Managing Director under the provisions of Companies Act.

In determining the remuneration package of the Managing Director under the provisions of Companies Act, the Committee evaluates the remuneration paid by comparable organizations 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.

The performance evaluation criteria for Non-Executive Directors is determined by the Nomination and Remuneration Committee and the factors evaluated inter alia includes attendance and participation at meetings, independence of behaviour and judgement, make use of knowledge and expertise, integrity and maintenance of confidentiality etc.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year under review, the CSR Committee comprised of Mr. Amar Kaul, Chairman, Mr. Sekhar Natarajan, Ms. Jayantika Dave and Mr. Hemraj C. Asher. The Committee met once during the year under review i.e. on May 10, 2018. At the meeting of the Board held on March 27, 2019, Mr. Anil Gopinathan was appointed as a Member of the Committee in place of Mr. Hemraj C. Asher.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of CSR activities carried out by the Company during the year under review are set out in Annexure - B to the Directors' Report.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in accordance with the provisions of Regulation 21 of SEBI Listing Regulations for identifying the elements of risk, which in the opinion of the Board of Directors threaten the existence of the Company.

During the year under review, the Committee comprised of Mr. Amar Kaul, Chairman, Mr. Darius C. Shroff, Ms. Jayantika Dave and Mr. Vikas Goel, Chief Financial Officer. At the meeting of the Board held on March 27, 2019, Mr. Anil Gopinathan and Mr. Kumar St Clair Paul were inducted as Additional Members to the Committee.

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other employees, in accordance with the provisions of the Act and SEBI Listing Regulations. The Nomination and Remuneration policy is uploaded in the Company's website www.ingersollrand.co.in

The Company pays remuneration by way of salary, benefits, perquisites and allowances and commission/bonus (variable component) to its Managing Director. Annual increments are decided by the Nomination and Remuneration Committee within the limits approved by the members and are effective April 1 every year. The Nomination and Remuneration Committee decides on the commission/bonus payable to the Managing Director within the limit prescribed under the Companies Act, 2013 based on the performance of the Company as well as that of the Managing Director.

Non – Executive Directors are paid remuneration by way of fixed commission. The commission is decided 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 and is within the ceiling of 1% of net profits of the Company as computed under the applicable provisions of the Companies Act, 2013,

The Company has formulated a Nomination and Remuneration Policy as per which the criterion for payment of commission 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, contribution at the Board and certain Committee meetings and advice given to the Management from time to time on strategic matters.

The details of remuneration for the year 2018-19 are given below:

Non-Executive Directors:

(Rs. In Lakhs)

Name of the Director	Sitting fees	Commission
Mr. Hemraj C. Asher	NIL	12.00
Mr. Darius C. Shroff	NIL	12.00
Ms. Jayantika Dave	NIL	12.00
Mr. Sekhar Natarajan	NIL	12.00
Mr. Anil Gopinathan	NIL	NIL
Mr. Kumar St Clair Paul	NIL	NIL

Managing Director:

(Rs. In Lakhs)

Name of the Director	Salary	Benefits, Perquisites and Allowances	Commission/Bonus
Mr. Amar Kaul	54.29	118.48	116.47

E. 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	August 10, 2018	Vivanta by Taj, 41/3, Mahatma Gandhi Bengaluru - 560 001	12.00 Noon	Nil
AGM	August 3, 2017			
AGM	July 27, 2016			

Note: During the year under review, the Company has not passed any Special Resolution through postal ballot nor has conducted any other postal ballot exercise.

F. DISCLOSURES

Related Party Transactions:

All the transactions with related parties were in the ordinary course of business and on arms' length basis. In terms of Regulation 23 of SEBI Listing Regulations the Company has obtained 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. All material related party transactions have been approved by the shareholders through ordinary resolution, valid upto December 31, 2020 and the related parties abstained from voting on such resolutions. 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 No. 36 to the financial statements in the Annual Report. The Board approved policy for related party transactions is uploaded on the website of the Company (www.ingersollrand.co.in)

Reconciliation of Share Capital Audit 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 Depositories 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.

Whistle Blower Policy and Vigil Mechanism:

In terms of the provisions of Section 177(9) of the Act, 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's whistleblower policy has been uploaded on the website of the Company www.ingersollrand.co.in

Policy on determination of materiality for disclosures:

The Company has adopted a policy on determination of materiality on disclosures and the same has been uploaded on the website of the Company www.ingersollrand.co.in

Dividend Distribution Policy:

The objective of the Company's dividend distribution policy is to reward its shareholders by sharing a portion of the profits, whilst ensuring that sufficient funds are retained in the Company for growth, working capital requirements, capex requirement etc. The policy aims to ensure a regular dividend income for the shareholders and long-term capital appreciations for all shareholders of the Company. The Company would strive to strike an optimum balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The general factors considered by the Company for taking decisions with regard to dividend payout includes current year profits and outlook, operating Cash flows, possibilities of alternate usage of cash, providing for unforeseen events and contingencies etc.

The company's dividend distribution policy has been uploaded on the website of the company www.ingersollrand.co.in

G. COMPLIANCES

The Company has complied with all the requirements of regulations and guidelines of the Securities and Exchange Board of India (SEBI) and there were no cases of non-compliance during the last three years viz. 2016-17, 2017-18 and 2018-19. 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.

H. ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company does not have non-executive Chairman. Mr. Amar Kaul is the Chairman and Managing Director of the Company.

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

The Company has published its quarterly, half yearly and annual financial results 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 half yearly declaration on financial performance to its shareholders.

The statutory auditors of the Company have issued audit report with unmodified opinion on the financial statements for the financial year ended March 31, 2019.

Internal audit function is handled by a set of professionals within the Company who conduct a thorough audit of the procedures in place of all the departments in the organization and report to the audit committee. The audit plan and performance of the internal audit team is reviewed by the audit committee.

I. 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 posted on the Company's website 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 and Managing Director to this effect is appended at the end of this Report.

J. CEO/CFO CERTIFICATION

A certificate from Managing Director and Chief Financial Officer on the integrity of the financial statements and other matters of the Company for the financial year ended March 31, 2019 was placed before the Board at its meeting held on May 16, 2019.

K. 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 Executive Management of the Company and new risks are identified. After identification, controls are put in place with specific responsibility of the concerned officer of the Company.

L. 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 the last date as specified under SEBI Listing Regulations. 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)

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

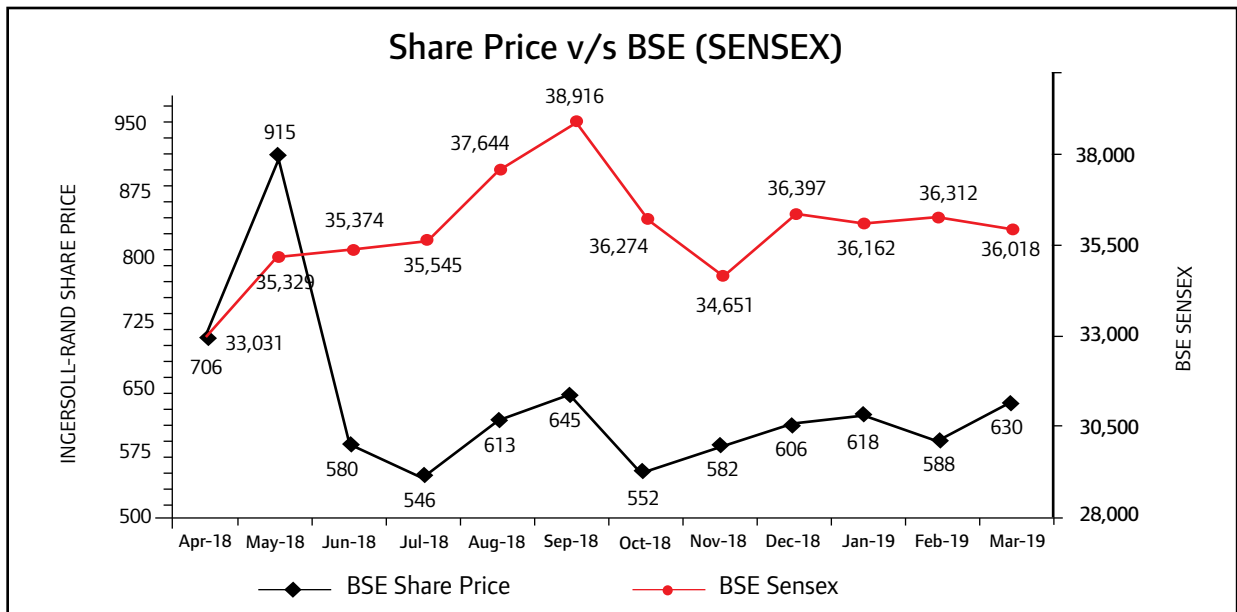
M. GENERAL SHAREHOLDER INFORMATION

• AGM	- Date	August 29, 2019
	- Time	12.00 Noon
	- Venue	Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bengaluru - 560 001
• Financial Calendar		April 2019 to March 2020
(a) First Quarter Results		First week of August 2019
(b) Second Quarter Results		Second week of November 2019
(c) Third Quarter Results		Second week of February 2020
(d) Results for the year ending March 2020		Second week of May 2020
• 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 2018-19 from August 14, 2019 to August 19, 2019 (Both days inclusive)
• Dividend Payment Date		September 3, 2019
• Listing on Stock Exchange		BSE Limited Ahmedabad Stock Exchange Limited National Stock Exchange of India Limited Listing fees for the period 2019 - 20 has been paid to the stock exchanges.
• Stock Code		
BSE 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 2018 to March 2019

(In rupees)				
Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
Apr-18	706.00	659.90	709.00	662.55
May-18	914.90	547.00	914.90	545.00
Jun-18	580.00	518.10	581.80	517.30
Jul-18	546.40	472.35	544.00	469.00
Aug-18	613.00	519.05	614.40	517.60
Sep-18	645.25	546.10	646.00	540.00
Oct-18	552.00	492.25	551.60	490.10
Nov-18	581.95	518.70	581.00	518.05
Dec-18	606.00	517.00	608.00	515.35
Jan-19	618.00	572.05	619.80	575.00
Feb-19	587.75	507.65	588.00	505.00
Mar-19	630.00	562.40	630.00	560.05

Stock Performance in comparison to BSE Sensex:



Registrars & Share Transfer Agents

Name and Address

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

Telephone

+91 22 6656 8484

Fax

+91 22 6656 8494

E-mail

csg-unit@tsrdarashaw.com

Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays)

For the convenience of the shareholders, documents will also be accepted at the following branches/agencies of TSR Darashaw Limited:

a. Branches offices:

TSR Darashaw Limited
503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road,
Bengaluru 560 001
Telephone: 91 80 2532 0321
Fax: 91 80 2558 0019
E-mail: tsrdlbang@tsrdarashaw.com

TSR Darashaw Limited
2/42, Ansari Road, 1st Floor,
Daryaganj, Sant Vihar,
New Delhi 110 002
Telephone: 91 11 2327 1805
Fax: 91 11 2327 1802
E-mail: tsrdel@tsrdarashaw.com

TSR Darashaw Limited
Tata Centre, 1st Floor,
43, J. L. Nehru Road,
Kolkata 700 071
Telephone: 91 33 2288 3087
Fax: 91 33 2288 3062
E-mail: tsrlcal@tsrdarashaw.com

b. Agents:

Shah Consultancy Services Limited
3, Sumatinath Complex, 2nd Dhal, Pritam Nagar,
Ellisbridge, Ahmedabad 380 006
Telephone: 91 79 2657 6038
E-mail: shahconsultancy8154@gmail.com

Share Transfer System Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company

Transfer of equity shares in physical form 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 by TSR Darashaw Limited 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 9,230

Distribution of shares as on March 31, 2019

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	28,903	92.54%	2,495,663	7.91%
501 – 1000	1,532	4.91%	1,182,587	3.75%
1001 – 20,00	469	1.50%	684,841	2.17%
20,01 – 30,00	123	0.39%	310,856	0.98%
30,01 – 40,00	55	0.18%	196,494	0.62%
40,01 – 50,00	45	0.14%	207,576	0.66%
50,01 – 100,00	50	0.16%	376,325	1.19%
100,01 and above	56	0.18%	26,113,658	82.72%
Total	31,233	100%	31,568,000	100%
No. of shareholders in physical mode	1,176	3.76%	253,772	0.80%
No. of shareholders in electronic mode	30,057	96.24%	31,314,228	99.20%

Shareholding pattern as on March 31, 2019 is as follows:

Category	No. of shares	%
Ingersoll Rand Company, USA	23,360,000	74.00%
Foreign Institutional Investors	293,313	0.93%
Non-Resident Indians	150,602	0.48%
Insurance Companies	1,430,840	4.53%
Nationalized & other banks	30,330	0.10%
Mutual Funds	303,034	0.96%
Domestic Companies	569,851	1.81%
Trusts	2,730	0.01%
Directors & their relatives	76,200	0.24%
IEPF Account	32,573	0.10%
General Public	5,318,527	16.84%
TOTAL	3,15,68,000	100.00%

Top ten equity shareholders of the Company as on March 31, 2019:

Serial No.	Name of Shareholder	No. of equity shares held	% holding
1	Ingersoll-Rand Company	23,360,000	74.00%
2	Bajaj Allianz Life Insurance Company Ltd.	597,243	1.89%
3	General Insurance Corporation Of India	542,024	1.72%
4	United India Insurance Company Limited	291,523	0.92%
5	Sundaram Mutual Fund A/C Sundaram Infrastructure Advantage Fund	125,000	0.40%
6	Akash Bhanshali	111,285	0.35%
7	The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	78,519	0.25%
8	Emerging Markets Core Equity Portfolio (the portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	71,776	0.23%
9	IDBI Small Cap Fund	51,585	0.16%
10	Dimensional Emerging Markets Value Fund	51,585	0.16%

- Dematerialization 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, 2019, 99.20 % of the paid-up capital has been dematerialized. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE177A01018
- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity Not issued

-
- Plant Location 21-30, G.I.D.C. Estate,
Naroda, Ahmedabad 382 330
 - Address for correspondence Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents at the address provided in an earlier section of this report or to the Compliance Officer at the following address:
The Company Secretary
Ingersoll-Rand (India) Limited
8th Floor, Tower D, IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road, Bengaluru – 560029
E-mail: p_r_shubhakar@irco.com
Telephone: +91 80 4342 7000
Fax: +91 80 2728 7482

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

New Delhi
May 16, 2019

Amar Kaul
Chairman and Managing Director

Declaration - Compliance with Code of Conduct

In accordance with Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Amar Kaul, Chairman & Managing Director 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, 2019.

For and on behalf of the Board of Directors

New Delhi
May 16, 2019

Amar Kaul
Chairman and Managing Director
(DIN: 07574081)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No: L05190KA1921PLC036321

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

To

The Members of Ingersoll-Rand (India) Limited,

I have examined all the relevant records of Ingersoll-Rand (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 01, 2018 to March 31, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has complied with items C and E.

Place: Bangalore

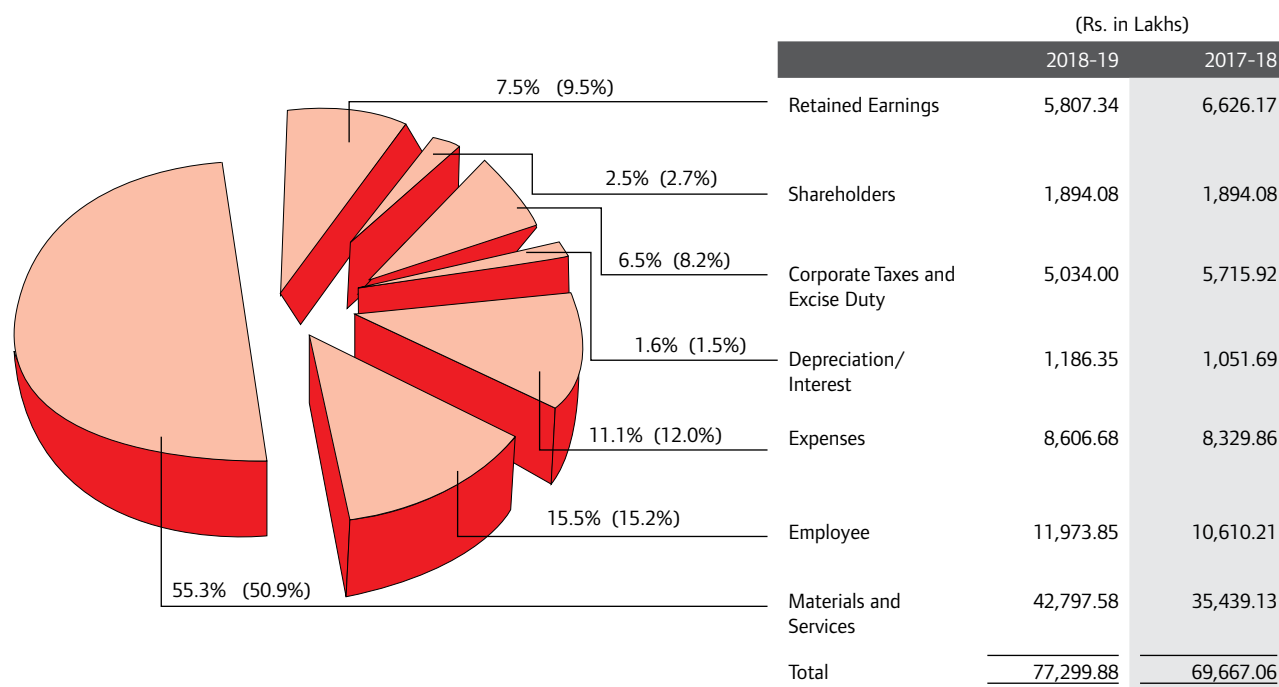
Date : May 16, 2019

Natesh K

Practicing Company Secretary

FCS No.6835; CP No.7277

Distribution of Income

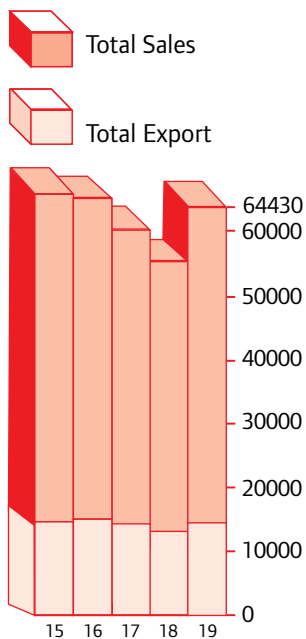


Ten years at a glance

	(Rs. in Lakhs)	2018-19	2017-18	2016-17
1. Sales		64,429.70	54,869.52	59,010.20
2. Other Income		12,870.18	14,797.54	14,473.90
3. Total Income		77,299.88	69,667.06	73,484.10
4. CAGR For Total Income (%)		6.65%	-	-
5. Manufacturing and Other Expenses		63,368.74	55,450.84	60,786.60
6. Depreciation		1,137.34	1,259.71	1,180.00
7. Interest		49.01	(208.02)	78.80
8. Voluntary Retirement Compensation		-	-	-
9. Profit Before Depreciation & Income Tax		13,872.76	14,450.29	12,435.30
10. Profit Before Tax		12,735.42	13,190.58	11,255.30
11. Tax		4,648.40	4,284.73	3,647.90
12. Profit After Tax		8,087.02	8,905.85	7,607.40
13. CAGR For Profit After Tax (%)		6.11%	-	-
14. Dividend		1,894.08	65,661.44	1,894.08
15. Dividend - Rs. per share		6.00	208.00	6.00
16. Fixed Assets (Net)		11,910.63	12,196.16	12,804.40
17. Current Assets, Financial Assets etc.		48,034.04	116,684.38	108,432.01
18. Total Assets		59,944.67	128,880.54	121,236.41
19. Share Capital		3,156.80	3,156.80	3,156.80
20. Market Price Per Share : 52 Weeks High & Low		H 914.90	H 940.00	H 789.00
(H - High ; L - Low)		L 472.35	L 651.90	L 621.50
21. Reserves and Surplus		38,698.97	109,691.46	102,999.30
22. Net Worth		41,855.77	112,848.26	106,156.10
23. Loans (Secured and Unsecured)		-	-	-

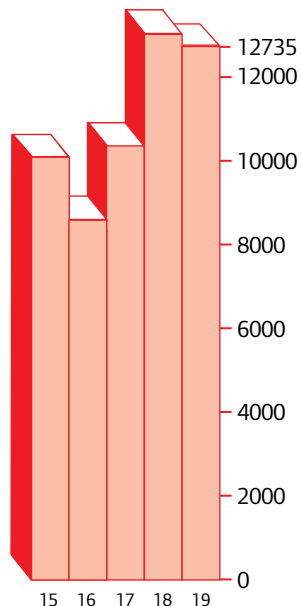
GROSS SALES

(in Rs. Lakhs)



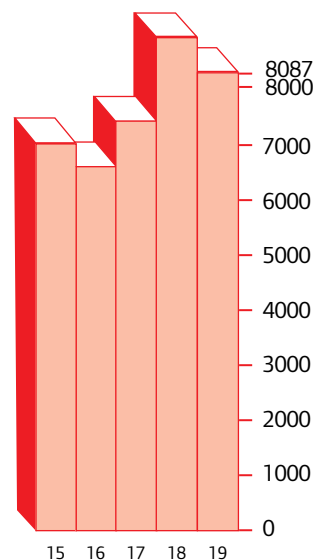
PROFIT BEFORE TAX

(in Rs. Lakhs)



PROFIT AFTER TAX

(in Rs. Lakhs)



2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	
58,998.61	65,264.50	58,778.51	58,983.71	59,971.41	49,705.26	37,600.37	1.
12,366.60	12,886.70	10,744.60	10,374.80	10,058.80	7,789.91	5,714.49	2.
71,365.21	78,151.20	69,523.11	69,358.51	70,030.21	57,495.17	43,314.86	3.
-	-	-	-	-	-	-	4.
62,101.30	61,099.20	53,342.40	53,182.50	53,228.00	43,520.41	33,075.41	5.
977.60	1,155.90	810.60	517.60	503.60	475.30	414.86	6.
0.4670	207.80	118.70	109.00	47.10	53.40	185.39	7.
-	-	-	-	-	-	103.16	8.
9,217.21	11,250.50	10,654.11	11,632.50	12,828.00	10,590.51	7,730.40	9.
8,239.61	10,094.60	9,843.51	11,114.90	12,324.40	10,115.21	7,315.54	10.
2,128.00	3,480.00	3,147.80	3,320.60	4,048.10	3,253.00	2,575.22	11.
6,111.61	6,614.60	6,695.71	7,794.30	8,276.30	6,862.21	4,740.32	12.
-	-	-	-	-	-	-	13.
1,894.08	1,894.08	1,894.08	1,894.08	7,576.32	1,894.08	1,894.08	14.
6.00	6.00	6.00	6.00	24.00	6.00	6.00	15.
7,754.90	15,494.90	11,632.41	10,202.81	4,537.61	2,536.21	2,391.54	16.
108,328.40	97,620.30	97,705.61	91,756.40	89,990.40	93,579.78	87,318.50	17.
116,083.30	113,115.20	109,338.02	101,959.21	94,528.01	96,115.99	90,205.30	18.
3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	19.
H 1,125.00	H 1,107.80	H 473.95	H 543.70	H 558.50	H 518.40	H 376.90	20.
L 583.00	L 420.00	L 301.00	L 383.05	L 355.20	L 337.00	L 264.55	
97,609.20	92,565.10	88,303.61	83,823.94	78,238.29	78,767.49	74,110.20	21.
100,766.00	95,721.90	91,460.41	86,980.74	81,395.09	81,924.29	77,267.00	22.
-	-	-	-	-	-	-	23.

Independent Auditors' Report

To the Members of Ingersoll-Rand (India) Limited

Report on the Audit of the Indian Accounting Standards ('Ind AS') Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Ingersoll-Rand (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impact on adoption of new revenue standard - Ind AS 115

The Key audit matter

Refer notes 3.3 and 16 to the Ind AS Financial Statements

The Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115) which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.

Ind AS 115 is effective for the year beginning 1 April 2018 and establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price, appropriateness of the basis used to measure revenue recognized over a period or at a point in time. Revenue is recognized when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company evaluated these principles for all its revenue streams, to determine the distinct performance obligations within its customer contracts and timing of revenue recognition which involved judgement.

Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

How the matter was addressed in our audit

We evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard. We also reviewed the analysis performed by Management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams.

Tax litigations – provisions and contingencies

The Key audit matter

Refer note 25 (b) (c) (d) and (e) and note 12 to the Ind AS Financial Statements

The Company has direct and indirect tax litigations on various matters. The Company periodically reviews its tax positions, which include reviews by the external tax consultant and tax counsels appointed by the Company. Where the amount of tax liabilities is uncertain, the Company recognises accruals/contingent liability that reflect Management's best estimate of the outcome based on the facts. Thus, there is a risk that accruals/contingent liability for tax is not accounted properly.

How the matter was addressed in our audit

In conjunction with our tax specialists, we have evaluated Management's judgments with respect to such tax matters in order to assess the adequacy of the tax provisions and contingent liability.

Information Other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Directors' report and annexures thereof (but does not include the Ind AS Financial Statements and our Auditor's Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

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 information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Ind AS Financial Statements - Refer Note 25 to the Ind AS Financial Statements;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

-
- d) The disclosures in the Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Ind AS Financial Statements since they do not pertain to the financial year ended 31 March 2019.

With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sanjay Sharma
Partner
Membership number: 063980

Place: New Delhi
Date: 16 May 2019

Annexure- A to the Independent Auditor's Report

With reference to the "Annexure A" referred to in the Independent Auditor's Report to the members of Ingersoll-Rand (India) Limited ("the Company") on the Ind AS Financial Statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a part of property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) Inventories, except stock-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.
- (iii) The Company, in the previous years granted unsecured loans to a company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Further, there are no Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - (a) Since no loans have been granted/renewed during the year, the provisions of clause 3 (iii) (a) of the Companies (Auditor's Report) Order, 2016 ('the Order') are not applicable to the Company.
 - (b) In the case of the loans granted to the company covered in the register maintained under Section 189 of the Act, the principal amounts of such loans along with interest has been received regularly during the year.
 - (c) There are no overdue amounts in relation to the principal and the interest on such loans.
- (iv) According to the information and explanations given to us, the Company has not granted any loan or made any investment or provided any guarantee or security to the parties covered under section 185 of the Act. However the Company has complied with section 186 of the Act with respect to loans given.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Duty of Customs, Goods and Service Tax and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Duty of Excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Annexure- A to the Independent Auditor's Report (Contd.)

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	186.56 (173.34)*	AY 2003-04 and AY 2005-06	High Court of Karnataka
Income Tax Act, 1961	Tax/ Interest	1,571.85 (772.32)*	AY 2011-12 to AY 2014-15	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax/ Interest	715.89 (689.52)*	AY 2004-05 AY 2006-07 AY 2007-08 AY 2009-10 and AY 2010-11	Assessing Officer- Income tax
The Central Excise Act, 1944	Excise duty	67.06	2007-08	The Commissioner of Central Excise (Appeals), Bangalore
The Central Excise Act, 1944	Excise duty	2,166.51 (20.38)*	2008-2013 and 2009-2013	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad
The Finance Act, 1994	Service tax	612.79	2008-2016	CESTAT, Ahmedabad
The Finance Act, 1994	Service tax	244.35 (41.64)*	2008-2016 and 2012-2016	The Commissioner (Appeals) of Central Excise, Ahmedabad
The Central Sales Tax, 1956	Sales Tax	435.93 (175.34)*	2010-11 and 2012-13	The Gujarat Value Added Tax Tribunal, Ahmedabad
The Central Sales Tax, 1956	Sales Tax	150.18	2014-15	The Commissioner (Appeals) of Sales Tax, Ahmedabad

* The amounts in parenthesis represent the payment made under protest.

- (viii) According to the information and explanation given to us, the Company did not have any outstanding loans or borrowings from any financial institutions, banks, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

Annexure- A to the Independent Auditor's Report (Contd.)

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sanjay Sharma
Partner
Membership number: 063980

Place: New Delhi
Date: 16 May 2019

Annexure B to the Independent Auditor's Report on the Ind AS Financial Statements of Ingersoll-Rand (India) Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Ind AS Financial Statements of Ingersoll-Rand (India) Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS Financial Statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS Financial Statements.

Meaning of Internal Financial controls with Reference to Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements

Annexure B to the Independent Auditor's Report (Contd.)

for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial controls with Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sanjay Sharma
Partner
Membership number: 063980

Place: New Delhi
Date: 16 May 2019

Balance Sheet

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	As at	
		March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	4	11,746.61	12,127.97
Capital work-in-progress	4	164.02	68.19
Intangible assets	4	-	-
Financial assets			
(i) Loans receivables	5.1	600.41	14,385.95
(ii) Other financial assets	5.5	103.34	113.25
Income tax assets (net)	9	2,051.60	2,096.77
Deferred tax assets (net)	6	141.63	530.34
Other non-current assets	7	327.16	403.09
Total non-current assets		15,134.77	29,725.56
Current assets			
Inventories	8	9,041.93	7,778.89
Financial assets			
(i) Loans receivables	5.1	5,338.45	143.00
(ii) Trade receivables	5.2	16,764.37	11,005.16
(iii) Cash and cash equivalents	5.3	11,509.70	77,000.20
(iv) Bank balances other than above	5.4	231.69	56.11
(v) Other financial assets	5.5	501.49	981.23
Other current assets	7	1,422.27	2,190.39
Total current assets		44,809.90	99,154.98
Total assets		59,944.67	1,28,880.54
Equity and Liabilities			
Equity			
Equity share capital	10.1	3,156.80	3,156.80
Other equity	10.2	38,698.97	1,09,691.46
Total equity		41,855.77	1,12,848.26
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	11	-	-
Provisions	12	14.99	105.53
Other non-current liabilities	15	114.18	86.95
Total non-current liabilities		129.17	192.48
Current liabilities			
Financial liabilities			
(i) Trade payables	14		
Total outstanding dues to micro enterprises and small enterprises		1,003.68	281.53
Total outstanding dues to creditors other than micro enterprises and small enterprises		11,782.04	10,084.35
(ii) Other financial liabilities	11	835.81	1,312.39
Provisions	12	701.96	560.10
Employee benefit obligations	13	406.18	535.07
Income tax liabilities (net)		342.96	251.68
Other current liabilities	15	2,887.10	2,814.68
Total current liabilities		17,959.73	15,839.80
Total liabilities		18,088.90	16,032.28
Total equity and liabilities		59,944.67	1,28,880.54

The above balance sheet should be read in conjunction with the accompanying notes.

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Sanjay Sharma
Partner
Membership Number: 063980

Place: New Delhi
Date: May 16, 2019

for and on behalf of Board of Directors of
Ingersoll - Rand (India) Limited

Amar Kaul
Chairman and Managing Director
DIN: 07574081

Vikas Goel
Chief Financial Officer

Place: New Delhi
Date: May 16, 2019

Sekhar Natarajan
Director
DIN: 01031445

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

Statement of Profit and Loss

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	Year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	16	73,907.47	62,525.17
Other income	17	3,392.41	7,141.89
Total income		<u>77,299.88</u>	<u>69,667.06</u>
Expenses			
Cost of materials consumed	18	41,897.66	34,056.21
Purchases of stock-in-trade		1,306.99	1,056.55
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	(407.07)	326.37
Excise duty expense		-	1,045.59
Employee benefits expense	20	11,973.85	10,610.21
Finance costs	23	49.01	(208.02)
Depreciation and amortisation expense	21	1,137.34	1,259.71
Other expenses	22	8,597.31	8,355.91
Total expenses		<u>64,555.09</u>	<u>56,502.53</u>
Profit before tax		12,744.79	13,164.53
Tax expenses	24		
Current tax		4,311.27	4,348.98
Deferred tax		388.71	299.16
Current tax relating to prior years (net)		(48.31)	(372.43)
Total tax expenses		<u>4,651.67</u>	<u>4,275.71</u>
Profit for the year		<u>8,093.12</u>	<u>8,888.82</u>
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
Gain/ (Loss) on remeasurements of defined benefit obligations		(9.37)	26.05
Income tax relating to this item credit/ (charge)		3.27	(9.02)
		<u>(6.10)</u>	<u>17.03</u>
Other comprehensive income, net of income tax		(6.10)	17.03
Comprehensive income		<u>8,087.02</u>	<u>8,905.85</u>
Earnings per equity share			
[Nominal value per share Rs. 10 (March 31, 2018: Rs. 10)]			
Basic and Diluted	26	25.64	28.16

The above statement of profit and loss should be read in conjunction with the accompanying notes.

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Sanjay Sharma
Partner
Membership Number: 063980

Place: New Delhi
Date: May 16, 2019

for and on behalf of Board of Directors of
Ingersoll - Rand (India) Limited

Amar Kaul
Chairman and Managing Director
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Vikas Goel
Chief Financial Officer

Place: New Delhi
Date: May 16, 2019

Sekhar Natarajan
Director
DIN: 01031445

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

Statement of Changes in Equity

(All amounts in Rupees Lakhs, unless otherwise stated)

	Amount			
A. Equity share capital				
As at April 1, 2017				3,156.80
Changes in equity share capital				-
As at March 31, 2018				3,156.80
Changes in equity share capital				-
As at March 31, 2019				<u>3,156.80</u>
	General reserve	Retained earnings	Other reserves	Total other equity
B. Other equity				
Balance at April 1, 2017	30,301.90	72,556.40	141.00	1,02,999.30
Profit for the year	-	8,888.82	-	8,888.82
Other comprehensive income	-	17.03	-	17.03
Total comprehensive income for the year	-	8,905.85	-	8,905.85
Dividends paid and tax thereon	-	(2,279.68)	-	(2,279.68)
Employee stock option compensation	-	-	65.99	65.99
	-	(2,279.68)	65.99	(2,213.69)
Balance at March 31, 2018	<u>30,301.90</u>	<u>79,182.57</u>	<u>206.99</u>	<u>1,09,691.46</u>
Profit for the year	-	8,093.12	-	8,093.12
Other comprehensive income	-	(6.10)	-	(6.10)
Total comprehensive income for the year	-	8,087.02	-	8,087.02
Dividends paid and tax thereon	-	(79,158.34)	-	(79,158.34)
Employee stock option compensation	-	-	78.83	78.83
	-	(79,158.34)	78.83	(79,079.51)
Balance at March 31, 2019	<u>30,301.90</u>	<u>8,111.25</u>	<u>285.82</u>	<u>38,698.97</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022

Sanjay Sharma

Partner

Membership Number: 063980

Place: New Delhi

Date: May 16, 2019

for and on behalf of Board of Directors of
Ingersoll - Rand (India) Limited

Amar Kaul

Chairman and Managing Director

DIN: 07574081

Vikas Goel

Chief Financial Officer

Place: New Delhi

Date: May 16, 2019

Sekhar Natarajan

Director

DIN: 01031445

P. R. Shubhakar

Gen. Manager-Corp. Finance
and Company Secretary

Statement of Cash Flows

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
A. Cash flow from operating activities		
Profit before income tax	12,744.79	13,164.53
Adjustments for:		
Depreciation and amortisation expense	1,137.34	1,259.71
Interest expense (net)	49.01	(208.02)
Interest income	(1,620.94)	(5,387.71)
Unwinding of discount on interest on loans to fellow subsidiaries	(25.31)	(18.10)
Net (gain)/ loss on disposal of property, plant and equipment	12.93	2.47
Employee share based payments expense	78.83	65.99
Unrealised foreign exchange (gain)/ loss	80.64	(116.90)
Change in operating assets and liabilities		
Changes in trade receivables	(5,806.57)	(1,171.10)
Changes in inventories	(1,263.04)	959.01
Changes in other financial assets	(161.18)	(225.15)
Changes in other non-current assets	88.29	(44.16)
Changes in other current assets	768.12	1,693.61
Changes in trade payables	2,359.44	1,152.64
Changes in provisions	51.32	(197.87)
Changes in employee benefit obligations	(138.26)	80.52
Changes in other financial liabilities	(638.00)	647.45
Changes in other current liabilities	41.31	175.00
Changes in other non-current liabilities	27.23	18.64
Cash generated from operations	7,785.95	11,850.56
Income taxes paid (net of refunds)	(4,123.23)	(4,137.35)
Net cash inflow from operating activities	<u>3,662.72</u>	<u>7,713.21</u>
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(892.43)	(983.92)
Proceeds from sale of property, plant and equipment	0.23	45.36
(Increase) / Decrease in financial asset - loans to fellow subsidiaries	8,750.00	-
Proceeds on maturity of term deposits (with original maturity more than 3 months but less than 12 months)	-	5,000.00
Interest received	2,137.16	5,287.38
Net cash inflow from investing activities	<u>9,994.96</u>	<u>9,348.82</u>

Statement of Cash Flows (Contd.)

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
C. Cash flows from financing activities		
Dividends paid	(65,660.50)	(1,892.52)
Dividend distribution tax	(13,496.90)	(385.60)
Interest paid	9.22	(30.51)
Net cash outflow from financing activities	<u>(79,148.18)</u>	<u>(2,308.63)</u>
Net Increase/ (decrease) in cash and cash equivalents	(65,490.50)	14,753.40
Cash and Cash equivalents at the beginning of the year	77,000.20	62,246.80
Cash and Cash equivalents at the end of the year	<u>11,509.70</u>	<u>77,000.20</u>
Cash and cash equivalents comprise of:		
Cash on hand	-	0.12
Balances with banks (including demand deposits)	11,525.77	76,992.18
Effect of exchange differences on balances with banks in foreign currency	(16.07)	7.90
Total	<u>11,509.70</u>	<u>77,000.20</u>

Notes:

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2019 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 Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows and the reallocations 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.

The above statement of Cash Flows should be read in conjunction with the accompanying notes.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Sanjay Sharma
Partner
Membership Number: 063980

Place: New Delhi
Date: May 16, 2019

for and on behalf of Board of Directors of
Ingersoll - Rand (India) Limited

Amar Kaul
Chairman and Managing Director
DIN: 07574081

Vikas Goel
Chief Financial Officer

Place: New Delhi
Date: May 16, 2019

Sekhar Natarajan
Director
DIN: 01031445

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, 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/ 2013. The Company's registered office is at Bengaluru and its principal place of business and manufacturing plant is located at Naroda, Ahmedabad. It is primarily engaged in the business of manufacturing and selling of industrial air compressors of various capacities and providing related services. The Company sells air compressors primarily in India and also exports the products to 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 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [the Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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 Schedule III to the Act. 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.

The financial statements were authorised for issue by the Company's Board of Directors on May 16, 2019.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- (a) certain financial assets and liabilities that are measured at fair value;
- (b) defined benefit plans - plan assets measured at fair value; and
- (c) share-based payments measured at fair value on grant date.

(iii) Use of estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

- Estimation of defined benefit obligation and fair value of plan assets — Note 20
- Useful life of fixed assets — Note 3.11
- Recognition and measurement of provisions and contingencies — Note 12 and 25
- Provision for tax — Note 24
- Deferred tax assets — Note 6
- Leases and lease classification — Note 33B
- Financial instrument — Note 28 and 31

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(iv) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as permitted by Schedule III of Companies Act, 2013, unless otherwise stated.

3 Significant accounting policies

3.1 Segment reporting

In accordance with the requirements of Ind AS 108 - "Segment Reporting", the Company is primarily engaged in the business of manufacturing and selling of industrial air compressors of various capacities and providing related services (Air solutions) and has no other primary reportable segments. The Company's chief operating decision maker (CODM) reviews the performance of the Company as a whole as there are no operations other than Air solutions segment. Consequently, there is only one segment and hence no separate segment disclosures have been presented as such information is available in the financial statements.

3.2 Foreign exchange transactions and translations

Transactions in foreign currencies are recorded at prevailing rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss.

3.3 Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the cumulative effect method (without the practical expedient), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Under this transition method, the standard is applied retrospectively only to contracts that are not completed as at the date of initial application, and the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact on the financial statements of the Company.

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(a) Sale of goods

Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of returns, trade allowances, rebates and liquidated damages etc. as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets are classified as other assets.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for goods and services are reported as liabilities until all conditions for revenue recognition are met.

(b) Sale of services

Installation and commissioning revenue is recognised in the period in which the services are rendered. Service revenue from annual maintenance contract are recognised on time proportion basis over the period of contract.

Revenue from services are disclosed exclusive of tax.

(c) Business support and auxiliary services:

The Company provides business support and auxiliary services to certain fellow subsidiaries. Revenue from such services is recognised in the period in which the services are rendered. The recognition is based on the terms of the contract with the respective customers, which is on a cost-plus basis.

(d) Government grants - Export incentives:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(e) Interest income from deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Interest income on loans granted are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses.

(f) Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods to a customer. The Company assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company has determined that the revenues as disclosed in Note 16 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

3.4 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences or timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax are recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.5 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Company as lessee are classified as finance lease. These assets are capitalised at the inception of the lease at the lower of fair value of the leased asset and the present value of the minimum lease payments.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

3.6 Impairment of assets

Assessment is done whenever there is an event or change in circumstances as to where 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 asset, 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. The recoverable amount is the higher of an asset's fair value less cost of disposal and 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

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(All amounts in Rupees Lakhs, unless otherwise stated)

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. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity. Costs are assigned to individual items of inventory on a first-in first-out basis. Cost of inventories also include all others costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates, discounts and refundable duties and taxes. 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.

3.9 Other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

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(All amounts in Rupees Lakhs, unless otherwise stated)

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.11 Property, plant and equipment

Leasehold land is carried at historical cost and is amortised over the period of lease on straight line method. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(a) Depreciation methods, estimated useful life and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Leasehold land	99 years	NA
Buildings	25-40 years	30-60 years
Leasehold improvements	Useful life of assets in line with the lease term	NA
Plant and machinery	10-15 years	15 years
Plant and machinery - given on operating lease	2-5 years	NA
Computer systems	3-5 years	3-6 years
Electrical installations	10 years	10 years
Furniture, fixtures and equipment	3-5 years	10 years
Vehicles	5 years	8 years
Small tools	5-15 years	NA
Office equipment	5 years	5 years

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The property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the lease term, whichever is lower.

The useful life has been determined based on technical evaluation done by the internal expert which are different than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(b) Research and development:

Capital expenditure on development is capitalised as intangible asset and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred during the research phase is expensed as incurred.

Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- There is an intention to complete the asset.
- There is an ability to use or sell the asset.
- The asset will generate future economic benefits.
- Adequate resources are available to complete the development and to use or sell the asset.
- The expenditure attributable to the intangible asset during development can be measured reliably.

Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line method over the estimated useful life. Expenditure that cannot be distinguished between research phase and development phase is expensed as incurred.

3.12 Intangible assets

Operating software is capitalised along with the related fixed assets. Other computer 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. Costs associated with maintaining software programmes are recognised as an expense as incurred.

The Company amortises intangible assets (Computer software) with a finite useful life using the straight-line method over 3-5 years, less the residual values and the useful life is reviewed at end of each reporting period, and adjusted if appropriate. The amortisation method and the estimated useful life of intangible assets are reviewed at each reporting period.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 45 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

3.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

3.16 Provisions and contingent liabilities

Provisions for legal claims, service warranties and others are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. In case of long term provisions, they are disclosed by discounting at the rate used to determine the present value, which is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

3.17 Employee benefits

Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in balance sheet.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year 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.

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The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Other long term employee benefit obligations:

- (i) Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year 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.
- (ii) The Company operates the following post-employment schemes:
 - (a) defined benefit plans such as gratuity and provident fund, which are managed by trusts.
 - (b) defined contribution plans - provident fund contributions to employees' provident fund organisation.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income net of the related tax effect. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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. In respect of other employees, provident fund contributions are made to a Trust administered by the Company. The Company's liability towards guaranteed interest, as stipulated by the regulatory authority, is determined by an independent actuary (using the projected unit credit method) at the end of the year, and any shortfall in the interest earnings by the Trust is additionally provided for by the Company.

Termination benefits in the nature of voluntary retirement benefits are measured based on the number of employees expected to accept the offer, if any offer is made to encourage voluntary redundancy. These are recognised as and when incurred.

3.18 Share based payments

Share-based compensation benefits are provided to certain employees of the Company by Ingersoll Rand plc., Ireland (the ultimate holding company) in the form of employee option plan and restricted stock units (RSU) (equity settled transactions). The stock options vest rateably over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment. 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.

The fair value of options granted by the ultimate holding company, Ingersoll-Rand plc's share based compensation plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that

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are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

3.19 Dividends

Provision is made for the amount of dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.20 Earning 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.

3.21 Recent Indian Accounting Standards (Ind AS)

Ind AS 116 – Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (new lease standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt these standards, effective from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over Income Tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatments, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible method of transition – i) Full retrospective approach– Under this approach, Appendix C will be applied retrospectively to each reporting period presented in accordance with Ind AS 8 – Accounting policies,

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(All amounts in Rupees Lakhs, unless otherwise stated)

Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual period beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on initial application i.e. 1 April 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendments to Ind AS 12- Income taxes

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarified that an entity shall recognise the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The effect of adoption of Ind AS 12 would be insignificant in the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not expect any impact from this amendment.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

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4 Property, plant and equipment, Intangible assets and Capital work-in-progress (All amounts in Rupees Lakhs, unless otherwise stated)

	Land - leasehold	Buildings	Leasehold improvements	Plant and machinery	Computer systems	Electrical installations	Furniture, fixtures and equipment	Vehicles	Small tools	Office equipment	Total tangible assets	Capital work-in- progress	Intangible assets - Computer software
Year ended March 31, 2018													
Gross carrying amount	61.30	6,150.78	334.80	4,626.81	1,185.90	1,619.15	312.96	21.40	203.50	166.90	14,683.50	189.70	-
Opening gross carrying amount	-	63.56	-	496.16	1,75.20	40.08	17.15	20.80	4.03	3.83	820.81	532.80	-
Additions	-	(0.10)	-	(43.25)	(0.12)	(1.40)	(4.54)	(10.88)	(4.60)	(0.66)	(65.55)	(654.31)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	61.30	6,214.24	334.80	5,079.72	1,360.98	1,657.83	325.57	31.32	202.93	170.07	15,438.76	68.19	-
Accumulated depreciation	-	302.28	274.00	666.86	328.00	293.47	64.31	10.00	19.88	110.00	2,068.80	-	-
Opening accumulated depreciation	-	210.72	60.80	398.70	326.52	175.76	39.64	6.73	12.02	28.82	1,259.71	-	-
Depreciation charge during the year	-	-	-	(7.20)	-	(0.70)	(2.94)	(4.98)	(1.30)	(0.60)	(17.72)	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	513.00	334.80	1,058.36	654.52	468.53	101.01	11.75	30.60	138.22	3,310.79	-	-
Net carrying amount as at March 31, 2018	61.30	5,701.24	-	4,021.36	706.46	1,189.30	224.56	19.57	172.33	31.85	12,127.97	68.19	-
Year ended March 31, 2019													
Gross carrying amount	61.30	6,214.24	334.80	5,079.72	1,360.98	1,657.83	325.57	31.32	202.93	170.07	15,438.76	68.19	-
Opening gross carrying amount	-	10.84	133.99	161.76	256.20	58.48	35.97	-	28.27	83.63	769.14	95.83	-
Additions	-	-	-	(12.29)	-	-	(1.11)	-	(9.62)	-	(23.02)	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	61.30	6,225.08	468.79	5,229.19	1,617.18	1,716.31	360.43	31.32	221.58	253.70	16,184.88	164.02	-
Accumulated depreciation	-	513.00	334.80	1,058.36	654.52	468.53	101.01	11.75	30.60	138.22	3,310.79	-	-
Opening accumulated depreciation	-	215.14	15.42	365.65	296.11	168.81	41.46	6.07	7.91	20.77	1,137.34	-	-
Depreciation charge during the year	-	-	-	(3.76)	-	-	(0.97)	-	(5.13)	-	(9.86)	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	728.14	350.22	1,420.25	950.63	637.34	141.50	17.82	33.38	158.99	4,438.27	-	-
Net carrying amount as at March 31, 2019	61.30	5,496.94	118.57	3,808.94	666.55	1,078.97	218.93	13.50	188.20	94.71	11,746.61	164.02	-

Notes:

(1) The following assets given under operating lease have been included under property, plant and equipment:

	Plant and machinery	
	Year ended 31-Mar-19	31-Mar-18
Gross carrying amount	237.00	238.40
Opening gross carrying amount	16.78	-
Additions	-	(1.40)
Disposals	-	-
Closing gross carrying amount	253.78	237.00
Accumulated depreciation	176.80	111.90
Opening accumulated depreciation	15.39	66.30
Depreciation charge during the year	-	(1.40)
Disposals	-	-
Closing accumulated depreciation	192.19	176.80
Net carrying amount	61.59	60.20

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5 Financial assets

5.1 Loans receivable

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
Loans to fellow subsidiaries (refer note 36)	5,206.25	-	-	13,930.95
Security and other deposits	132.20	600.41	143.00	455.00
Total loans and advances	5,338.45	600.41	143.00	14,385.95

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

5.2 Trade receivables

	As at	
	March 31, 2019	March 31, 2018
(Unsecured)		
Considered good		
Receivables from related parties (refer note 36)	5,197.41	2,818.32
Others	11,566.96	8,186.84
Considered doubtful		
Others	322.43	514.65
(Less): Allowance for doubtful receivables	(322.43)	(514.65)
Total receivables	16,764.37	11,005.16
Current portion	16,764.37	11,005.16

Note: The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 31.

5.3 Cash and cash equivalents

	As at	
	March 31, 2019	March 31, 2018
Balances with banks		
- in current accounts	465.72	714.64
- in Export Earners' Foreign Currency (EEFC) accounts	536.98	1,775.44
Deposits with original maturity of less than three months	10,507.00	74,510.00
Cash on hand	-	0.12
Total cash and cash equivalents	11,509.70	77,000.20

5.4 Bank balances other than above

	As at	
	March 31, 2019	March 31, 2018
Unpaid dividend accounts	231.69	56.11
Total other bank balances	231.69	56.11

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(All amounts in Rupees Lakhs, unless otherwise stated)

5.5 Other financial assets

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
From related parties (refer note 36)				
Unbilled revenues	103.77	-	93.82	-
Other receivables	282.56	-	253.98	-
From others				
Unbilled revenues	56.82	-	66.00	-
Interest accrued on deposits with banks	51.21	-	567.43	-
Security and other deposits	7.13	103.34	-	113.25
Total other financial assets	501.49	103.34	981.23	113.25

6 Deferred tax assets (net)

	As at	
	March 31, 2019	March 31, 2018
The balance comprises temporary differences attributable to:		
(A) Deferred tax assets arising from:		
Allowance for doubtful debts: trade receivables, advances and other receivables	162.75	301.23
Provisions: Warranties, employee benefits expenses and other provisions	438.58	488.95
Others	40.80	83.17
Total deferred tax assets	642.13	873.35
(B) Deferred tax (liabilities) arising from:		
Depreciation: Difference between carrying amount of Property, plant and equipment in the financial statements and the income tax return	(500.50)	(343.01)
Total deferred tax (liabilities)	(500.50)	(343.01)
Net deferred tax assets	141.63	530.34

The Company has recognised deferred tax assets on allowances for bad and doubtful debts, difference in depreciation allowance and other tax deductible items. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income.

Movement in net deferred tax assets/ (liabilities)

	Depreciation	Provisions	Allowance for doubtful debts	Others	Total
As at March 31, 2018	(343.01)	488.95	301.23	83.17	530.34
(Charged)/ credited to profit or loss	(157.49)	(50.37)	(138.48)	(42.37)	(388.71)
As at March 31, 2019	(500.50)	438.58	162.75	40.80	141.63

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

7 Other current and non-current assets

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Capital advances	-	21.34	-	8.98
Balance with government authorities	591.31	-	1,515.98	-
Indirect taxes paid under protest	-	237.36	-	237.36
Prepaid expenses	304.78	68.46	171.01	156.75
Advances to suppliers				
Considered good	233.15	-	138.38	-
Considered doubtful	37.72	-	32.49	-
(Less): Provision for doubtful advances	(37.72)	-	(32.49)	-
Export incentives receivable				
Considered good	293.03	-	365.02	-
Considered doubtful	105.59	-	87.53	-
(Less): Provision for doubtful export incentive receivables	(105.59)	-	(87.53)	-
Other receivables				
Considered doubtful	99.98	-	327.30	-
(Less): Provision for doubtful other receivables	(99.98)	-	(327.30)	-
Total other current and non-current assets	<u>1,422.27</u>	<u>327.16</u>	<u>2,190.39</u>	<u>403.09</u>

8 Inventories

	As at	
	March 31, 2019	March 31, 2018
Raw materials	6,054.33	5,198.36
Work-in-progress	471.52	478.65
Finished goods	2,503.92	2,094.58
Traded goods	12.16	7.30
Total inventories	<u>9,041.93</u>	<u>7,778.89</u>
(a) Stock in transit (included above)		
Raw materials	1,371.14	942.29
Finished goods	361.59	521.62
Total stock in transit	<u>1,732.73</u>	<u>1,463.91</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Inventories (Contd.)	As at	
	March 31, 2019	March 31, 2018
(b) Details of inventories		
Work-in progress		
Air compressors	471.52	478.65
Total work-in progress	<u>471.52</u>	<u>478.65</u>
Finished goods		
Air compressors	2,503.92	2,094.58
Total finished goods	<u>2,503.92</u>	<u>2,094.58</u>

The total inventories are net of provision for obsolescence amounting to Rs.1,505.65 (March 31, 2018: Rs.1,397.00).

9 Income tax assets (net)

	As at	
	March 31, 2019	March 31, 2018
Advance income tax and tax deducted at source, net	416.42	641.98
Income-tax paid under protest	1,635.18	1,454.79
	<u>2,051.60</u>	<u>2,096.77</u>

Transfer pricing:

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. Further, the Finance Act, 2012, has widened the ambit of transfer pricing provisions to cover specified domestic transactions. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

For the year ended March 31, 2018, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the Accountant has been obtained and this did not envisage any tax liability.

For the year ended March 31, 2019, the Company is in the process of carrying out a similar study to comply with the said transfer pricing regulations. However, based on the analysis of margins and considering that the terms of agreement with associated enterprises has not changed during the year, the Company is of the view that for the year ended March 31, 2019, the transactions with the said enterprises are on an arm's length basis.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

10 Equity share capital and other equity

	Number of shares (in Lakhs)	Amount
10.1 Equity share capital		
Authorised equity share capital		
As at April 1, 2017	320.00	3,200.00
Change during the year	-	-
As at March 31, 2018	<u>320.00</u>	<u>3,200.00</u>
Change during the year	-	-
As at March 31, 2019	<u>320.00</u>	<u>3,200.00</u>

(i) Movements in equity share capital

As at April 1, 2017	315.68	3,156.80
Change during the year	-	-
As at March 31, 2018	<u>315.68</u>	<u>3,156.80</u>
Change during the year	-	-
As at March 31, 2019	<u>315.68</u>	<u>3,156.80</u>

The above includes 31,301,500 (March 31, 2018: 31,301,500) shares allotted as fully paid-up by way of bonus shares by capitalisation of share premium and general reserves during the financial year ended March 31, 1992.

(ii) Terms and rights attached to equity shares

Equity shares have a par value of Rs.10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(iii) Equity shares held by holding company

	Amount as at	
	March 31, 2019	March 31, 2018
Ingersoll-Rand Company, USA, the immediate holding company	2,336.00	2,336.00
Total	<u>2,336.00</u>	<u>2,336.00</u>

(iv) Details of shareholders holding more than 5% shares in the Company

	As at	
	March 31, 2019	March 31, 2018
Number of Equity Shares:		
Ingersoll-Rand Company, USA, the immediate holding company	23,360,000	23,360,000
Percentage of holding	74%	74%

(v) Shares reserved for issue under options

There are no shares of the Company reserved for issue under any option.

(vi) 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 the period of five years immediately preceding March 31, 2019, no shares have been 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 Lakhs, unless otherwise stated)

10.2 Other equity

	As at	
	March 31, 2019	March 31, 2018
General reserve	30,301.90	30,301.90
Retained earnings	8,111.25	79,182.57
Other reserves	285.82	206.99
Total other equity	<u>38,698.97</u>	<u>1,09,691.46</u>

(i) General reserve

	As at	
	March 31, 2019	March 31, 2018
Opening balance	30,301.90	30,301.90
Add: Change during the year	-	-
Closing balance	<u>30,301.90</u>	<u>30,301.90</u>

(ii) Retained earnings

	As at	
	March 31, 2019	March 31, 2018
Opening balance	79,182.57	72,556.40
Net profit for the year	8,093.12	8,888.82
Items of other comprehensive income recognised directly in retained earnings - remeasurements of post-employment benefit obligations, net of tax	(6.10)	17.03
Dividends and tax thereon	(79,158.34)	(2,279.68)
Closing balance	<u>8,111.25</u>	<u>79,182.57</u>

(iii) Other reserves

	As at	
	March 31, 2019	March 31, 2018
Opening balance	206.99	141.00
Employee stock option compensation	78.83	65.99
Closing balance	<u>285.82</u>	<u>206.99</u>

Nature and purpose of other reserves

Notes:

General reserve

General reserve was created when the Company declared dividend to share holders as per the provisions of Companies Act, 1956. The reserve is utilised in accordance with the provisions of the Act.

Other reserve

This reserve relates to share based compensation received by the employees from Ingersoll Rand plc, the ultimate holding company. Refer note 20(c).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

11 Other financial liabilities

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Unpaid dividends (refer note below)	237.50	-	60.98	-
Employee benefits payable	542.75	-	495.37	-
Creditors for capital goods:				
- payable to related parties (refer note 36)	22.45	-	-	-
- payable to others	33.11	-	70.66	-
Others	-	-	685.38	-
Total other financial liabilities	835.81	-	1,312.39	-

Note: As at the year end, there are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

12 Provisions

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Litigations/ disputes	66.22	-	-	92.94
Warranties	221.14	14.99	234.20	12.59
Provision for sales tax	414.60	-	325.90	-
Total provisions	701.96	14.99	560.10	105.53

Movements in each class of provision during the financial year, are set out below:

	Litigations/ disputes	Warranties	Provision for sales tax
As at March 31, 2018	92.94	246.79	325.90
Charged/ (credited) to profit or loss:			
- additional provisions recognised / (written back)	9.82	185.88	88.70
- unwinding of discount	6.68	-	-
- amounts utilised	(43.22)	(196.54)	-
As at March 31, 2019	66.22	236.13	414.60

Provision for Litigations/ disputes

Provision for litigations/ disputes relates to certain employees compensation with respect to termination of employment. Such provision is recognised based on estimates made by the Company.

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

Provision for sales tax

Provision for sales tax relates to non-submission of statutory forms by customers to the Company. It is expected that this provision will be settled as and when the tax assessments are completed.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

13 Employee benefit obligations

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Compensated absences	309.35	-	356.76	-
Gratuity [refer note 20(a)]	96.83	-	178.31	-
Total employee benefit obligations	406.18	-	535.07	-

14 Trade payables

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Current:				
Total outstanding dues of micro enterprises and small enterprises (refer note 30)			1,003.68	281.53
Total outstanding dues of creditors other than micro enterprises and small enterprises				
- Acceptances			1,899.21	1,669.09
- Trade payables			6,660.28	5,428.62
- Trade payables to related parties (refer note 36)			3,222.55	2,986.64
Total trade payables			12,785.72	10,365.88

Note: The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 31.

15 Other current and non-current liabilities

	As at			
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Contract liabilities				
Income received in advance	1,333.13	-	1,247.59	-
Advance from customers (refer note 36)	705.48	-	892.43	-
Statutory dues including provident fund and tax deducted at source	691.91	-	549.19	-
Others - Interest payable to MSMED (refer note 30)	156.58	-	125.47	-
Lease equalisation reserve	-	114.18	-	86.95
Total other current liabilities	2,887.10	114.18	2,814.68	86.95

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

16 Revenue from operations

	Year ended	
	March 31, 2019	March 31, 2018
Sale of finished goods	64,429.70	54,869.52
Sale of services		
Installation, commissioning and maintenance	3,712.76	3,538.75
Business support and auxiliary services	4,572.00	3,184.79
Other operating revenue		
Recovery of freight, insurance and packing expenses	530.64	363.10
Export incentives	499.85	436.21
Sale of scrap	82.58	83.04
Lease rentals - equipment	79.94	49.76
Total revenue from operations	73,907.47	62,525.17

Notes:

- (a) As per the requirements of Ind AS 115, the Company disaggregates revenue based on line of business and geography (Refer note 34).
- (b) Information about major customers:
Revenue from one customer i.e Ingersoll-Rand Company, USA is Rs.11,046.43 for the year ended 31 March 2019 (2017-18: Rs.9,641.20) which contributes more than 10% of the Company total revenue
- (c) Contract balances:

	As at March 31, 2019
Trade receivables	16,764.37
Contract liabilities	
Income received in advance	1,333.13
Advance from customers	705.48

- (d) Changes in Unearned and deferred revenue are as follows:

	Income received in advance	Advance from customers
	As at	
	March 31, 2019	March 31, 2019
Balance at the beginning of the year	1,247.59	892.43
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,126.45)	(868.10)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	1,211.99	681.15
Balance at the end of the year	1,333.13	705.48

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis and no information is provided about remaining performance obligations at March 31, 2019 that have an original expected duration of one year or less, as allowed by Ind AS 115.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

17 Other income

	Year ended	
	March 31, 2019	March 31, 2018
Interest Income on:		
Deposits with banks	964.37	3,924.82
Loans to fellow subsidiaries	656.57	1,397.28
On Income tax refund	-	65.61
Recharge of expenses to fellow subsidiaries	1,350.31	1,357.34
Sub lease rentals from office facilities	340.06	332.52
Unwinding of discount on interest on loans to fellow subsidiaries	25.31	18.10
Unwinding of discount on security deposits	43.66	34.69
Miscellaneous	12.13	11.53
Total other income	3,392.41	7,141.89

18 Cost of materials consumed

	Year ended	
	March 31, 2019	March 31, 2018
Raw materials at the beginning of the year	5,198.36	5,606.70
Add: Purchases of raw materials	42,148.84	33,031.43
(Less): Raw materials at the end of the year	(6,054.33)	(5,198.36)
Cost of raw materials consumed during the year	<u>41,292.87</u>	<u>33,439.77</u>
Packing materials consumed	604.79	616.44
Total cost of materials consumed	41,897.66	34,056.21

Notes:

(i) Includes provision for inventory obsolescence Rs.108.65 (March 31, 2018: Rs. 33.15).

19 Changes in inventories of work-in-progress, stock-in-trade and finished goods

	Year ended	
	March 31, 2019	March 31, 2018
(a) Opening inventories		
Work-in progress	478.65	375.70
Finished goods	2,094.58	2,705.10
Traded goods	7.30	50.40
Total opening balance	<u>2,580.53</u>	<u>3,131.20</u>
(b) Closing inventories		
Work-in progress	471.52	478.65
Finished goods	2,503.92	2,094.58
Traded goods	12.16	7.30
Total closing balance	<u>2,987.60</u>	<u>2,580.53</u>
(Increase)/ decrease in inventories	<u>(407.07)</u>	<u>550.67</u>
Excise duty on opening stock of finished goods	-	(224.30)
Excise duty on closing stock of finished goods	-	-
Increase/ (decrease) in excise duty	<u>-</u>	<u>(224.30)</u>
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(407.07)	326.37

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense

	Year ended	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	10,758.71	9,389.57
Post-employment benefits:		
Contribution to provident fund and other funds (refer notes below)		
Defined benefit plan	291.30	265.22
Defined contribution	146.76	142.30
Gratuity (refer notes below)	157.06	214.49
Compensated absences	98.51	127.33
Employee share based payments expense	78.83	65.99
Staff welfare expenses	442.68	405.31
Total employee benefits expense	11,973.85	10,610.21

(a) Defined benefit plan:

Gratuity: The Company operates a gratuity plan, which is a defined benefit 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 Rs.20. 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 to the employees than the Payment of Gratuity Act, 1972 depending upon the length of service. The board of trustees is responsible for the administration of the plan assets and investment strategy.

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 are made to the fund at the rate of 12% of basic salary by the employer and employee, and this amount 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. The Board of trustees is responsible for the administration of the Plan assets and investment strategy.

The below disclosures under provident fund are restricted only to the defined benefit obligation and plan assets relating to guaranteed interest rate earning and shortfall thereof, if any, as provided by an independent actuary.

(i) Change in defined benefit obligations

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balance at the beginning of the year	1,949.44	1,755.72	7.85	13.22
Add: Current service cost	153.37	209.42	1.45	2.71
Add: Interest cost	137.20	119.92	0.59	0.94
Add: Actuarial (gain)/ loss - experience	(2.21)	21.61	(1.38)	(0.73)
Add: Actuarial (gain)/ loss - financial assumptions	22.23	(23.72)	9.75	(8.29)
Add: Transfer in / (out)	10.17	-	-	-
(Less): Benefits paid directly by the Company	-	(9.49)	-	-
(Less): Benefits paid from plan assets	(240.34)	(124.02)	-	-
Balance at the end of the year	2,029.86	1,949.44	18.26	7.85

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(ii) Change in plan assets

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	1,771.13	1,602.63	130.23	140.90
Add: Interest income	133.50	114.85	9.77	10.00
Add: Contributions	250.00	153.73	-	-
Add: Return on plan assets greater/ (lesser) than discount rate	10.64	23.94	10.14	(20.67)
Add: Transfer in / (out)	8.10	-	-	-
(Less): Benefits paid	(240.34)	(124.02)	-	-
Balance at the end of the year	1,933.03	1,771.13	150.14	130.23
Actual return on plan assets (%)	7.50	7.50	9.00	9.00

(iii) Assets and Liabilities recognised in the Balance Sheet

	Gratuity(#)		Provident Fund(#)(*)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	2,029.86	1,949.44	18.26	7.85
Less: Fair value of plan assets	1,933.03	1,771.13	150.14	130.23
Amounts recognised as liability/ (asset)	<u>96.83</u>	<u>178.31</u>	-	-
Recognised/ Disclosed under:				
Short term provision (refer note 13)	96.83	178.31	-	-
Total	96.83	178.31	-	-

(*) Surplus relating to provident fund is not recognised as the plan assets belong to the Trust and the realisability is restricted.

(#) The net liability/ (asset) above relates to wholly funded plans.

Reconciliation of Net Balance Sheet Position

	Gratuity		Provident Fund (*)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net defined benefit asset/ (liability) at end of prior period	(178.31)	(153.09)	122.40	127.73
Less: Current service cost	(153.37)	(209.42)	(1.45)	(2.71)
Add: Net interest on net defined benefit (liability)/ asset	(3.69)	(5.07)	9.18	9.07
Add: Amount recognised in other comprehensive income	(9.37)	26.05	-	-
Add: Acquisition (cost)/ credit	(2.09)	-	1.76	(11.69)
Add: Contributions	250.00	153.73	-	-
Add: Benefits paid directly by the Company	-	9.49	-	-
Net defined benefit asset/ (liability) at end of the year	(96.83)	(178.31)	-	-

(*) Surplus relating to provident fund is not recognised as the plan assets belong to the Trust and the realisability is restricted.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(iv) Expense recognised in the Statement of Profit and Loss

	Gratuity		Provident Fund ^(*)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	153.37	209.42	1.45	2.71
Add: Net interest on net defined benefit liability/ (asset)	3.69	5.07	(9.18)	(9.07)
Add: Immediate recognition of (gains)/ losses - other long term employee benefit plans	-	-	(1.76)	11.69
Total expense/ (surplus) recognised in statement of profit or loss	157.06	214.49	-	-

(*) Surplus relating to provident fund is not recognised as the plan assets belong to the Trust and the realisability is restricted.

Remeasurements

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Gains)/ losses from experience assumptions	(2.22)	21.61	(1.38)	(0.73)
(Gains)/ losses from demographic and financial assumptions	22.23	(23.72)	9.75	(8.26)
Return on plan assets (greater)/less than discount rate	(10.64)	(23.94)	(10.14)	20.67
Total Expense/ (Income) recognised in other comprehensive income	9.37	(26.05)	-	-

(v) Major Category of Assets as a % of total Plan Assets

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash (including Special Deposits)	2.83%	3.26%	6.99%	6.94%
Government Securities	43.87%	53.52%	47.44%	40.05%
Corporate bonds	53.30%	43.22%	45.57%	46.33%
Others	0.00%	0.00%	0.00%	6.68%
Total	100.00%	100.00%	100.00%	100.00%

(vi) The weighted average duration of the defined benefit obligation is 9 years old (2018:9 years). The expected maturity analysis of undiscounted gratuity and provident fund benefits is as follows:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
Gratuity					
March 31, 2019	308.25	280.82	794.64	1,445.85	2,829.56
March 31, 2018	227.09	307.87	780.09	1,376.49	2,691.54
Provident Fund					
March 31, 2019	2.23	2.06	5.99	12.33	22.61
March 31, 2018	1.08	0.97	2.49	5.03	9.57

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(vii) Significant Actuarial Assumptions

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate per annum	7.50%	7.50%	7.50%	7.50%
Expected rate of Return on Plan Assets	7.50%	7.50%	9.00%	9.00%
Expected salary increase per annum	(*)	(#)	(*)	(#)
Attrition rate	10.00%	10.00%	10.00%	10.00%

(*) Bargainable employees: 6% for three years and 5% thereafter, Others: 10% for next two years and 8% thereafter.

(#) Bargainable employees: 6% for three years and 5% thereafter, Others: 10% for next two years and 8% thereafter.

Notes:

- 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.
- Provident Fund Trust set-up by the Company guarantees the interest rate earning and any shortfall thereof, would be met by the Company. The above plan assets, defined benefit obligations and benefit for future period is relating to the interest rate guarantee only.

(viii) Sensitivity analysis

	Gratuity		Provident Fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Effect on DBO due to 1% increase in discount rate	(109.99)	(108.89)	-	-
Effect on DBO due to 1% decrease in discount rate	122.98	121.79	-	-
Effect on DBO due to 1% increase in salary escalation rate	116.51	121.81	-	-
Effect on DBO due to 1% decrease in salary escalation rate	(108.33)	(102.89)	-	-
Effect on DBO due to 1% increase in withdrawal rate	(77.28)	3.14	-	-
Effect on DBO due to 1% decrease in withdrawal rate	(84.02)	(3.60)	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ix) Expected contribution to the funds in the next year

	Year ended	
	March 31, 2019	March 31, 2018
Gratuity	100.00	180.00
Provident fund (including employees' contribution)	1,100.00	1,078.00

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(b) Defined contribution plans

	Year ended	
	March 31, 2019	March 31, 2018
Amount recognised in the Statement of profit and loss		
(i) Provident fund paid to the authorities	37.14	37.30
(ii) Pension fund paid to the authorities	100.89	96.50
(iii) Others	8.73	8.50
	<u>146.76</u>	<u>142.30</u>

Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks. The most significant risks are:

(a) Gratuity

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to factors like mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and attrition rate.

(b) Provident fund

(i) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Fund return risk : Lower the return on fund, higher the expected shortfall, if Employees Provident Fund Organisation (EPFO) declared return continues to be on the higher side, it will increase the defined benefit obligation.

(iii) Demographic risk : On an increase in membership, there will be an increase in the defined benefit obligation.

(iv) Investment risk: The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term interest bearing securities with maturities that match the benefit payments as they fall due. A large portion of assets consists of government and corporate bonds. The Company believes that investment in government and corporate bonds offer the best returns over the long term with an acceptable level of risk.

(c) Share-based payments

Incentive Stock Option Plan of 2007 ("2007 plan")

On June 6, 2007, the shareholders of the ultimate holding company approved the Incentive Stock Plan of 2007, which authorises the holding company to issue stock options and other share-based incentives. All the share based incentives vests equally over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.

Incentive Stock Option Plan of 2013 ("2013 plan")

On June 6, 2013, the shareholders of the ultimate holding company approved the Incentive Stock Plan of 2013, which authorises the holding company to issue stock options and other share-based incentives. All the share based incentives vests equally over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Incentive Stock Option Plan of 2018 ("2018 plan")

On June 7, 2018, the shareholders of the ultimate holding company approved the Incentive Stock Plan of 2018, which authorises the holding company to issue stock options and other share-based incentives. All the share based incentives vests equally over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.

A Employee option plan

Certain executives of the Company are eligible to participate in the employee share based payment plans of Ingersoll-Rand plc, the ultimate holding company. The share based plans are assessed, managed and administered by the ultimate holding company. Under the plan, participants are granted options which vests over three years of service from the grant date. Once vested, the options remain exercisable till ten years from the date of grant.

Set out below is a summary of options granted under the plan:

Particulars	As at	
	March 31, 2019	March 31, 2018
	Number of options	Number of options
Opening balance	14,566	12,180
Granted during the year	2,123	3,391
Exercised during the year (Note 1)	(1,090)	(1,005)
Closing balance	15,599	14,566
Vested and exercisable	9,925	7,037

Note 1: The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was USD 101.93 (March 31, 2018: USD 90.05).

Note 2: The weighted average exercise price of options exercised during the year ended March 31, 2019 was USD 32.83 (March 31, 2018: USD 27.04).

Note 3: No options expired or were forfeited during the periods covered in the above table.

Share options outstanding at the end of the year have the following exercise prices:

Plan	Grant Date	Exercise price USD	Share options As at March 31, 2019	Share options As at March 31, 2018
2007 plan	22-Feb-13	41.91	167	167
2013 plan	25-Feb-14	59.83	1,439	1,439
2013 plan	3-Feb-15	67.06	2,332	2,332
2013 plan	10-Feb-16	50.00	3,205	3,695
2013 plan	7-Feb-17	80.21	3,215	3,542
2013 plan	6-Feb-18	90.07	3,118	3,391
2018 plan	5-Feb-19	101.29	2,123	-
			15,599	14,566

Weighted average remaining contractual life of options outstanding at the end of period	7.5 years	8.2 years
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Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2019 was USD 15.51 per option (March 31, 2018: USD 13.46). The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of options have been translated to Rupees at the year end closing rate.

The model inputs for options granted during the year ended March 31, 2019 are listed below.

	As at	
	March 31, 2019	March 31, 2018
Grant date	5-Feb-19	6-Feb-18
Expiry date	4-Feb-22	5-Feb-21
Share price at grant date (USD)	100.86	90.23
Expected price volatility of the company's shares	21.64%	22.46%
Expected dividend yield	2.00%	2.00%
Risk-free interest rate	2.48%	1.80%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

B Restricted stock units

Restricted stock units (RSU) are share equivalents that are awarded to certain employees with a promise to issue actual shares to holders of the RSU at vesting. The RSU will vest in one-third installment over three years. Once they fully vest, each unit may be converted into a share at current value over an exercisable period of ten years.

Set out below is a summary of RSU's granted under the plan:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Weighted average fair value of shares (in USD)	Number of RSU's	Weighted average fair value of shares (in USD)	Number of RSU's
Opening balance	67.09	1,638	56.95	1,731
Granted during the year	90.07	1,453	81.09	749
Exercised during the year (Note 1)	64.88	(880)	58.56	(842)
Closing balance		<u>2,211</u>		<u>1,638</u>
Vested and exercisable		-		-

Note 1: The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was USD 100.98 (March 31, 2018: USD 95.24).

Note 2: No RSUs have expired during the periods covered in the above table.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

RSU's outstanding at the end of the year have the following expiry date and exercise price:

Plan	Grant Date	Exercise price USD	Share options As at March 31, 2019	Share options As at March 31, 2018
2013 plan	10-Feb-16	49.49	-	372
2013 plan	7-Feb-17	78.70	259	517
2013 plan	6-Feb-18	95.24	499	749
2018 plan	2-Jan-19	100.98	1,000	-
2018 plan	5-Feb-19	100.98	453	-
			<u>2,211</u>	<u>1,638</u>

Weighted average remaining contractual life of RSUs outstanding at the end of period 9.35 years 9.09 years

C Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit and loss under employee benefit expense were as follows:

	Year ended	
	March 31, 2019	March 31, 2018
Employee option plan	27.76	26.40
Restricted stock units	51.07	39.59
Total	<u>78.83</u>	<u>65.99</u>

21 Depreciation and amortisation expense

	Year ended	
	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	1,137.34	1,259.71
Amortisation on intangible assets	-	-
Total depreciation and amortisation expense	<u>1,137.34</u>	<u>1,259.71</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses

	Year ended	
	March 31, 2019	March 31, 2018
Rent	934.55	782.72
Rates and taxes	137.07	149.30
Insurance	154.50	150.68
Power and fuel	451.19	423.20
Repairs and maintenance:		
Buildings	183.94	171.07
Plant and machinery	210.21	162.28
Others	1.23	1.90
Engineering services - product design, development, etc.	7.57	76.87
Information technology infrastructure	393.47	283.20
Cost contribution (Management fees) (refer note 36)	724.31	634.90
Directors commission	48.00	48.00
Communication	250.40	352.75
Travel and conveyance	1,279.97	1,167.54
Freight, insurance and handling	637.62	598.33
Dealer commission	112.83	54.31
Advertising	61.79	6.23
Warranty	185.88	151.15
Legal and professional fees	871.34	1,089.52
Contractor charges	792.57	741.18
Net foreign exchange (gain)/ loss	(1.87)	(24.12)
Net (gain) / loss on disposal of property, plant and equipment	12.93	2.47
Provision/ (write back) for doubtful debts (net)	(192.22)	(71.55)
Provision for doubtful advances (net)	23.29	(63.08)
Export incentives written off	-	167.90
Bad debts written off	104.99	96.07
Payments to auditors:		
Statutory audit fees	21.50	32.50
Tax audit fees	2.50	2.50
Limited reviews	33.00	22.00
Certification fees	6.00	6.50
Out of pocket expenses	3.00	3.01
Expenditure towards Corporate Social Responsibility (CSR) activities [refer note (a) below]	218.48	197.10
Miscellaneous expenses	927.27	939.48
Total other expenses	8,597.31	8,355.91

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses (Contd.)

	Year ended	
	March 31, 2019	March 31, 2018
Notes:		
(a) CSR expenditure:		
Gross amount required to be spent by the Company during the year	218.48	197.10
Amount spent during the year on:		
(i) Construction/ acquisition of any asset		
In Cash	-	-
Yet to be paid in cash	-	-
(ii) On purposes other than (i) above		
In Cash	218.48	197.10
Yet to be paid in cash	-	-
	<u>218.48</u>	<u>197.10</u>
(b) Expenses capitalised as a part of Capital Work-in-Progress		
Salaries and wages (specifically attributable to construction / installation of fixed assets)	-	-
Total	<u>-</u>	<u>-</u>

23 Finance costs

	Year ended	
	March 31, 2019	March 31, 2018
Unwinding of discount on provisions	6.68	5.49
Others (Including writeback of provision on Interest on MSMED)	42.33	(213.51)
Total finance costs	<u>49.01</u>	<u>(208.02)</u>

24 Tax expenses

	Year ended	
	March 31, 2019	March 31, 2018
(a) Tax expenses		
Current tax		
Current tax on profits for the year	4,311.27	4,348.98
Adjustments for current tax of prior periods	(48.31)	(372.43)
Total current tax expense	<u>4,262.96</u>	<u>3,976.55</u>
Deferred tax		
Decrease/ (increase) in deferred tax assets	231.22	82.75
(Decrease)/ increase in deferred tax liabilities	157.49	216.41
Total deferred tax expense/(benefit)	<u>388.71</u>	<u>299.16</u>
Tax expenses	<u>4,651.67</u>	<u>4,275.71</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended	
	March 31, 2019	March 31, 2018
Profit before tax expense	12,744.79	13,164.53
Tax at the Indian tax rate of 34.944% (2017-18: 34.608%)	<u>4,453.54</u>	<u>4,555.98</u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable Income:		
Expenditure towards Corporate Social Responsibility (CSR) activities	38.17	34.11
Employee share-based payments expense	27.55	22.84
Finance costs	14.79	18.12
Effect of change in tax rate on closing balance of net deferred tax asset	-	(4.50)
Reversal of earlier year Sales tax provision	92.31	-
Adjustments for tax of prior periods	(48.31)	(372.43)
Expenses allowable on payment basis as per Income Tax Act	44.90	65.11
Other items	28.72	(43.52)
Tax expenses	<u>4,651.67</u>	<u>4,275.71</u>

25 Contingent liabilities

	As at	
	March 31, 2019	March 31, 2018
(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)	74.21	171.48
(b) Value added tax/ Sales tax matters in dispute [Relates to demand on account of non-submission of statutory forms to the department substantiating the levy of concessional tax rate to customers. In connection with a dispute, the Company has furnished a Bank guarantee of Rs.252.15 (March 31, 2018: Rs.252.15)]. The Company has paid Rs.175.34 (March 31, 2018: Rs.175.34) 'under protest' to the Sales Tax Department in this regard].	268.92	329.73
(c) Central excise matters in dispute (Relates to adjustment on account of levy of additional duty and related demands made by the Excise department / Service tax department, which is disputed by the Company and are lying under appeal with various forums). The Company has paid Rs.20.37 (March 31, 2018: Rs.20.37) 'under protest' to the Excise Department in this regard].	2,386.47	2,386.47
(d) Service tax matters in dispute (Relates to demand on account of input credits denied by the Service tax department, which is disputed by the Company and the matter is lying under appeal with the Custom Excise and Service Tax Appellate Tribunal). The Company has paid Rs.41.64 (March 31, 2018: Rs.41.64) 'under protest' to the Income Tax Department in this regard].	1,461.20	1,324.27

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

25 Contingent liabilities (Contd.)

	As at	
	March 31, 2019	March 31, 2018
(e) Income tax matters	2,474.30	2,137.98
<p>[Relates to transfer pricing and other adjustments (including interest thereon) made by the Income Tax Department for the assessment years 2003-04 to 2007-08 and 2009-10 to 2014-15, which is disputed by the Company and the matters are lying under appeal with various forums and certain final orders are awaited. The Company has paid Rs.1,635.18 (March 31, 2018: Rs.1,454.79) 'under protest' to the Income Tax Department in this regard].</p>		
(f) Provident fund matters	-	-
<p>In light of recent judgment of Honorable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence It is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.</p> <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. In all the above cases interest has been included till the date of order.</p>		

26 Earnings per share

	Year ended	
	March 31, 2019	March 31, 2018
(a) Basic and Diluted earnings per share		
Attributable to the equity shareholders of the Company		
Total basic and diluted earnings per share attributable to the equity shareholders of the Company	25.64	28.16
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	8,093.12	8,888.82
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares shares used as the denominator in calculating basic and diluted earnings per share	3,15,68,000	3,15,68,000

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

27 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements as at March 31, 2019 and March 31, 2018. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights were exercised.

	Effects of offsetting on the Balance Sheet		
	Gross amounts	Gross amounts setoff in the Balance Sheet	Net amounts presented in the Balance Sheet
March 31, 2019			
Financial assets			
Trade receivables	17,157.02	(392.65)	16,764.37
Total	<u>17,157.02</u>	<u>(392.65)</u>	<u>16,764.37</u>
Financial liabilities			
Trade payables	13,178.37	(392.65)	12,785.72
Total	<u>13,178.37</u>	<u>(392.65)</u>	<u>12,785.72</u>
March 31, 2018			
Financial assets			
Trade receivables	11,381.39	(376.23)	11,005.16
Total	<u>11,381.39</u>	<u>(376.23)</u>	<u>11,005.16</u>
Financial liabilities			
Trade payables	10,742.11	(376.23)	10,365.88
Total	<u>10,742.11</u>	<u>(376.23)</u>	<u>10,365.88</u>

Offsetting arrangements

Trade receivables and payables:

The Company gives volume based rebates and also issues credit notes on account of delays, defective, etc. Under the terms of the supply agreements, these amounts payable by the Company are offset against receivables from the customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

28 Fair value measurements

Financial instruments by category	As at	
	March 31, 2019	March 31, 2018
	Amortised cost	Amortised cost
Financial assets		
Loans - Non current	600.41	14,385.95
Trade receivables	16,764.37	11,005.16
Cash and cash equivalents	11,509.70	77,000.20
Other bank balances	231.69	56.11
Loans - Current	5,338.45	143.00
Other financial assets - Current	501.49	981.23
Other financial assets - Non Current	103.34	113.25
Total financial assets	<u>35,049.45</u>	<u>1,03,684.90</u>
Financial liabilities		
Other financial liabilities	835.81	1,312.39
Trade payables	12,785.72	10,365.88
Total financial liabilities	<u>13,621.53</u>	<u>11,678.27</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

29 Particulars of research and development expenditure

	Year ended	
	March 31, 2019	March 31, 2018
(a) Revenue expenditure debited to various heads of account:		
Employee benefits expense	178.75	208.00
Others	30.00	1.81
Total	208.75	209.81

(b) Capital (refer note below)

Description - Gross block (Original cost of asset)	Building	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations	Computer Systems
Balance as at March 31, 2018	27.51	327.53	6.91	57.78	9.84
Additions during the year	-	26.37	-	3.29	-
Deletions during the year	-	-	-	-	-
Balance as at March 31, 2019	<u>27.51</u>	<u>353.90</u>	<u>6.91</u>	<u>61.07</u>	<u>9.84</u>

Description - Gross block (Original cost of asset)	Building	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations	Computer Systems
Balance as at April 1, 2017	-	268.80	3.20	38.90	7.40
Additions during the year	27.51	58.73	3.71	18.88	2.44
Deletions during the year	-	-	-	-	-
Balance as at March 31, 2018	<u>27.51</u>	<u>327.53</u>	<u>6.91</u>	<u>57.78</u>	<u>9.84</u>

Note: Vide letters dated September 29, 2012 and February 12, 2016, the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India has accorded recognition to the Company's in-house research and development (R&D) unit at Naroda, Ahmedabad. The above disclosure is based on requirement stipulated by DSIR, Ministry of Science and Technology, Government of India.

30 Dues to micro and small enterprises

	Year ended	
	March 31, 2019 Current	March 31, 2018 Current
The Company has certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent such enterprises are identified by the Company:		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,003.68	281.53
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end for the year	6.49	32.67
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	3,248.33	1,722.17
Interest paid, other than under Section 16 for MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	67.43	44.51
Further interest remaining due and payable for earlier years	82.66	48.29

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the letters circularised by the Company.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

31 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's risk management is carried out by the management under the policies approved of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. Information on risks and the response strategy is escalated in a timely manner to facilitate timely decision making. Risk response strategy is formulated for key risks by management.

The below note explains the sources of risk which the Company is exposed to and how the Company manages the risk in the financial statements.

A Credit risk

Credit risk arises from cash and cash equivalents, loans to fellow subsidiaries, security deposits carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed and assessed on an ongoing basis. Only high rated banks are accepted for banking transactions and placement of deposits. For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A : High quality assets, negligible credit risk.

B : Low quality assets, high credit risk.

C : Doubtful assets, credit-impaired.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is any significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers below indicators to assess credit risk :

1. Internal credit rating.
2. External credit rating (to extent available).
3. Any significant change in business, financial or economic conditions that are expected to cause a significant change in the payer's ability to meet its obligations, including changes in operating results and payment status.

Macro economic information (such as regulatory changes, legal changes, interest rate changes) are incorporated as a part of the internal rating model.

Default of a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following :

Internal rating	Category	Description	Basis for recognition of expected credit loss provision		
			Loans	Security deposits	Trade receivables
A	High quality assets	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12- month expected credit loss	12- month expected credit loss	Life-time expected credit loss
B	Low quality assets	Assets where there is a moderate probability of default. In general, assets where contractual payments are more days than past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than past due.	Life-time expected credit loss	Life-time expected credit loss	Life-time expected credit loss
C	Doubtful assets	Assets are fully provided or written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments more than past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is fully provided for or written off.		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

31 Financial Risk Management (Contd.)

Expected credit losses for loans and security deposits:

Particulars	Asset group	Internal rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Year ended March 31, 2019						
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	5,938.86	0%	- 5,938.86
Year ended March 31, 2018						
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	14,528.95	0%	- 14,528.95

Expected credit loss for trade receivables under simplified approach.

Customer category	Public sector undertaking	Direct customers	Distributors	Total
Year ended As at March 31, 2019				
Gross carrying amount	2,336.57	11,740.11	3,010.12	17,086.80
Expected loss rate	10.42%	0.67%	0.02%	1.89%
Expected credit loss (loss allowance provision)	243.50	78.36	0.57	322.43
Carrying amount of trade receivables (net of impairment)	2,093.07	11,661.75	3,009.55	16,764.37
Year ended As at March 31, 2018				
Gross carrying amount	2,515.25	6,616.00	2,388.56	11,519.81
Expected loss rate	14.53%	2.25%	0.01%	4.47%
Expected credit loss (loss allowance provision)	365.56	148.89	0.20	514.65
Carrying amount of trade receivables (net of impairment)	2,149.69	6,467.11	2,388.36	11,005.16

Reconciliation of loss allowance provision - Trade receivables

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening provision for loss allowance	514.65	586.20
Add: Additional provision	-	24.52
Less: Utilisation/ (reversal)	(192.22)	(96.07)
Closing provision	322.43	514.65

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

31 Financial Risk Management (Contd.)

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining surplus cash in short-term deposits. Management monitors the rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities:

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2019			
Trade payables	12,785.72	-	12,785.72
Other financial liabilities	835.81	-	835.81
Total	13,621.53	-	13,621.53
As at March 31, 2018			
Trade payables	10,365.88	-	10,365.88
Other financial liabilities	1,312.39	-	1,312.39
Total	11,678.27	-	11,678.27

C Market risk

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company exposure to foreign currency risk at the end of the reporting period expressed in Rupees is as follows:

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign currency	Indian rupees	Foreign currency	Indian rupees
Financial assets					
Trade receivables	USD	73.32	5,070.50	47.50	3,095.67
Trade receivables	EUR	2.60	202.25	-	-
Bank balance (EEFC)	USD	7.77	536.98	27.29	1,778.25
Financial liabilities					
Trade payables	USD	54.48	3,767.66	49.53	3,227.70
Trade payables	EUR	3.13	242.90	2.51	200.97
Trade payables	JPY	12.72	7.95	50.73	31.08
Trade payables	GBP	0.26	23.17	0.35	32.09
Others	USD	-	-	10.52	685.38

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Sensitivity on profit after tax	Year ended	
	March 31, 2019	March 31, 2018
USD sensitivity		
INR/ USD - Increase by 1% (March 31, 2018: 1%)	8.48	(5.35)
INR/ USD - Decrease by 1% (March 31, 2018: 1%)	(8.48)	5.35
EUR sensitivity		
INR/ EUR - Increase by 1% (March 31, 2018: 1%)	(0.26)	(1.31)
INR/ EUR - Decrease by 1% (March 31, 2018: 1%)	0.26	1.31

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

32 Capital Management

A Risk management

The Company's objectives when managing capital are to:

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and;
- (ii) maintain an optimal capital structure to reduce the cost of capital.

The Company does not have any exposure towards debt. Management regularly monitors rolling forecasts of liquidity position and cash on the basis of expected cash flows. In addition, the Company projects cash flows in major currencies and considers the level of liquid assets necessary to meet these.

B Dividends

	As at	
	March 31, 2019	March 31, 2018
(i) Equity shares		
Interim dividend for the financial year 2018-19 of Rs.3.00 (March 31, 2018: Rs. 3.00) per fully paid equity share	947.04	947.04
(ii) Dividends not recognised at the end of the reporting period		
(a) The directors have declared a special dividend of Rs. Nil (March 31, 2018: Rs. 202.00) as second interim dividend	-	63,767.36
(b) The directors have recommended the payment of a final dividend of Rs.3.00 per fully paid equity share (March 31, 2018: Rs.3.00). This dividend is subject to the approval of shareholders in the ensuing annual general meeting.	947.04	947.04

33 Commitments

A Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at	
	March 31, 2019	March 31, 2018
Property, plant and equipment	111.33	100.82

B Operating leases

The Company leases various offices under cancellable and non-cancellable operating leases expiring within one to nine years. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are re-negotiated.

Rental expenses relating to operating leases:

	Year ended	
	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	934.55	782.72
Minimum lease payments in relation to non-cancellable operating lease	804.98	691.61

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

33 Commitments (Contd.)

	As at	
	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	650.12	547.38
Later than one but not later than five years	1,399.58	1,558.82
Later than five years	-	-
	<u>2,049.70</u>	<u>2,106.20</u>

34 Segment Information:

Description of segments and principal activities

The Company's chief operating decision maker (CODM) consists of the managing director and the chief financial officer. The Company's chief operating decision maker (CODM) reviews the performance of the Company as a whole. Consequently, there is only one segment Air Solutions. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Particulars	Total	
	March 31, 2019	March 31, 2018
Revenue		
India	54,382.61	46,781.22
Outside India		
United States	15,135.65	12,637.74
Ireland	1,521.01	836.62
Bangladesh	1,349.70	1,105.38
Srilanka	499.22	570.91
Singapore	751.15	373.93
Others	268.13	219.37
	<u>73,907.47</u>	<u>62,525.17</u>
Non-Current assets (excluding deferred tax assets)		
India	14,993.14	29,195.22
Outside India	-	-
	<u>14,993.14</u>	<u>29,195.22</u>

35 Events occurring after the reporting period

- Refer note 32(B) with respect to dividend recommended by the Board of Directors.
- Ingersoll Rand plc, the ultimate holding company of Ingersoll-Rand (India) Limited ("the Company") and Gardner Denver Holdings Inc. ("the Acquirer") issued a joint press release on 30 April 2019, announcing to have entered into an arrangement which upon completion would entitle the Acquirer, indirectly through its various subsidiaries, ability to exercise 74% of the voting share capital of the Company and control which is currently held by Ingersoll Rand Company.
- Citigroup Global Markets India Private Limited, on behalf of Gardner Denver Holdings Inc. ("Acquirer") and Charm Merger Sub Inc., a person acting in concert with Acquirer, has issued a public announcement on 7 May 2019 ("Public Announcement") for acquisition of upto 8,207,680 fully paid-up equity shares from the public shareholders of the Company, constituting 26% of the fully diluted voting equity share capital of the Company. The Public Announcement has been made in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The completion of the said acquisition is subject to certain conditions, including the receipt of regulatory clearances and approval in various jurisdictions and other customary conditions for the global transaction.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

36 Related party transactions:

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest	
			March 31, 2019	March 31, 2018
Ingersoll-Rand plc.	Ultimate holding company	Ireland	-	-
Ingersoll-Rand Company	Immediate holding company	USA	74%	74%

(b) Key management personnel compensation

	Year ended	
	March 31, 2019	March 31, 2018
Salaries and other employee benefits	395.75	429.79
Contribution to provident fund	11.04	12.68
Employee share-based payment	28.83	23.12
Total compensation	435.62	465.59

(c) Transactions with related parties

	Year ended			
	March 31, 2019		March 31, 2018	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
Sales and purchases of goods and services				
Sale of finished goods	10,951.03	1,923.71	9,604.16	1,144.50
Business support and auxiliary services	95.40	4,476.60	36.84	3,147.94
Purchase of raw materials, components and traded goods	-	10,235.21	214.96	7,901.45
Other transactions				
Recharge of expenses to fellow subsidiaries	-	1,350.31	-	1,357.34
Recharge of salary	-	6.10	-	-
Rent received	-	340.06	-	332.52
Purchase of property, plant and equipment	-	135.64	-	-
Expenses recharged by other companies:				
(i) Cost contribution (Management fees)	724.31	-	634.90	-
(ii) Professional fees	-	417.05	-	413.75
(iii) Travel	-	3.35	-	-
(iv) IT infrastructure	49.41	-	-	-
(v) Staff welfare	11.18	-	-	-
(vi) Repairs and maintenance - plant and machinery	-	16.56	-	12.70
(vii) Contractor charges	-	-	-	14.76
(viii) Other miscellaneous expenses	15.41	132.93	-	135.87
Interest income on intercorporate loans given	-	656.57	-	1,397.28
Expenses/ losses recovered	-	-	-	36.49
Contributions made to gratuity fund	-	250.00	-	153.00
Contributions made to provident fund	-	291.30	-	265.22
Dividend paid	48,588.80	-	1,401.60	-
Repayment of loan	-	8,750.00	-	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(d) Balances with related parties

	As at	
	March 31, 2019	March 31, 2018
The following balances are outstanding at the end of the reporting period in relation with transactions with related parties:		
Holding company		
Trade receivables	3,649.62	1,784.12
Trade payables	233.85	209.24
Advances from customers	-	3.33
Fellow subsidiaries		
Trade receivables	1,547.79	1,034.20
Other receivables	282.56	253.98
Unbilled revenues	103.77	93.82
Intercompany Loans receivable	5,206.25	13,930.95
Trade payables	2,988.69	2,777.40
Creditors for capital goods	22.45	-
Advances from customers	-	38.21

(e) Remuneration paid to key management personnel

	Year ended	
	March 31, 2019	March 31, 2018
Remuneration Paid:		
Amar Kaul, Chairman and Managing Director		
Salaries and other employee benefits	256.76	227.15
Contribution to provident fund	6.51	5.90
Employee share-based payment	25.97	23.12
G. Madhusudhan Rao, Vice President - Finance (Upto 2-Jan-2018)		
Salaries and other employee benefits	-	115.84
Contribution to provident fund	-	3.43
Vikas Goel, CFO (From 05-July-2017)		
Salaries and other employee benefits	138.99	86.80
Contribution to provident fund	4.53	3.35
Employee share-based payment	2.86	-

Note: The above does not include provision for gratuity and compensated absences that are calculated for the Company as a whole.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

36 Related party transactions: (Contd.)

(f) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

	Year ended	
	March 31, 2019	March 31, 2018
Sales and purchases of goods and services		
(a) Sale of finished goods		
-Ingersoll-Rand International Limited, Ireland	1,444.70	828.77
-Ingersoll Rand Air Solutions Hibon SARL, France	128.34	131.90
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	307.28	141.40
(b) Business support and auxiliary services		
-Trane U.S. Inc, USA	4,089.23	2,996.73
(c) Purchase of raw materials, components and traded goods		
-Ingersoll Rand International Limited, Ireland	7,851.22	6,363.73
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	1,960.92	1,259.06

Other transactions

	Year ended	
	March 31, 2019	March 31, 2018
(a) Recharge of expenses to fellow subsidiaries		
-Ingersoll-Rand Technologies and Services Private Limited, India	749.36	723.52
-Ingersoll-Rand Climate Solutions Private Limited, India	583.48	630.50
-Ingersoll-Rand International (India) Private Limited, India	17.48	3.32
(b) Recharge of salary		
-Ingersoll-Rand Technologies and Services Private Limited, India	6.10	-
(c) Rent received		
-Ingersoll-Rand Technologies and Services Private Limited, India	43.15	44.55
-Ingersoll-Rand Climate Solutions Private Limited, India	296.91	287.97
(d) Purchase of property, plant and equipment		
-Ingersoll-Rand Technologies and Services Private Limited, India	131.72	-
(e) Expenses recharged by other companies		
-Ingersoll-Rand Technologies and Services Private Limited, India	184.77	137.25
-Ingersoll-Rand International (India) Private Limited, India	373.75	413.17
(f) Interest income on intercorporate loans given		
-Ingersoll-Rand Technologies and Services Private Limited, India	104.27	876.03
-Ingersoll-Rand Climate Solutions Private Limited, India	552.30	521.24
(g) Expenses/ losses recovered		
-Ingersoll-Rand Climate Solutions Private Limited, India	-	36.49
(h) Contributions made to gratuity fund		
-Ingersoll-Rand Employees Gratuity Trust, India	250.00	153.00
(i) Contributions made to provident fund		
-Ingersoll-Rand Employees Provident Fund Trust, India	291.30	265.22
(j) Repayment of loan		
-Ingersoll-Rand Technologies and Services Private Limited, India	8,750.00	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

36 Related party transactions: (Contd.)

Balances with related parties:

	As at	
	March 31, 2019	March 31, 2018
(a) Trade receivables		
-Ingersoll Rand International Limited, Ireland	214.15	98.44
-Trane U.S. Inc, USA	1,093.38	778.05
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	165.41	132.37
(b) Other receivables		
-Ingersoll-Rand Climate Solutions Private Limited, India	131.70	197.55
-Ingersoll-Rand Technologies and Services Private Limited, India	145.44	56.43
(c) Unbilled revenues		
-Ingersoll-Rand Climate Solutions Private Limited, India	103.77	93.82
(d) Intercorporate Loans receivable		
-Ingersoll-Rand Climate Solutions Private Limited, India	5,206.25	5,196.81
-Ingersoll-Rand Technologies and Services Private Limited, India	-	8,734.14
(e) Trade payables		
-Ingersoll Rand International Limited, Ireland	2,075.94	2,148.13
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	487.79	396.36
(f) Creditors for capital goods		
-Ingersoll-Rand Technologies and Services Private Limited, India	22.45	-
(g) Advances from customers		
-Ingersoll Rand International Limited, Ireland	-	33.09
-Ingersoll-Rand Technologies and Services Private Limited, India	-	4.55

(g) Terms and conditions

- (1) Transaction relating to dividends was on the same terms and conditions that applied to other shareholders.
- (2) The loans to fellow subsidiaries are for periods of 5 years repayable at the end of the term at interest rate of 1% above bank interest rate. The average interest rate on the loans to fellow subsidiaries during the year was 10.70% (March 31, 2018: 9.75%).
- (3) Management services were bought from the immediate holding company on a cost to cost basis. Export of IT services to immediate holding company is on cost-plus basis.
- (4) All transactions including sale of goods were made on normal commercial terms and conditions and at arm's length price.
- (5) All outstanding balances are unsecured and are repayable in cash.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

37 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

38 **Prior year figures**

Prior year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classifications which also include Ind AS requirements.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Sanjay Sharma
Partner
Membership Number: 063980

Place: New Delhi
Date: May 16, 2019

for and on behalf of Board of Directors of
Ingersoll - Rand (India) Limited

Amar Kaul
Chairman and Managing
Director
DIN: 07574081

Vikas Goel
Chief Financial Officer

Place: New Delhi
Date: May 16, 2019

Sekhar Natarajan
Director
DIN: 01031445

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

NOTES

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Ingersoll-Rand (India) Limited

8th Floor, Tower D, IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road,
Bengaluru – 560029