Ingersoll Rand
Inspiring Progress™

Sustaining Leadership

ANNUAL REPORT 2016-17

Ingersoll-Rand (India) Limited

Ingersoll-Rand (India) Limited

BOARD OF DIRECTORS

Mr. Amar Kaul	Chairman and Managing Director
Ms. Jayantika Dave	
Mr. Hemraj C. Asher	
Mr. Darius C. Shroff	
Mr. Sekhar Natarajan	

OFFICERS

Mr. G. Madhusudhan Rao	Vice President - Finance
Mr. Prasad Y. Naik	Vice President - Information Technology

COMPANY SECRETARY

Mr. P. R. Shubhakar

AUDITORS

Price Waterhouse & Co Bangalore LLP
Chartered Accountants

SOLICITORS

Crawford Bayley & Co.
Mumbai

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

REGISTERED OFFICE & CORPORATE OFFICE

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

REGIONAL AND OTHER OFFICES

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

MANUFACTURING FACILITY

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

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 95th Annual General Meeting of your Company. Ingersoll Rand sustained another exceptional year of delivering value to its people, its customers and the country, large sweeping changes in the world economy notwithstanding.

2016 was a tumultuous year with landmark economic and political developments. Globally, Brexit set the turbulent tone in the first half of 2016, followed by China's slowdown, low oil prices and overall weakening in the economies of Japan, U.S. and Europe. Encouraging signs indicate a positive outlook for the next year with the world GDP estimated to grow from 3.1% in 2016 to 3.4% in 2017. However, a major challenge to the world economy is the emerging trend of protectionism, leading to increasing retreat from globalization of goods, services and people. These developments can have a widespread impact on exports from a number of emerging markets, including India.

In this scenario, with an added demonetization, India has stayed economically strong, rising 3 places to become the sixth largest manufacturing country in the world. The Indian economy is expected to grow at 7.5% in the fiscal year 2017-18 vs. 7.1% in the previous year. Its consistent rock-solid domestic demand fuels not only about 60% of the GDP but also keeps it insured against global volatility.

The capital goods sector continued its sharp decline with production at a dismal lowest since 2008. The industrial sector too showed a moderate decline. Eight core industries, comprising coal, crude oil, steel, cement, natural gas, electricity, fertilizers and refinery products registered a combined growth of 4.9% during April-November of FY17, compared to 2.5% growth during the same period in FY16. Production volume categories comprising steel, refinery products, cement and electricity registered a significant rise, while production of natural gas and crude oil declined during April-November 2016.

Thermal energy production registered a growth of 6.9% while nuclear and hydro power generation marginally contracted during H1 FY17.

With the Confederation of Indian Industry (CII) business confidence index (BCI) at an all-time high of 64.1 during the quarter of January-March 2017, there is a palpable optimism about the future economic activities added with the hope that government reforms will open up various investment opportunities for companies going forward.

2016, demonstrated yet again, the strength of our strategy; enduring growth through sustainability in all its forms – business, social and environmental.

We have continued to build a more sustainable and thriving enterprise and are leading the way to long term value creation and positive societal impact within our industries, and building a legacy for the next century and beyond.

We grew steadily, despite weak global economic conditions. Our endeavour to create markets "In India; For India; By India" continued its robust momentum.

Financial Highlights

The financial statements forming part of this annual report are the Company's first financial statements prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS). For the year ending March 31, 2017, we recorded revenues of Rs. 677.2 cr. from continuing operations which was 1.7% higher compared to that of previous financial year. Our profits after tax for the year ending March 31, 2017 stood at Rs. 76.07 cr. which was 24% higher compared to profit after tax of previous financial year.

Delivering Excellence

We continue to deliver excellence to our customers and stakeholders through investments in our manufacturing facilities, building stronger partnerships and in brand awareness activities that will positively impact our business.

Our Naroda transformation project was successfully completed this year with the completion of Phase-3 work and the completion of the new office building. The transformed facilities were inaugurated in the presence of our global leadership team with a walkthrough of the shop floor and reviews of OEDP (Operational Excellence Deployment Plan), MDI (Managing Daily Improvements) boards, critical 3P journey and the BBS (Behavior Based Safety) board.

Continuing our focus on creating stronger partnerships, successful Channel Meets were organized in Delhi and Mumbai for Direct and Distribution channels. The events were a step further to enable all our stakeholders to grow and win market share together in a profitable manner. The theme for the event this year was 'Customer Management' that was developed around ways to strengthen our foundation by working together to develop

Transformed Naroda Manufacturing Facility market strategies to 'Retain', 'Recapture' and 'Acquire' customers.

As a result of the successful Channel Meets, a Global Competency Learning Program was launched as a sales training program in order to provide our distribution network with solid know-how on compressed air technology and Ingersoll Rand products.

As a step further towards building brand awareness and acquiring new customers, we participated in multiple trade shows, industry events and seminars covering important industries including Pharmaceuticals, Petrochemical, Plastics, Packaging, Textile and Printing across multiple regions of Uttar Pradesh, Haryana, Andhra Pradesh, Tirupur, Delhi and Mumbai. Key products including Evolution, Sierra SH75, aeration blower, Oil-free, Centac range amongst others were showcased to thousands of visitors leading to successful order bookings, lead generation and brand awareness.

Winning Together

A progressive, diverse and inclusive culture for the employees is one of the company's cornerstones.

We provide, a truly comfortable and encouraging working environment across all parameters, so that our employees are happily and fruitfully engaged.

The 2016 employee engagement index score is up from last year, with 100% participation. The strongest areas of engagement; ethics, values, sustainability and safety; reflect the company's internal growth and is a strong enabler to the company's superior performance.

We are invested in growing our business, by growing our people first. Career Progress, our new, integrated career management and rewards system, is helping to meet that need with a suite of career management resources. By encouraging and enhancing competencies, skills and experiences, Career Progress sets the path for a meaningful, productive and sustained career growth and paves the way for sustainable leadership.

Bearing testimony to our 'Winning Culture', Ingersoll Rand, was named as the '2017 – Number 1 Dream Company to Work For' in the manufacturing sector and also ranked 15th across all industries at the Dream Company Awards organized by Times Ascent and World HRD Congress, from amongst 750 companies. The company also collected other top awards in categories of Organization with Innovative HR Practices, Award for Talent

Employees celebrating the 'Dream Company to Work For' Awards

Management, Excellence in Learning & Development, Diversity Impact Award and Award for Best Corporate Social Responsibility Practices. At Ingersoll Rand, we work together to win together!

Making a Difference

The company strives towards inspiring, nurturing and connecting with individuals and communities in its area of operations. Ingersoll Rand has positively affected over 1,17,759 lives in India. Continuing our compliance with the Companies Act 2013 we have initiated several projects to further Education, Healthcare & Sanitation, Livelihood and Sustainability.

Our fight against malnutrition progresses further with continued support of the Akshaya Patra Foundation to aid the mid-day meal scheme in Government schools for 8183 children in Bangalore and Naroda. Continuing our association with Agastya International Foundation, we have strengthened our fleet of three Mobile Science Labs. Fun, engaging and interactive, these have been catalytic in raising awareness among disadvantaged children. Focussed on the girl child, the Ingersoll Rand Science Centre at Government Girls Senior Secondary School, Jacubpura, Gurgaon, provides stimulating science education through experience and practical mentoring. The Mission Education Centre in Kolkata aids the education and co-curricular activities of 150 children in the age group of 3 to 18 years from difficult circumstances, economically weaker families and socially disadvantaged communities.

We strongly believe in skilling the educated youth from weaker sections and empowering them to earn a meaningful livelihood. We have partnered with National Skill Development Fund, a special fund setup under the Ministry of Skill Development & Entrepreneurship, to provide gainful employment to close to 250 youth with at least 30% focus on female participation.

Partnering with Sulabh Foundation, we take head on, the crucial step to further community development with the provision of accessible sanitation facility to commuters and beneficiaries in the area.

At the heart of our community development initiatives are committed, aware and engaged employees who volunteer to work for these causes wholeheartedly.

Employee Volunteer Team at a Tree Plantation activity in Gurgaon

In 2016, our employees engaged in 15 volunteering activities with 1220 hours of employee time through CSR engagement and also helped the launch of 5 new pioneering projects.

Sustaining Leadership

The new financial year poses the challenge of sustaining growth in a politically and economically volatile world. However, growth in a number of emerging economies is expected to recover in 2017. The Indian economy is slated to grow at a healthy 7.5% in the fiscal year 2017-18. This, along with India's improved global performance in manufacturing makes for a reassuring future.

Ingersoll Rand moves ahead with a focussed commitment on sustaining growth through its differentiated product portfolio and culture, in-depth domain expertise, providing great service to customers and creating value for our shareholders. We are committed to sustaining our leadership globally and in India for delivering top-tier financial performance and creating enduring value.

Sincerely,

Amar Kaul

Chairman and Managing Director

Ingersoll Rand
Inspiring Progress™

Highlights of the Year

		2016-17			2015-16	
Domestic Sales	Rs.	4,418.88	million	Rs.	4,452.53	million
Export Sales	Rs.	1,482.14	million	Rs.	1,447.33	million
(Less): Excise Duty	Rs.	(435.26)	million	Rs.	(447.33)	million
Other Revenue from Operations	Rs.	870.76	million	Rs.	758.69	million
Total Revenue from Operations	Rs.	6,336.52	million	Rs.	6,211.22	million
Profit before tax	Rs.	1,125.53	million	Rs.	823.96	million
As a % of revenue from operations		17.76			13.27	
Profit after tax	Rs.	760.74	million	Rs.	611.16	million
As a % of revenue from operations		12.01			9.84	
Return on total resources (%)		6.31			5.26	
Net worth per share	Rs.	336.28		Rs.	319.20	
Earnings per share	Rs.	24.48		Rs.	19.27	
Price earnings ratio		31.57	times		33.53	times
Dividend per share	Rs.	6.00		Rs.	6.00	
Cover		4.1	times		3.2	times
Net revenue from operations/total assets		0.5	times		0.5	times
Profit after tax/gross fixed assets (%)		51.15			50.04	
No. of employees		688			684	
No. of shareholders		24,574			23,746	

Distribution Schedule Of Shareholdings

	Number of Shares	Percentage(%)
Principals	23,360,000	74%
Institutional Investors (Includes Govt./Govt. sponsored Financial Institutions/Foreign Banks/ Other Banks/Mutual Funds)	2,553,714	8%
Bodies Corporate & Trusts	668,081	2%
Directors and their relatives	76,200	0% *
Others	4,910,005	16%
Total	31,568,000	100%

* Less than 1%

Contents

Notice

Notice is hereby given that the Ninety-Fifth Annual General Meeting of Ingersoll – Rand (India) Limited (the "Company") will be held at Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001 at 12.00 noon on Thursday, August 3, 2017 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the financial year ended on March 31, 2017 together with the reports of the Directors and the Auditors.

2. To declare dividend on equity shares of the Company for the financial year ended on March 31, 2017.

3. To appoint a Director in place of Ms. Jayantika Dave (DIN: 01585850), who retires by rotation and, being eligible, offers herself for reappointment and to consider, and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Ms. Jayantika Dave, Director, who retires by rotation from the Board of Directors, pursuant to Article 131 of the Articles of Association of the Company and Section 152 of the Companies Act, 2013, being eligible for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

4. **Appointment of Statutory Auditors of the Company**
   Messrs. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, are not eligible for re-appointment as Statutory Auditors of the Company as per the provisions of Section 139 of the Companies Act, 2013. Accordingly, the Board of Directors has recommended the appointment of Messrs. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Statutory Auditors in place of Messrs. Price Waterhouse & Co Bangalore LLP, the retiring Auditors, for a period of 5 (five) years from the conclusion of this Annual General Meeting subject to ratification of their appointment by the Members at every Annual General Meeting.

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Messrs. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring Statutory Auditors, Messrs. Price Waterhouse & Co Bangalore LLP (Firm Registration No. 007567S/S-200012), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting subject to ratification of their appointment by the Members at every Annual General Meeting at such remuneration (including reimbursement of out of pocket expenses), as may be mutually agreed between the Board of Directors of the Company (including a Committee thereof) and the Statutory Auditors, plus applicable taxes and the Board of Directors (including a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient for implementing and giving effect to this resolution."

SPECIAL BUSINESS

5. **Appointment of Mr. Amar Kaul as a Director of the Company**

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

   "RESOLVED THAT Mr. Amar Kaul (DIN: 07574081) who was appointed as an Additional Director of the Company with effect from August 5, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. **Appointment of Mr. Amar Kaul as Managing Director of the Company**

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

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, approval of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Amar Kaul (DIN: 07574081) as the Managing Director of the Company for a period of five years with effect from August 5, 2016 upon the terms and conditions as recorded in the Agreements entered into between the Company and Mr. Amar Kaul and set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of appointment Mr. Amar Kaul shall be entitled to be paid remuneration according to terms and conditions as recorded in the explanatory statement subject to the approval of the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to enhance, enlarge, alter or vary the scope and terms of remuneration, payable to Mr. Amar Kaul and other terms and conditions of his appointment from time to time, provided that any revision in remuneration shall not exceed the statutory limits prescribed by Section 197 or any other applicable provisions of the Act subject to the approval of the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

7. Ratification of remuneration to the Cost Auditor of the Company for Financial Year 2017-18

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 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of Rs. 2,00,000/- (Rupees Two Lakhs) and out of pocket expenses actually incurred during the course of audit plus applicable taxes to Messrs. Ashish Bhavsar & Associates, Cost Accountants, appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 be and is hereby confirmed, approved and ratified and the Board of Directors (including a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient for implementing and giving effect to this resolution."

NOTES: -

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING ('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 THIS AGM. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION.

(b) A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of 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.

(c) 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.

(d) A Corporate Member intending to send its authorised representative to attend this AGM in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board resolution authorizing such representative to attend and vote on its behalf at this AGM.

(e) The Register of Members and the Share Transfer Books of the Company will remain closed from July 18, 2017 to July 21, 2017, both days inclusive, for the purpose of payment of dividend, if declared at this AGM.

(f) The Final Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended on March 31, 2017, if declared at this 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 July 17, 2017;

    (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 Registrar and Share Transfer Agents on or before July 17, 2017. The Company will dispatch the dividend warrants from August 8, 2017.

(g) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Bank account details given by Members to their Depository Participant(s) (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned Members. Members who hold shares in dematerialized form must, therefore, give instructions regarding their bank account details to their DPs. The Company will not act on any request received directly from Members for changes in their bank account details. Further, instructions, if any, given by Members for shares held in physical form will not be applicable to the dividend paid on shares held in electronic form.

Pursuant to Sections 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund of the Central Government. Accordingly, the Company would be transferring the Final Dividend 2009-10 for the financial year ended on March 31, 2010 and the Interim Dividend 2010-11 for the financial year ended on March 31, 2011 on or before September 24, 2017 and December 20, 2017 respectively.

Members are requested to ensure that they claim the dividends referred to above before it is transferred to the said Fund. Members are requested to make their claims to the Company / Registrar and Share Transfer Agents immediately. 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.

(h) 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.

(i) 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.

(j) The Ministry of Corporate Affairs (MCA) has taken Green Initiative in Corporate Governance allowing paperless compliance by companies through electronic mode. Taking advantage of this Green Initiative of the MCA, your Company has decided to send the electronic copy of this Annual Report to the e-mail addresses of the Members registered with the Company. 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 above-mentioned documents in physical form, you are requested to send an e-mail to the Company's Registrar and Share Transfer Agents to csg-unit@tsrdarashaw.com mentioning your folio/DP ID and Client ID.

(k) Please note that you are entitled to receive the above-mentioned documents free of costs upon a requisition from you as a Member of the Company. Members holding shares in dematerialized form who wish to receive the above-mentioned documents in electronic form and who have so far not registered their e-mail addresses may do so with their concerned DP. Members holding shares in physical form who wish to receive the above-mentioned documents in electronic form are requested to register their e-mail id with the Company's Registrar and Share Transfer Agents.

(l) Members who wish to attend this 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 this AGM.

(m) 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 this 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 this AGM for recording of attendance at this AGM.

(n) 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 this AGM so that the information required may be made available at this AGM, to the best extent possible.

(o) As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Director seeking appointment at this AGM are given in the annexure to the Notice of the AGM.

(p) The explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of business under Item Nos. 4 to 7 is annexed hereto.

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

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted vide notification dated March 19, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at this 95th 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. 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 this AGM (for Members whose e-mail addresses are not registered with the Company/DPs or upon request):

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

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

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at Downloads section of www.evoting@nsdl.com

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 July 31, 2017 (9.00 am IST) and ends on August 2, 2017 (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 July 27, 2017, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting after August 2, 2017 (5.00

pm IST). Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

VI. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of Notice of this AGM and holds shares as on the cut-off date i.e. July 27, 2017 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 this 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 of the paid-up equity share capital of the Company as on the cut-off date of July 27, 2017.

X. Ms. Sachita Shetty, Advocate, Crawford Bayley & Co., 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 this 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 2, 2017 (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 aforestated 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 2, 2017, (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.

(r) 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 upto the date of this AGM and at the venue of this AGM for the duration of this AGM.

(s) With a view to serving the members better and of administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names 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 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

Mumbai, May 23, 2017

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

Annexure to the Notice

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying notice :-

ITEM NO. 4

The Explanatory Statement for this Item No. 4 is being provided voluntarily, though strictly not required as per Section 102 of the Companies Act, 2013 (the "Act").

Section 139 (2) of the Act inter alia provides for appointment of an Audit firm as Company's Auditor for two (2) terms of five (5) consecutive years. The Act also provides for a period of three (3) years to comply with the requirements of section 139(2) in respect to companies existing before the commencement of the Act.

Accordingly, at the 92nd Annual General Meeting of the Company held on September 12, 2014, Messrs. Price Waterhouse & Co Bangalore LLP, Chartered Accountants having firm registration number 007567S/S-200012 were appointed as statutory auditors of the Company for a period of three (3) years, subject to ratification of such appointment by the Members of the Company at every Annual General meeting. At two subsequent annual general meetings their appointment was duly ratified. Messrs. Price Waterhouse & Co Bangalore LLP, Chartered Accountants will hold office up to the conclusion of this annual general meeting and are not eligible for reappointment. It is accordingly proposed to appoint Messrs. B S R & Co. LLP, Chartered Accountants having firm registration number 101248W/W-100022 as the Company's statutory auditors at this annual general meeting.

The appointment of Messrs. B S R & Co. LLP, Chartered Accountants is being made for the first time under section 139 of the Act, for a term of five consecutive years subject to the ratification by Members at every Annual General Meeting.

A special notice has been received under section 140(4)(ii) from a shareholder holding not less than 1% of the total voting power for appointment of Messrs. B S R & Co. LLP, Chartered Accountants, as the Company's Auditor for the said term of five years. The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and has recommended their appointment.

The appointment of Messrs. B S R & Co. LLP, Chartered Accountants is placed before the Members for their approval at Item no. 4 of the Notice.

ITEM NOS. 5 & 6:

The Board of Directors (the "Board") at its meeting held on August 04, 2016 appointed Mr. Amar Kaul as an Additional Director of the Company. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

On the recommendation made by Nomination and Remuneration Committee and as approved the Board, the Board, at the said meeting held on August 04, 2016, appointed Mr. Amar Kaul as Managing Director of the Company for a period of 5 years, subject to the approval of the Members.

The remuneration payable to Mr. Amar Kaul is in terms of recommendation by the Nomination and Remuneration Committee. On the recommendation of Nomination and Remuneration Committee, the remuneration payable to Mr. Amar Kaul was increased by the Board effective from September 01, 2016 and thereafter the remuneration was further increased by the Board effective from April 01, 2017. The Company has, on August 8, 2016, entered into an Agreement with Mr. Amar Kaul for appointment and remuneration payable to him on his appointment. The Company has also entered into Supplemental Agreement-1 dated November 21, 2016 for the increase in remuneration payable to him from September 2016. It is also proposed to enter into Supplemental Agreement-2 with Mr. Amar Kaul for increase in remuneration from April 1, 2017. The terms and conditions of appointment of Mr. Amar Kaul and remuneration payable to him are mentioned herein below.

The Board at the meeting held on November 21, 2016 appointed Mr. Amar Kaul as Chairman of the Board.

Prior to his appointment as Managing Director, Mr. Amar Kaul held the office of Manager under the provisions of the Act. The Board initially appointed him as Manager under the provisions of the Companies Act, 1956 for a period of five years effective July 22, 2011, which appointment was approved by the Members at the Annual General Meeting held on July 19, 2012. With the intention of appointing him later as Director and Managing Director, the Board re-appointed him as Manager under the Act for a period of one month effective July 22, 2016, which was approved by the Members at the Annual General Meeting held on July 27, 2016.

Mr. Amar Kaul, aged about 48 years, joined the Company on May 10, 2011 as Vice President & General Manager – Air Solutions. He holds B. Tech (Mechanical Engineering) degree from G. B. Pant University and M. S. (Engineering Business Management) degree from University of Warwick, U.K. He was working with Bharat Forge Ltd., prior to joining the Company where he was Senior Vice President. He has experience of about 25 years of progressive exposure in different engineering companies and brings a very strong business perspective to his role.

The main terms and conditions of appointment of Mr. Amar Kaul (hereinafter referred to as "MD") as set out in the Principal Agreement and Supplemental Agreement-1 and the proposed Supplemental Agreement-2 are given below:

1. Tenure of Appointment:

   The appointment of MD is for a period of five years from 5th August 2016 to 4th August 2021.

2. Nature of Duties:

   The MD shall exercise and perform such powers and duties subject to the superintendence, control and direction of the Board as may be entrusted to him by the Board from time to time and subject thereto, shall have the general control of the business of the Company with power to appoint and remunerate officers, clerks and employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, matters, deeds and things, he may consider necessary or proper or in the interest of the Company. During his employment pursuant to this agreement the MD shall devote his full time and attention to the business of the Company and shall use his best endeavors to promote the Company's interest and welfare.

3. Remuneration:

a. Basic Salary:

   - Basic salary of Rs. 3,46,668/- (Rupees three lakh forty six thousand six hundred and sixty eight only) per month from August 05, 2016 to August 31, 2016.
   - Basic salary of Rs. 3,68,855/- (Rupees three lakh sixty eight thousand eight hundred and fifty five only) per month from September 01, 2016 to March 31, 2017.
   - Basic salary of Rs. 4,09,429/- (Rupees four lakh nine thousand four hundred and twenty nine only) per month from April 01, 2017.

   The annual increments effective from April 1 each year will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee and will be performance based and will take into account the Company's performance as well.

b. Benefits, Perquisites and Allowances:

   i. House rent allowance:

   - House rent allowance of Rs. 1,73,334/- (Rupees one lakh seventy three thousand three hundred and thirty four only) per month from August 05, 2016 to August 31, 2016.
   - House rent allowance of Rs. 55,000/- (Rupees fifty five thousand only) per month from September 01, 2016 to March 31, 2017.

   ii. Education allowance:

   - Education allowance of Rs. 100/- (Rupees hundred only) per month from August 05, 2016

   iii. Special allowance:

   - Special allowance of Rs. 3.36,669/- (Rupees three lakh thirty six thousand six hundred and sixty nine only) per month from August 05, 2016 to August 31, 2016.
   - Special allowance of Rs. 4,88,283/- (Rupees four lakh eighty eight thousand two hundred and eighty three only) per month from September 01, 2016 to March 31, 2017.
   - Special Allowance of Rs. 6,04,143/- (Rupees six lakh four thousand one hundred and forty three only) per month from April 01, 2017.
   - Monetary equivalent of stock options offered by Ingersoll-Rand plc, as and when exercised by the MD shall be paid to him by the Company. The value of stock options will be determined at prevailing rates.
   - Medical benefit under the Company's Group Medical Benefit Scheme or any other Scheme for the time being in force for medical services/benefits, for the MD and his family and reimbursement of other medical expenses outside the purview of the above Scheme provided that the total expenses thereof shall not exceed Rs. 15,000/- (Rupees fifteen thousand only) per annum

- Leave Travel benefit once for every year of service for the MD and his family by way of return fare for travel to any place in India by air or air conditioned coach as per rules of the Company upto a maximum of Rs. 75,000/- (Rupees seventy five thousand only) per year.
- Personal Accident Insurance for a maximum sum assured of Rs.3,12,00,000/- (Rupees three crore twelve lakhs only).
- Payment towards expenses incurred by the Managing Director for running and maintenance of his personal motor car subject to a maximum of Rs.7,90,000/- (Rupees seven lakh ninety thousand only) and further maximum of Rs. 28,800/- (Rupees twenty eight thousand eight hundred only) per annum towards vehicle maintenance.
- Contribution to Provident Fund as per the Rules of the Company.
- Contribution to Gratuity Fund at the rates prescribed under the Payment of Gratuity Act, 1972, being at the rate of one-half month's salary for each completed year of service, subject to a maximum of Rs. 10,00,000/- (Rupees ten lakhs only).
- The actual travelling, entertainment and other expenses as reasonably incurred by the MD in or about the business of the Company shall be reimbursed.
- Leave and encashment of unavailed leave as per the Rules of the Company.

c. Annual Bonus/Commission

Annual Bonus/Commission at such rate of the net profits of the Company/such amount as the Board may decide from time to time, without any maximum limit.

4. Minimum Remuneration:

The minimum salary and perquisites as mentioned in Schedule V of the Act shall be payable. In any financial year commencing from April 01, 2017 during the tenure of MD, if the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration to him subject to approval of Central Government, if necessary.

5. Other terms of appointment of MD:

- MD shall not engage himself directly or indirectly in any other business, occupation or employment which competes with the business of the Company.
- MD shall not divulge or disclose any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company.
- MD shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the Central Government.
- MD's employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with his creditors.
- Either party is entitled to terminate the Agreement by giving three months' notice in writing to the other party.
- The Company to have the right to terminate his appointment with immediate effect, if he be guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties or any breach of the Agreement as in the opinion of the Board renders his retirement desirable.

In the resolution placed before the Members at Item No.6 it is also proposed to authorise the Board to pay to Mr. Amar Kaul the same remuneration in the event of loss or inadequacy of profits in any financial year commencing from April 1, 2017 during the tenure of his appointment subject to the approval of the Central Government, if necessary. It is also proposed to authorise the Board to alter, modify or vary the terms and conditions of the said appointment of Mr. Amar Kaul as also to alter, enhance or increase the remuneration payable to him subject to the provisions of Sections 196 and 197 of the Act and subject to the approval of the Central Government, if necessary.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of the MD as specified above are now being placed before the Members for their approval. Your Directors consider that the remuneration and perquisites proposed to be paid to MD are commensurate with his duties and responsibilities. The Board commends the resolutions at Item Nos. 5 and 6 for approval by the Members.

Mr. Amar Kaul is interested in the resolutions set out at Item Nos. 5 and 6 of this Notice as they relate to his appointment.

None of the other Directors or Key Managerial Personnel of the Company and/or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 and 6 of this Notice.

ITEM NO. 7

The Board of Directors of the Company (the 'Board'), on the recommendation of the Audit Committee, has approved the appointment of Messrs. Ashish Bhavsar & Associates, Cost Accountants, 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, 2018. Messrs. 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. 2,00,000/- 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 Companies Act, 2013 ("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, ratification of the Members is sought as referred to in the resolution at Item No. 7 of the Notice for the payment of remuneration amounting to Rs. 2,00,000/- plus applicable taxes and out of pocket expenses for the financial year ending on March 31, 2018.

None of the Directors or Key Managerial Personnel of the Company and/or their respective relatives is, in any way, interested or concerned, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

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

Mumbai, May 23, 2017

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

ANNEXURE TO AGM NOTICE

DETAILS OF DIRECTOR 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	Ms. Jayantika Dave
Director Identification Number	01585850
Date of Birth / Age	24th January 1955 / 62 years
Date of appointment as Director	12th September 2014
Qualification	Post Graduate in Management (HR & Marketing)
Brief profile and nature of expertise in specific functional areas	Ms. Jayantika Dave has more than three decades of experience in various capacities in Human Resources functions with different IT and Technology firms. She has worked as Vice President – Human Resources for Ingersoll Rand group in India between October 2009 and January 2015. Prior to joining Ingersoll Rand group in 2009, she served as Director, Human Resources, Agilent Technologies Private Limited. She is also 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).
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. Amar Kaul
Director Identification Number	07574081
Date of Birth / Age	1st August 1969 / 48 years
Date of appointment as Director	5th August 2016
Qualification	B. Tech. (Mech. Engg.)
	M. S. (Engineering Business Management)
Brief profile and nature of expertise in specific functional areas	Mr. Amar Kaul joined the Company in May 2011 as Vice President & General Manager – Air Solutions. Prior to his appointment as Managing Director, he acted as Manager under the Companies Act from July 2011 to August 2016. Prior to joining the Company, he was working with Bharat Forge Limited as Senior Vice President. He has experience of close to 25 years in engineering & automobile/ non automobile sector and brings a very strong business perspective to his role. He is also a member of the CII National Committee on Capital Goods
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

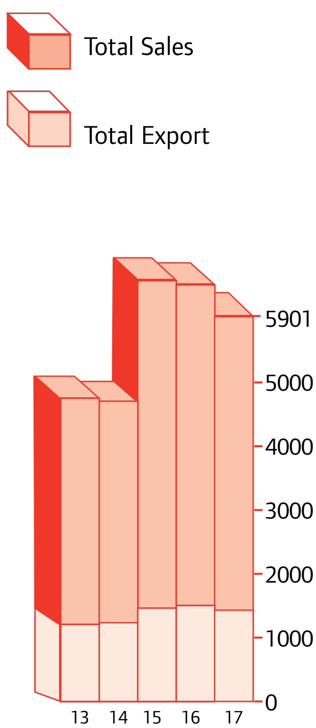
Details of Memberships/Chairmanship of Audit Committee and Stakeholders' Relationship Committee are provided.

Directorships in foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc. are not provided

Aforesaid Director is not related to any other Director.

Directors' Report

GROSS SALES
(in Millions of Rs.)



To
THE MEMBERS,
INGERSOLL-RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-Fifth Annual Report along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2017, that is, the year under review.

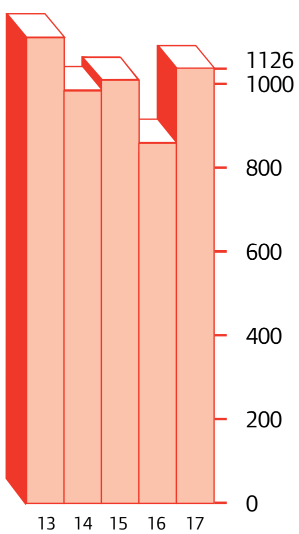
Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, your Company has adopted the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act with effect from April 1, 2016. Financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind AS. Note 37 to the financial statements provide further explanation on the transition to Ind AS.

1. FINANCIAL SUMMARY OF THE COMPANY

(Rupees in Million)

	2016-17		2015-16	
Continuing Operations:				
Gross Profit:		1,269.75		898.81
(Less): Depreciation and amortization expenses		(118.00)		(97.76)
(Less): Finance costs		(7.88)		(4.67)
Profit before taxation and exceptional items		1,143.87		796.38
(Less)/Add: Provision for Current Tax	(375.75)		(269.26)	
(Less)/Add: Deferred Tax for the year	(26.73)		13.83	
(Less)/Add: Write back relating to prior years (net)	31.34	(371.14)	52.17	(203.26)
Net Profit		772.73		593.12
Other comprehensive income:				
Gain/(loss) on remeasurements of post-employment benefit obligations	(18.34)		4.31	
Income tax on above	6.35	(11.99)	(1.49)	2.82
Discontinuing Operations:				
Profit before tax	---		23.27	
Income tax expense	---		8.05	
Net Profit		---		15.22
Total comprehensive income for the year		760.74		611.16
Add: Balance in retained earnings brought forward from earlier years		6,722.86		6,339.66
		7,483.60		6,950.82
Appropriations:				
Dividends paid (including tax thereon)		227.96		227.96
Balance carried to Balance Sheet		7,255.64		6,722.86
		7,483.60		6,950.82

PROFIT BEFORE TAX
(in Millions of Rs.)



2. MANAGEMENT DISCUSSION AND ANALYSIS

I. **Industry Structure and Development:** India has registered a steady pace of economic growth in Fiscal 2016-17 as it did in Fiscal 2015-16. Additionally, macroeconomic parameters such as inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. Continued weak growth in advanced and emerging economies has taken its toll on India's exports. Nevertheless, trade and current account deficits have improved due to relatively lower prices for crude oil which is imported by India. The rupee has depreciated with respect to the US dollar, similar to several other currencies in the world.

India's GDP for fiscal year 2016-17 was at 7.1%, slowing from 7.6% in the previous financial year. The demonetization of high value currency notes by the Central Government during the third quarter of financial year 2016-17 has had short-term costs in the form of slow growth but holds the potential for long-term benefits.

Growth rate of industrial sector is estimated to moderate to 5.2 per cent in fiscal year 2016-17 from 7.4 per cent last fiscal. During April-November 2016, a modest growth of 0.4 per cent has been observed in the Index of Industrial Production (IIP) due to strong growth in electricity generation offset by moderation in mining and manufacturing. The capital goods sector continued its sharp decline with production at a dismal lowest since year 2008. The industrial sector too showed a moderate decline.

The introduction of Goods and Service Tax (GST) will create a common Indian market, improve tax compliance and governance, and boost investment and growth. It is also a bold new experiment in the governance of India's cooperative federalism.

Many new initiatives taken by the Government of India in the form of Make-in-India, Invest India, Start Up India and e-biz Mission Mode Project under the national e-governance plan are facilitating investment and ease of doing business in the country.

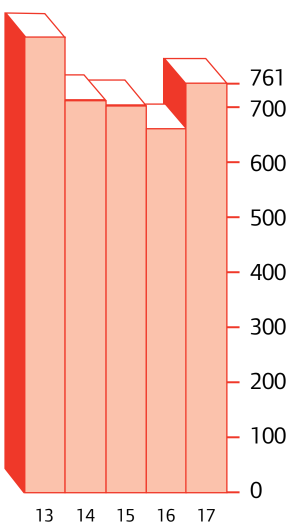
Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors and these sectors have shown moderate growth improving the revenue by 1.7% during the year under review.

II. **Segment-wise operational performance:** Air Solutions is the only continuing segment in your Company's operations. The gross revenue of Air Solutions business in the year under review was INR 6,772 million as against INR 6,658 million 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 from continuing operations is Rs. 1,144 million in the year under review as against Rs. 796 million in the previous financial year.

III. **Outlook:** The Indian economy is slated to grow at a healthy 7.50% in the fiscal year 2017-18. As per a report by CMIE (Centre for Monitoring Indian Economy), the slow but steady improvement in size of the Indian economy is likely to continue in 2017-18. Your Company will continue to move on its path of sustained growth through differentiated product offerings and providing great service to its customers.

PROFIT AFTER TAX
(in Millions of Rs.)



IV. **Threat and concerns:** The primary threat continues to be leading 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. However, the superior product quality together with sustained performance and strong brand image is helping your Company in securing customer orders. Innovation based approach ensures that your Company stays ahead of competition.

V. **Safety, Health and Environment:** Environmental, Health and Safety (EHS) are fundamentals to your Company's business. All employees are encouraged to demonstrate commitment to EHS by pursuing goal of "zero injuries" and "incident free" operations. The management is committed to conducting the Company's business in a sustainable manner with stringent procedures around safety systems and processes. Your Company continues to monitor the hazardous and non-hazardous waste generation and disposal. Regular health check-up and hygiene studies are conducted every year for the employees. Your Company has been working towards protecting the environment by continuously improving the management of energy and natural resources, promoting recycling and preventing pollution. Your Company has also achieved substantial savings by carrying out energy audits and implementing projects to save energy.

VI. **Technology Innovation:** Diversity, engagement and teamwork drive innovation and passion for exceeding customer expectations. Your company has continued to invest in technology innovation through product strategies. The Ingersoll Rand product portfolio is becoming smarter and more connected than ever before, enabling our customers to make more informed decisions and improve productivity and efficiency.

During the year under review, you Company continued to leverage its range of products for meeting existing customer expectations and for new customer acquisition. A major thrust was also laid on brand building activities that helped showcase our solutions and capabilities to a larger audience including the industry. Our key products including Evolution, Sierra SH75, aeration blower, Oil-free, Centac range amongst others were showcased to thousands of existing and prospective customers through events and exhibition showcases leading to successful order bookings and lead generation. Multiple industries including Pharmaceuticals, Petrochemical, Plastics, Packaging, Textile and Printing have been targeted through these series of activities.

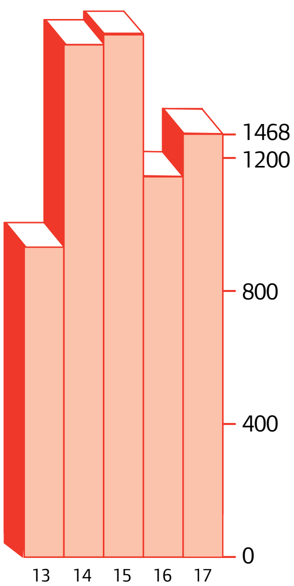
Your Company has also utilized this time period to invest in innovation for new product development and provide more energy efficient solutions for its customers. Around the world, businesses turn to Ingersoll Rand to redefine reliability and efficiency and with the new range of products, your Company will be delivering world class efficiency, increased uptime and the right solution for operational excellence.

3. DIVIDEND

Your Company declared an interim dividend at the rate of Rs. 3/- per share, absorbing Rs. 94.70 million. Based on the Company's performance, your Directors in the meeting held on 23rd May 2017 have, subject to the approval of the shareholders at the ensuing Annual General Meeting, recommended the payment of final dividend for the year under review at the rate of Rs. 3/- per share, bringing the total dividend for the year to Rs. 6/- per share (60%). The total dividend, if approved by the shareholders at the Annual General Meeting, would involve a cash outflow of Rs. 189.40 million out of the profits for the year (previous year Rs. 189.40 million). Dividend distribution tax payable by the Company would be Rs. 38.56 million (previous year Rs. 38.56 million).

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.

GROSS BLOCK
(in Millions of Rs.)



4. TRANSFER TO RESERVES

Pursuant to the provisions of the Act, your Directors have decided to retain the full profits for the year under review in Retained Earnings.

5. 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, 2017 and the date on which this report has been signed.

6. 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.

7. 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 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 observations arising out of audit are periodically reviewed by the Audit Committee and compliance ensured.

8. DETAILS OF JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES

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

9. DEPOSITS

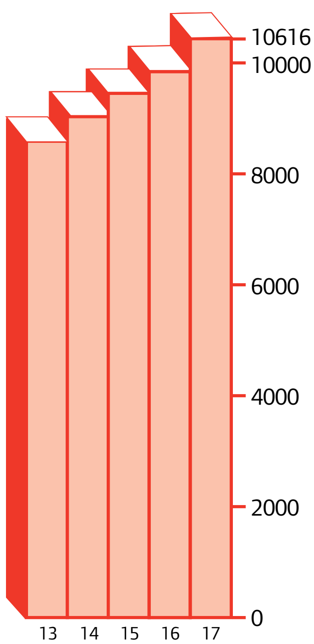
During the year under review, your Company has not accepted any fixed deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits as on March 31, 2017.

10. STATUTORY AUDITORS

The Statutory Auditors of the Company, Price Waterhouse & Co Bangalore LLP (Firm Registration No. 007567S/S-200012), Chartered Accountants, Bangalore, were appointed at the 92nd Annual General Meeting held on 12th September, 2014 as the auditors for a period of 3 years until the conclusion of the 95th Annual General Meeting in year 2017.

NET WORTH

(in Millions of Rs.)



Under Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit Committee at its meeting held on February 14, 2017 has proposed and the Board of Directors has recommended the appointment of B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as statutory auditors of the Company for a period of five consecutive years, in place of Price Waterhouse & Co Bangalore LLP to hold office from the conclusion of the 95th Annual General Meeting scheduled to be held on 3rd August 2017 till the conclusion of the 100th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting. The first year of audit will be of the financial statements for the year ending March 31, 2018.

The Company has received written consent and certificate from B S R & Co. LLP, Chartered Accountants that the appointment if made, shall be in accordance with the terms as prescribed in the Act and shall be within the limits laid down under the Act.

A resolution seeking the appointment of B S R & Co. LLP forms part of the Notice convening the Annual General Meeting and the same is recommended for your consideration and approval.

11. COST AUDITORS

As per Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, as amended, and on the recommendation of the Audit Committee, the Board of Directors has appointed Ashish Bhavsar & Associates, Cost Accountants, as Cost Auditors for conducting the audit of the cost records maintained by the Company for the year ending March 31, 2018. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the Act, the remuneration payable to cost auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to Ashish Bhavsar & Associates, Cost Accountants is included in the Notice convening the Annual General Meeting.

12. 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, 2017 is Rs. 315.68 million 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.

13. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return as on March 31, 2017 as per Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out in Annexure A forming part of this report.

14. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board of Directors were held during the year under review. 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.

15. 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 B forming part of this report.

16. 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, 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 C forming part of this report.

17. 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. Mr. Hemraj C. Asher, Mr. Darius C. Shroff and Mr. Sekhar Natarajan are independent directors of the Company. The independent directors have given a declaration confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 25 of SEBI Listing Regulations.

Your Company has been familiarizing the new independent directors inducted into the Board with detailed presentations on Company's operations, business model, strategic business plans, new products, significant aspects of industry in which company operates and future outlook.

18. AUDIT COMMITTEE

Mr. Sekhar Natarajan and Mr. Amar Kaul were inducted into the Committee effective November 21, 2016. Mr. Hemraj C. Asher resigned from the Committee with effect from February 14, 2017 and Mr. Sekhar Natarajan was appointed as Chairman with effect form February 14, 2017. Mr. Darius C. Shroff continues as member of the Committee. 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.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at their meeting on August 4, 2016 appointed Mr. Amar Kaul as Additional Director and also as Managing Director of the Company with effect from August 5, 2016 and subsequently, he was appointed as Chairman of the Company, in place of Mr. Roman Steinhoff who relinquished his office as Director and Non-Executive Chairman effective August 30, 2016. Consequent to the appointment of Mr. Amar Kaul as Managing Director, he resigned from his office as Manager under the Act effective August 4, 2016. An appropriate resolution in regard to appointment of Mr. Amar Kaul as Director and Managing Director has been set out at item no. 5 and 6 of the Notice of the Annual General Meeting.

In accordance with the provisions of Section 152 (6) of the Act and the Article 131 of the Articles of Association of the Company, Ms. Jayantika Dave retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers herself for re-appointment.

The brief resume and other relevant details of Director seeking appointment/re-appointment is given in the annexure to the Notice of the Annual General Meeting.

As on date, Mr. Amar Kaul, Chairman and Managing Director, Mr. G. Madhusudhan Rao, Vice President – Finance and Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary are the Key Managerial Personnel of the Company.

20. PARTICULARS OF EMPLOYEES

The information on employees particulars as required pursuant to Section 197 (12) of the Act read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time are furnished in Annexure D forming part of this report.

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

22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee of the Company has formulated a policy relating to the remuneration of the directors, key managerial personnel and other employees of the Company. The Company's policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details are set out in Annexure E forming part of this report.

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

Pursuant to the provisions of the Act and SEBI Listing Regulations, read with the Guidance Note on Board Evaluation, the Board has carried out the annual performance evaluation of the Board as a whole, the Directors individually as well as the working of the Board and its Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as contribution of individual director to the board and committee meetings like preparedness on matters to be discussed, constructive contribution and inputs in meetings etc. Further, in a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and its Chairman was evaluated as stipulated under the SEBI Listing Regulations.

24. 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.

25. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 for approval on a quarterly basis.

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.

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.

Transactions with related parties, as per the requirements of Ind AS 24 are disclosed in the notes to financial statements.

The Board of Directors has adopted a policy on Related Party Transactions which has been uploaded on website of the Company www.ingersollrand.co.in

26. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board of Directors appointed Mr. Natesh K, Practicing Company Secretary, Bangalore, to conduct the Secretarial Audit of the Company for the year ended March 31, 2017. The Secretarial Audit Report issued by Mr. Natesh K is given in Annexure F forming part of this report.

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

27. CORPORATE GOVERNANCE CERTIFICATE

The Company is committed to adhere to highest standards of Corporate Governance in all areas of its functioning. As required under Regulation 34 read with Schedule V of SEBI Listing Regulations, a report on Corporate Governance together with a certificate from Mr. Natesh K, Practicing Company Secretary confirming compliance with the requirements of Corporate Governance is set out in Annexure G, forming part of this report.

28. RISK MANAGEMENT POLICY

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

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

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

29. BUSINESS RESPONSIBILITY STATEMENT

Business Responsibility Report as stipulated under Regulation 34 of the SEBI Listing Regulations has been hosted on the website of the Company www.ingersollrand.co.in and is available to all the members, and should be deemed as contained in this annual report. A physical copy of the Business Responsibility Report will be made available on a request by any member in writing to the Company Secretary at the registered office of the Company.

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 policy 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 at March 31, 2017 and of the profit and loss of the Company for the year ended March 31, 2017;

(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

Your Directors take this opportunity to express their gratitude to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the continued cooperation and support extended by them during the year under review. Your Directors would also like to acknowledge the exceptional contribution and commitment from all the employees of the Company during the year under review.

For and on behalf of the Board of Directors

Amar Kaul
Chairman & Managing Director

Mumbai, May 23, 2017

Annexure A

Form No. MGT 9

EXTRACTS OF ANNUAL RETURN

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L05190KA1921PLC036321
ii	Registration Date	1st December, 1921
iii	Name of the Company	Ingersoll - Rand (India) Limited
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	8th Floor, Tower D, IBC Knowledge Park, No. 4/1, Bannerghatta Main Road, Bangalore – 560029 Tel. + 91 80 22166000
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, No. 20, E Moses Road, Mahalaxmi, Mumbai - 400 011. Tel: +91 22 6656 8484

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Air Compressors - Complete Machines & Spare Parts	2813	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Ingersoll-Rand Company 800-E, Beaty Street, Davidson, North Carolina, 28036 United States of America	Foreign Company	Holding Company	74%	Sections 2(46) and 2(87) of Companies Act, 2013

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

(i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Cental Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	-	-	-	-	-	-	-	-	-
(2)	**Foreign**	-	-	-	-	-	-	-	-	-
(a)	Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	OtherIndividuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	23,360,000	-	23,360,000	74%	23,360,000	-	23,360,000	74%	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	**23,360,000**	**-**	**23,360,000**	**74%**	**23,360,000**	**-**	**23,360,000**	**74%**	**-**
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**23,360,000**	**-**	**23,360,000**	**74%**	**23,360,000**	**-**	**23,360,000**	**74%**	**-**
(B)	**Public Shareholding**	-								
(1)	**Institutions**	-								
(a)	Mutual Funds	1,182,863	450	1,183,313	4%	8,95,840	450	8,96,290	3%	-1%
(b)	Financial Institutions / Banks	16,814	1,200	18,014	0%	7,623	1,200	8,823	0%	-
(c)	Cental Government	-	-	-	-	-	-	-	-	-
(d)	State Governments(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	1,350,111	50	1,350,161	4%	1,407,960	50	1,408,010	4%	-
(g)	Foreign Institutional Investors / FPI-CORPS	2,29,793	100	2,29,893	1%	2,40,491	100	2,40,591	1%	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	**2,779,581**	**1,800**	**2,781,381**	**9%**	**2,551,914**	**1,800**	**2,553,714**	**8%**	**-1%**
(2)	**Non-Institutions**									-
	Bodies Corporate	5,95,186	5,800	600,986	2%	660,171	5,800	665,971	2%	-
	i) Indian									-
	ii) Overseas									-
	Individuals	-	-	-	-	-	-	-	-	-
	Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	3,986,864	359,530	4,346,394	14%	4,141,840	345,429	4,487,269	14%	-
(ii)	Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	477,049	-	477,049	1%	498,936	-	498,936	2%	1%
(c)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
(i)	Trust	2,190	-	2,190	0%	2,110	-	2,110	0%	-
	Sub-total (B) (2)	**5,061,289**	**365,330**	**5,426,619**	**17%**	**5,303,057**	**351,229**	**5,654,286**	**18%**	**1%**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**78,40,870**	**3,67,130**	**82,08,000**	**26%**	**78,54,971**	**353,029**	**82,08,000**	**26%**	**-**
	TOTAL (A)+(B)	**31,200,870**	**367,130**	**31,568,000**	**100%**	**31,214,971**	**353,029**	**31,568,000**	**100%**	**-**
(C)	"Shares held by Custodians Custodian for GDRs & ADRs"	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**31,200,870**	**367,130**	**31,568,000**	**100%**	**31,214,971**	**353,029**	**31,568,000**	**100%**	**-**

(ii) Share Holding of Promoters

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

(iii) Change in Promoter's Shareholding

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

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

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year		Reason	Cummulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
1.	**Bajaj Allianz Life Insurance Company Ltd.**						
	At the beginning of the year	01-Apr-2016	516,564	1.64%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	08-Apr-2016	-1,847	-0.01%	Market Sale	514,717	1.63%
		15-Apr-2016	-10,050	-0.03%	Market Sale	504,667	1.60%
		29-Apr-2016	2,000	0.01%	Market Purchase	506,667	1.61%
		06-May-2016	7,000	0.02%	Market Purchase	513,667	1.63%
		03-Jun-2016	2,000	0.01%	Market Purchase	515,667	1.64%
		17-Jun-2016	2,500	0.01%	Market Purchase	518,167	1.65%
		01-Jul-2016	7,000	0.02%	Market Purchase	525,167	1.67%
		08-Jul-2016	35,000	0.11%	Market Purchase	560,167	1.78%
		15-Jul-2016	20,000	0.06%	Market Purchase	580,167	1.84%
		22-Jul-2016	-3,318	-0.01%	Market Sale	576,849	1.83%
		05-Aug-2016	10,000	0.03%	Market Purchase	586,849	1.86%
		30-Sep-2016	6,000	0.02%	Market Purchase	592,849	1.88%
		07-Oct-2016	1,000	0.00%	Market Purchase	593,849	1.88%
		21-Oct-2016	-31,596	-0.10%	Market Sale	562,253	1.78%
		28-Oct-2016	-33,531	-0.11%	Market Sale	528,722	1.67%
		18-Nov-2016	-772	0.00%	Market Purchase	527,950	1.67%
		06-Jan-2017	12,500	0.04%	Market Purchase	540,450	1.71%
		24-Feb-2017	5,000	0.02%	Market Purchase	545,450	1.73%
		03-Mar-2017	4,000	0.01%	Market Purchase	549,450	1.74%
		24-Mar-2017	4,963	0.02%	Market Purchase	554,413	1.76%
		31-Mar-2017	20,000	0.06%	Market Purchase	574,413	1.82%
	At the end of the year	31-Mar-2017	5,74,413	1.82%			

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year		Reason	Cummulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
2.	**General Insurance Corporation Of India**						
	At the beginning of the year	01-Apr-2016	542,024	1.72%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	542,024	1.72%			
3.	**IDFC Premier Equity Fund**						
	At the beginning of the year	01-Apr-2016	530,084	1.68%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	530,084	1.68%			
4.	**United India Insurance Company Limited**						
	At the beginning of the year	01-Apr-2016	291,523	0.92%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	291,523	0.92%			
5.	**UTI-MNC Fund**						
	At the beginning of the year	01-Apr-2016	117,000	0.37%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	117,000	0.37%			
6.	**Mr. Akash Bhanshali**						
	At the beginning of the year	01-Apr-2016	111,285	0.35%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	111,285	0.35%			
7.	**The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company**						
	At the beginning of the year	01-Apr-2016	89,008	0.28%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	15-Jul-2016	-2,780	-0.01%	Market sale	86,228	0.27%
	At the end of the year	31-Mar-2017	86,228	0.27%			

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year		Reason	Cummulative Shareholding during the year	
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
8	Sundaram Mutual Fund A/c Sundaram Infrastructure Advantage Fund						
	At the beginning of the year	01-Apr-2016	85,000	0.27%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	15-Apr-2016	-9,112	-0.03%	Market Sale	75,888	0.24%
		22-Apr-2016	-7,379	-0.02%	Market Sale	68,509	0.22%
		29-Apr-2016	-8,679	-0.03%	Market Sale	59,830	0.19%
		06-May-2016	-4,413	-0.01%	Market Sale	55,417	0.18%
		13-May-2016	-8,178	-0.03%	Market Sale	47,239	0.15%
		20-May-2016	-2,905	-0.01%	Market Sale	44,334	0.14%
		27-May-2016	-4,482	-0.01%	Market Sale	39,852	0.13%
		08-Jul-2016	-9,852	-0.03%	Market Sale	30,000	0.10%
		22-Jul-2016	-2,251	-0.01%	Market Sale	27,749	0.09%
		27-Jul-2016	-4,570	-0.01%	Market Sale	23,179	0.08%
		29-Jul-2016	-23,179	-0.08%	Market Sale	-	0.00%
	At the end of the year	31-Mar-2017	-	0.00%			
9.	Tata Trustee Co. Ltd A/c Tata Mutual Fund - Tata Infrastructure Fund						
	At the beginning of the year	01-Apr-2016	72,036	0.23%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-			
	At the end of the year	31-Mar-2017	72,036	0.23%			
10.	Profitex Shares And Securities Private Limited						
	At the beginning of the year	01-Apr-2016	66,077	0.21%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	66,077	0.21%			
11	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series I						
	At the beginning of the year	01-Apr-2016	51,496	0.16%			
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease		-	-		-	-
	At the end of the year	31-Mar-2017	51,496	0.16%			

Notes:

The details of shareholding, given above, is from 01-Apr-2016 / the date of entering the Top 10 shareholders list till 31-Mar-2017 / the date of leaving Top 10 shareholders list.

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Hemraj C. Asher (Independent Director)**				
	At the beginning of the year	8,000	0.03%		
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	-	-	-	-
	At the end of the year	8,000	0.03%		
2	**Mr. Darius C. Shroff (Independent Director)**				
	At the beginning of the year	10,000	0.03%		
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	-	-	-	-
	At the end of the year	10,000	0.03%		
3	**Mr. G. Madhusudhan Rao (Vice President - Finance)**				
	At the beginning of the year	100	0.00%		
	Date wise increase / decrease in Shareholding during the year alongwith the reasons for increase / decrease	-	-	-	-
	At the end of the year	100	0.00%		

V INDEBTEDNESS

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rs. Million)

Sl. No.	Particulars of Remuneration	Mr. Amar Kaul, Chairman & Managing Director	Total Amount
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	20.86	20.86
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit or if any others specify	-	-
5	Others, please specify	-	-
	Total (A)	20.86	20.86
	Ceiling as per the Act		38.04

B. Remuneration to other directors:

(Rs. Million)

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	**Independent Directors**	**Mr. Hemraj C. Asher**	**Mr. Darius C. Shroff**	**Mr. Sekhar Natarajan**	
	(a) Fee for attending Board / Committee meetings		-	-	-
	(b) Commission	1.20	1.20	0.80	3.20
	(c) Others, please specify		-	-	-
	Total (1)	1.20	1.20	0.80	3.20
2	**Other Non Executive Directors**		**Ms. Jayantika Dave**	**Mr. Roman Steinhoff***	
	(a) Fee for attending Board / Committee meetings		-	-	-
	(b) Commission		1.20	-	1.20
	(c) Others, please specify		-	-	-
	Total (2)		**1.20**	-	**1.20**
	Total (B)=(1+2)				**4.40**
	Total Managerial Remuneration (A+B)				**25.26**
	Overall Cieling as per the Act				**83.68**

*ceased to be director with effect from August 30, 2016

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

(Rs. Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. P. R. Shubhakar, General Manager - Corp. Finance & Company Secretary	**Mr. G. Madhusudhan Rao, Vice President - Finance**	**Total**
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	9.65	14.16	23.81
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	**Commission** - as % of profit or if any others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**9.65**	**14.16**	**23.81**

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the breach of any sections of the Companies Act against the Company or its Directors or any other officers in default during the year.

ANNEXURE - B

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

CONSERVATION OF ENERGY

(a) The following energy conservation measures were taken:

I. Installed new energy efficient transformer in utility building.

II. Installed VFD in 75 KW evolution plant compressors having start delta starter for energy optimization.

III. 45 KW ML45 compressor installations in plant compressor room to optimize consumption in non-peak hours.

IV. Programmable motorized servo valve in T30 air pipe to optimize leakage in non-peak hour.

V. Switching off high bay lights above LRBU, centac test cell & phase-II to minimize energy wastage.

VI. Optimization of plant voltage in lighting and accessories to operate in lower band (390 to 410 V) without affecting performance.

VII. Implementation of online monitoring & control in phase-1 building Trane chiller to minimize wastage & to achieve optimum performance.

VIII. Installation of LED tube light in R&D lab.

IX. Installation of new APFC panel to improve PF 0.99.

X. Independent control switches at each location to switch on required lights in new factory building.

XI. Energy meters installed for individual load centers for monitoring electricity utilization.

XII. Replacing old energy inefficient cooling towers & pumps with new efficient cooling towers & centralised for LRBU, CENTAC & Rotary.

XIII. New green building designed & constructed, put to use with IGBC Green Building Guidelines.

XIV. Installation of new crane with VFD to save energy and improve performance.

XV. Timer operated switches to turn on/off street lights as per requirement to optimise working hours & energy.

XVI. Installed auto shut off taps to save water wastage.

XVII. Installed VFD and occupancy sensors in LRBU paint booth.

XVIII. Installed VFD in SCBU paint booth blower & Test Cells.

XIX. Demand controller mechanism has been installed to optimize maximum demand in GEB line.

XX. Installed 2 nos. of energy meter in T30 re-test bed for panel-9 & 7 to optimize the awareness for energy consumption

XXI. Installation of 12 nos. of 80 watt LED lights enclosure installed instead of 16 no's of 250 KW CFL lights without effecting the illumination in T30 T line & F line area

XXII. Shutdown standard work implemented across plant as part of Strategic A3 on Power Saving.

XXIII. Rotary MIS & LIS TEST cell , 45 KW ventilation system integrated in test cell auto programing to avoid wastage in each test cell

XXIV. Re-installation of Centac ventilation VFD panel (10 KW load) done for ease of operation to enable person for stop the ventilation.

XXV. BMS and Chiller efficiency testing carried out for better energy efficiency of TRANE chillers

XXVI. Improved cooling effect by duct modification at rotary test cell to avoid extra stoppage of machine & plant cooling loss

XXVII. Arc flash study completed for whole plant for tripping circuit optimization for electrical safety now report awaited for the same.

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

- Gas operated heater to replace electrical heater at component cleaning machines.
- Solar roof top installation in factory building.
- LED high bay light fitting in factory building.
- Energy audit of entire plant & its energy saving project proposal.
- Phase-2 HVAC on line / control monitoring system implementation.
- Automation of AHU & VRV AC in ventilation system for rotary test cell
- Energy meter Installation for rotary ventilation system
- Air curtain being installed for canteen area to prevent cooling loss prevention
- All fire door bottom wiper strips to be install for cooling loss prevention
- Air audit to carryout for Air loss prevention.
- VFD installation for SS Line test bed
- Automation to be done for cooling tower water top up

(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) Rotary Screw

(iii) Centrifugal

(iv) Refrigerated Dryers

(v) Desiccant Dryers

AREAS –

(i) Thermodynamics

(ii) Energy Efficiency

(iii) Fluid flow

(iv) Multi-user application adoption

(v) Finite Element Analysis

(vi) Modulation and control systems

(vii) Digital pulsation analysis for acoustic and mechanical vibrations

(viii) Microprocessor based control

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

   (i) Improved efficiency of products and better customer satisfaction.

   (ii) Up-gradation of our existing machines and introduction of new products consuming less energy to the user.

   (iii) Up-gradation of products to meet global energy efficiency and sustainability regulations with focus on more efficient and environment friendly products.

   (iv) Continuous exploration for indigenization without compromise on quality and thereby saving valuable foreign exchange.

   (v) Expansion of product range by adding new products.

   (vi) Offering of optimum product choice both at home and abroad for diverse applications.

   (vii) Unique status of single manufacturer of certain compressors worldwide.

3. **Future Plan of Action:**

   (i) Introduce, develop and also export higher efficiency air compressor, dryer and packages.

   (ii) Introduce larger sizes of centrifugal, rotary & reciprocating compressors.

   (iii) Introduce comprehensive range of stationary screw compressors for industrial use.

4. **Expenditure of R & D:**

(i) Capital	Rs. 15.84 Million
(ii) Recurring	Rs. 21.13 Million
(iii) Total	Rs. 36.97 Million
(iv) Total R & D expenditure as a percentage of total turnovers	`0.55%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Being constantly in touch with our principals, Ingersoll-Rand Company, U.S.A. and its various manufacturing locations, we were able to keep up-to-date with technology changes. Efforts in brief, made towards technology absorption, adaptation and innovation are as follows:**

   (i) Continued development of Naroda as an export base for large reciprocating compressor packages and parts.

   (ii) Import substitution on several mechanical transmissions, valve components, control panels and also progressive indigenization of all product lines.

   (iii) Development of dryer technology with set up of production base at Naroda

   (iv) Expansion of an in-house test laboratory to validate processes before commencing production.

2. **Benefits derived as a result of the above efforts:**

   (i) Upgradation of facilities and processes in line with the latest global trends

   (ii) Upgradation of product range incorporating latest features

   (iii) Product improvements, higher efficiency and reduction in cost per unit.

(iv) Products made efficient through adaptation of modern technology to save energy and also to be more environment friendly.

(v) More efficient use of raw material using nesting techniques to cut down wastage of resources.

(vi) Reduction in manufacturing cost through improvement in productivity thereby offsetting general cost escalation in inputs.

3. **In case of imported technology [imported during the last 5 years reckoned from the beginning of the financial year], following information is furnished:**

Technology Imported	Year	Status
Refrigerated compressed air dryers	2013	In production
New centrifugal compressor with energy efficient design	2014	In production

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:		(Rs. Million)
(i) Earnings in foreign exchange on account of exports, deemed exports, Income from services rendered and recovery of expenses and engineering fees.		1,791.83
(ii) Value of imports calculated on c.i.f. basis	1,362.88	
(iii) Expenditure in foreign currency on account of travelling, IT Infra and others	100.43	
(iv) Remittance in foreign exchange on account of dividend	140.16	1,603.47
Net Earnings / (Outgo) in Foreign Exchange		188.36

For and on behalf of the Board of Directors

Amar Kaul
Chairman & Managing Director

Mumbai, May 23, 2017

ANNEXURE C

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, we believe in responsible and sustainable progress by taking an active role in addressing issues that impact not just our Company, but also the communities within which we operate. In India, Ingersoll Rand takes great pride in steps we have taken to improve millions of lives and impact even more with our focused efforts in the areas of Education, Healthcare and Sanitation, Livelihood generation and Sustainability.

This year, your Company won the Award for Best Corporate Social Responsibility Practices in an organization as part of the Dream Company Awards organized by Times Ascent and World HRD Congress. The award is a true testimony to the impact the Company's CSR projects have been making in the country.

Our Approach

We ensure that we follow a carefully structured approach in everything we do. From drafting our CSR Policy, to identifying our implementation partners, to evaluating projects and complying with the Government mandate, we have carefully defined, designated and deliberated.

Our CSR Policy

All our CSR projects are selected and implemented in accordance with our CSR Policy. Our Vision is to *advance the quality of life through our social commitments to help build healthy, sustainable, efficient and educated communities.*

The Company's detailed CSR Policy has been uploaded on the website of the Company (www.ingersollrand.co.in).

The Ingersoll Rand Pan-India Impact

In our dedicated efforts to improve the quality of life and education, especially in rural India, we have affected 1,47,659 lives (from January 2016 till March 2017). We are proud of our work so far and we can say this with utmost conviction that we will continue on this path of improving the lives of millions for years to come.

We will continue our journey in the coming years with an intent to create a long lasting impact in the lives of our beneficiaries at all stages of life. We will continue to provide **nutritional and healthcare support** to children and ignite curiosity in their minds through **practical hands on learning**. In addition, we are working towards skilling these educated children to **provide livelihood** and prepare them for the industry. We are also committed towards the betterment of the community and are focusing on provision of **Sanitation** facilities to the society at large.

Employee Volunteering

At the heart of every successful campaign are the volunteers who work for the cause wholeheartedly. Ingersoll Rand has an extended CSR employee team that is dedicated and designated across all project locations. Beginning January 2016, 15 employee volunteering activities were organized covering 5 new project launches and 1,220 hours of employee engagement time.

Details of CSR projects undertaken during Financial Year 2016-17

Promoting Education

Furthering STEM (Science, Technology, Engineering and Mathematics) for children from remote locations

In India there are around 252 million children aged between 6-15 years out of which 65% attend Government schools. According to national average data collected by National University of Educational Planning and Administration (NUEPA), India (2013-2014), schools with fully equipped Science Laboratories are a meagre 20.33%. Rote-based, didactic and uninspiring education methods of government schools have failed to provide vulnerable and disadvantaged children the tools to overcome their constraints.

Our program of spreading science education to government schools with the Agastya Foundation seeks to address the challenges in the rote based learning system by propagating a creative temper among disadvantaged and vulnerable children and teachers by engaging, hands-on experiential learning methods, teacher education and effective and, environmentally friendly channels.

Mobile Science Labs (MSL) at Mumbai and Naroda

In year 2016-17, the Mobile Science Labs (MSLs) in Mumbai and Naroda, funded by the Company, successfully conducted

300 school and 30 community visits. This led to 38,219 student exposures, 155 teacher exposures, 296 adult exposures through school visits, community visits and camps. Over all 6 science fairs were conducted where 339 Young Instructors demonstrated scientific phenomena.

MSLs celebrated World Toilet Day, AIDS Day, Environment Day, etc. in schools and organized awareness sessions on health and hygiene. These sessions address the huge concern of environment cleanliness, health and hygiene, etc. not just for children in rural India but also in the communities and village elders.

Science Centre at Government Girls Senior Secondary School, Jacubpura, Gurgaon

The Science Centre at Government Girls Senior Secondary School, Jacubpura, Gurgaon, this year, hosted 11 government school visits benefitting 14,385 students and 98 school teachers through various activities including Science Fairs, Teachers training, Young Instructors Learning and summer camps.

This Science Centre was established by the Company in year 2013 at the Jacubpura school and it continues to cater to children of the host school as well as multiple schools in the 50 km vicinity of the area.

Impact assessment conducted across these projects reported an increase in awareness, curiosity and confidence amongst beneficiary students. A robust model of analysis developed by the Indian Institute of Management, Bangalore is being utilized to conduct quarterly and annual analysis of expected impact.

Mission Education for bringing underprivileged children into mainstream

The Company has joined hands with Smile Foundation to support education and enhance the holistic development of 150 underprivileged children. Through the project, the Company continues to reach out to the children of socially and economically disadvantaged families in Kolkata, West Bengal.

The project directly benefits children in the age group of 7-11 years studying in grades 3rd and 4th of Smile Foundation's Mission Education centre in Kolkata, by catering to their scholastic and co-scholastic development. Some of the key activities conducted as part of the program include regular classroom teaching learning, progress assessment of students, co-curricular activities such as health awareness, art & craft/music/ dance activities, physical education activities etc.

Further, the project is also aimed at the following

- Improving the motivational levels and confidence of the students
- Improving the overall performance of the students.
- Reducing the drop-out numbers with regular attendance and retention of the students in the school.
- Mainstreaming these children into the formal education system post IV grade
- Enhancing the health status of students by organizing health camps.

Through the above interventions, the project was able to make a positive impact in the lives of the underprivileged children in the following manner:

- Yearly impact report concludes 83% of beneficiaries scored above grade B in annual exams as compared to 46% in 1st term examination.
- A total of 43 children were from class IV were mainstreamed into the formal education network.
- Improvement has been observed in the academic performance of the children.
- Regular health camps have helped in sensitizing the community about the importance of good health and maintaining hygiene.
- Interesting teaching learning practices have ensured regular attendance of the children at the education centre.

Providing Healthcare

Meeting nutritional requirements and promoting education with Akshaya Patra

The Company continues to fight against hunger, malnutrition through mid-day meal program and promote education amongst children. The company has partnered with Akshaya Patra for a unique Public Private Partnership to provide mid-day meals for children in selected government schools. The ultimate goal of this program is to deter malnutrition and promote access to basic education. The incentive of a wholesome, nutritious meal is compelling enough for parents to allow children to skip work and join formal schooling.

In year 2016-17, the Company has supported 8,183 children in Bengaluru and Ahmedabad covering 43 schools in these locations.

With the successful implementation of the program, children supported by the Company –

- receive hot, nutritious meals every day in schools, protecting them from hunger
- are encouraged to come to school every day and get education
- have improved nutritional status, physical and cognitive development

Impact assessment by Akshaya Patra covers monitoring and recording feedback by beneficiaries including children, school authorities and parents in earmarked schools on the quality of mid-day meals. Additionally, average attendance of children in Karnataka schools under the program has increased by 7% from the previous year. Additional studies also conducted by National Institute of Nutrition and Indian Council of Medical Research, Hyderabad corroborate the results. Nutritional value of meals is also monitored regularly. This year, each Akshaya Patra kitchen served a unique combination of meals with 100g of the meal containing at least 13g of protein and 450 Kcal energy.

Providing Livelihood

Skill Development in collaboration with National Skill Development Corporation (NSDC)

As part of providing livelihood in India, the Company has partnered with National Skill Development Fund, a special fund setup under the Ministry of Skill Development & Entrepreneurship, to support vocational training at two National Skill Development Corporation partner centers at Gurgaon, Haryana. The Company and NSDC teams are working closely to provide gainful employment to 245 youth with at least 30% focus on female participation in the courses.

Vocational training is being imparted in the currently running courses for industry readiness in the manufacturing and automotive sectors covering job profiles like CNC Operator and Quality Control Inspector. Upon successful completion, trainees will receive a certificate in alignment with the National Skills Qualification Framework (NSQF), a competency-based framework for skills. The program will also embed soft skills, digital and financial learning modules.

Youth for this program was selected through a counselling session conducted by NSDC in order to map their career aspiration to the job opportunities available locally.

NSDC, through its skill ecosystem will ensure that the courses run in these centres are all aligned to the NSQF which is a competency based framework that organizes all qualifications according to a series of levels of knowledge, skills and aptitude. NSDC will ensure quality training and managements of the structured skill development programme.

Community Development through Sanitation

Supporting the Swachh Bharat Mission with Sulabh Sanitation Mission Foundation

With this project, the Company aims to educate and develop hygiene habits amongst people and support the Swachh Bharat Mission in the country. The project with Sulabh aims to provide basic sanitation facilities through a pay and use Public Toilet Complex in Gurgaon. Sanitation and hygiene practice is a dire need in the millennium city of Gurgaon with a special need to provide accessible sanitation facility to commuters.

As part of the project, a block of 10 Toilets including 5 Male and 5 Female will be built in this complex.The complex will be maintained by Sulabh International on "Pay & Use methodology" to make it a self-sustainable model. The land for the complex will be allotted by Municipal Corporation with a tri-party agreement between the company, municipal authority and Sulabh.

Expected Impact of the project:

- Hygienically and technically appropriate, and socio-culturally acceptable.
- Eliminates mosquito, insect and fly breeding;
- Hinder the spread of diseases due to lack of sanitation and hygiene practices
- Free from health hazards and does not pollute surface or ground water

- Develop habit among people for better hygiene practices
- Providing accessibility to the commuters for sanitation facilities

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

The CSR Committee of the Board was reconstituted during the year 2016-17. As of March 31, 2017, the CSR Committee comprises Mr. Amar Kaul, Chairman, Mr. Hemraj C. Asher, Ms. Jayantika Dave and Mr. Sekhar Natarajan.

3. **Average net profit of the company for last three financial years:** **INR 943.20 Million**
4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** **INR 18.86 Million**
5. **Details of CSR spend during the financial year:**

(a) Total amount to be spent for the financial year: INR 18.86 Million

(b) Amount unspent, if any: Nil

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

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where the project was undertaken	Amount outlay (Budget) project or program wise (INR)	Amount spent on the projects or programs Direct expenditure on projects or programs overheads (INR)	Cumulative expenditure up to the reporting period (INR)	Amount spent: Direct or through implementing agency
1.	Mobile Science lab, Science Center and Mega Science Fair	Promotion of education	Gurgaon, Haryana; Chennai, Tamil Nadu; Bidadi, Karnataka	3,091,974	3,091,974	3,091,974	Agastya International Foundation
2.	Mid-day meals to underprivileged children	Eradication of hunger	Bangalore, Karnataka	7,773,850	7,773,850	7,773,850	The Akshaya Patra Foundation
3.	Mission education project	Promotion of education	Kolkata, West Bengal	1,488,360	1,488,360	1,488,360	Smile Foundation
4.	Contribution towards construction of Sulabh Shauchalaya	Promoting health care and sanitation	Gurgaon, Haryana	2,429,104	2,429,104	2,429,104	Sulabh Sanitation Mission Fund
5.	Vocational Skill Training	Promotion of education	Ahmedabad, Gujarat	4,079,373	4,079,373	4,079,373	National Skill Development Fund
			Total	18,862,661	18,862,661	18,862,661	

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 D

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 16-17 (INR million)	% increase in remuneration in FY 16-17	Ratio of remuneration of each director to median remuneration of employees of FY 16-17	Comparison of remuneration of KMP against the performance of the Company
1.	Mr. Amar Kaul – Chairman & Managing Director#	20.86	11%	Not Applicable	Not Applicable
2.	Mr. H. C. Asher, Independent Director	1.20	-		Not Applicable
3.	Mr. D. C. Shroff, Independent Director	1.20	-		Not Applicable
4.	Ms. Jayantika Dave, Non-Executive Director	1.20	-		Not Applicable
5.	Mr. Sekhar Natarajan, Independent director *	0.80	Not Applicable	Not Applicable	Not Applicable
6.	Mr. Roman Steinhoff, Non-Executive Chairman**	-	-	Not Applicable	Refer Note No.2
7.	Mr. G. Madhusudhan Rao, Vice President - Finance	14.16	7%	Not Applicable	Refer Note No.2
8.	Mr. P. R. Shubhakar – General Manager – Corp. Finance & Company Secretary	9.65	11%	Not Applicable	Refer Note No.2

#appointed as Chairman & Managing Director w.e.f August 5, 2016.

*appointed as Independent Director w.e.f July 27, 2016

**Ceased to be Director and Non-Executive Chairman w.e.f August 30, 2016

Notes:

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

(ii)	The percentage increase in the median remuneration of employees in the financial year;	5.13%
(iii)	The number of permanent employees on the rolls of company;	688
(iv)	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 8.56% as against average percentage increase in salaries of managerial personnel is 9.65%
(v)	The key parameters for any varible 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 D (Contd.)

Information as per Section 197 (12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2017

Sl. No	Name and Age	Designation and date of commencement of employment	Qualification/Experience	Gross Remuneration Rs.	Particulars of last employment held Designation and Name of the Company (Period for which held in years)
(A)	EMPLOYED THROUGH THE YEAR				
1	Amar Kaul 48 Years	Chairman & Managing Director 10-May-2011	B. Tech, Engg Business Management 24 Years	20,862,866	Senior Vice President Bharat Forge Limited 7 Years
2	G. Madhusudhan Rao 60 Years	Vice President - Finance 05-Sep-2012	B.Com, ACA, ACS 32 Years	14,162,566	Finance Director Northern Operating Services Private Limited 2 Years
3	Prasad Naik 57 Years	Vice President - Information Technology 01-Apr-1999	B.Com, D.B.M, D.F.M, M.M.S 26 Years	12,702,063	General Manager, MIS Krilosakar Ferrous Industries Limited 6 Years
4	K.Balu 47 Years	VP, Product Management, AP & India 02-Apr-2001	BE - Mechanical Maintenance 26 Years	11,861,596	Manager Krilosakar Pneumatic Co Ltd 8 Years
5	P. R. Shubhakar 52 Years	General Manager - Corporate Finance & Company Secretary 17-Aug-2000	B.Com, ACA, ACS 27 Years	9,652,661	Sr. Manager Finance & Company Secretary B C Components India Private Limited 1 Year
6	Jatinder Kaul 52 Years	National Sales Leader-Air Solutions 09-Apr-2015	BE (Mechanical Engineering) 26 Years	7,595,561	Director (Chemical Analysis Division) Thermo Fisher Scientific India Pvt. Ltd 3 Years
7	Atul Marwah 46 Years	HR Leader - Air Solutions 02-Jul-2006	Microbiologist 22 Years	7,113,296	Group Service Manager Spinneys Abudhabi 7 Years
8	Anu Agrawal 49 Years	Regional Procurement Leader - India 08-Jun-2012	BE (Elec.) 26 Years	7,045,028	DGM - Purchase Honda Motorcycle & Scooter India Pvt Ltd 11 Years
9	Balbir Singh Dhiman 43 Years	Program Leader-Naroda Transformation 27-Aug-2014	B.Tech. (Mechanical Engineering) 20 Years	6,626,474	GM - Facilities Engineering (Country Lead) John Deere India 4 Years
10	Sandeep Taneja 42 Years	Finance Leader - Air Solutions 01-Aug-2012	Master of Business Administration, Case Western Reserve University 24 Years	6,039,999	Finance Manager Corning Technologies India Private Limited 1 Year
(B)	EMPLOYED FOR THE PART OF THE YEAR				
	Nil	Nil	Nil	Nil	Nil

Notes :

1 Gross remuneration as above includes salary, Company's contribution to provident fund, leave travel benefit, medical benefits, personal accident and group insurance premium, house rent allowance, and other allowances as applicable.
2 None of the above mentioned employees is a relative of any director of the Company.
3 All the employees have adequate experience to discharge responsibilities assigned to them.

Annexure E
Nomination and Remuneration Policy

1. PREAMBLE

1.1 Ingersoll – Rand (India) Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high calibre and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.

1.2 The Companies Act, 2013 vide sub-section (3) of section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.

1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities to shareholders by :

1.3.1. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014; and

1.3.2. ensuring that the nomination processes and remuneration policies are equitable and transparent.

1.4 The responsibilities of the Committee include :

1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;

1.4.2 recommending to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

1.4.3 formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;

1.4.4 devising a policy on Board diversity; and

1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommending to the Board of Directors the appointment and removal of such personnel.

1.5 This Nomination and Remuneration Policy has been formulated with a view to :

1.5.1 devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;

1.5.2 encourage personnel to perform to their highest level;

1.5.3 provide consistency in remuneration throughout the Company; and

1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company.

1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company in determining the appropriate remuneration policy for the Company.

2. DEFINITIONS

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

2.1 **'Board'** means the Board of Directors of Ingersoll – Rand (India) Limited or the Company.

2.2 **'Committee'** means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.

2.3 **'Director'** means a director appointed on the Board of the Company including executive; non-executive; and independent directors.

2.4 **'Employee'** means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

2.5 **'Key managerial personnel'** includes managing director, or chief executive officer or manager and in their absence, a whole-time director; company secretary; and chief financial officer.

2.6 **'Member'** means a director of the Company appointed as member of the Committee.

2.7 **'Nomination and Remuneration Policy'** shall mean the policy of remuneration of directors, key managerial personnel and other employees of the Company determined by the Nomination and Remuneration Committee.

2.8 **'Senior management'** means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. NOMINATION AND REMUNERATION COMMITTEE

3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The chairperson of the Board, whether executive or non-executive may be appointed as a member of the Committee, but shall not chair the Committee. The Board of the Company shall nominate directors as Members of the Committee from time to time.

3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.

3.3 The presently nominated members of the Committee are :

(i) Mr. H. C. Asher, Chairman
(ii) Mr. D. C. Shroff
(iii) Mr. Amar kaul

4. LETTER OF ENGAGEMENT OR CONTRACT OF EMPLOYMENT

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

4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

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

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

5. REMUNERATION STRUCTURE

5.1 REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

5.1.1 Fixed Remuneration

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

5.1.2 Performance Based Remuneration or Incentive-Based Payments

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

5.1.3 Severance Fees or Termination Benefits

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

5.1.4 Employee Benefits

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

5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

6. DISCLOSURES

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

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

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

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

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

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

6.4.3 Service contracts, notice period, severance fees; and

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

7. REVIEW AND IMPLEMENTATION

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

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

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

ANNEXURE F
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 of 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, 2017, 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, 2017 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'): -

(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, 2009 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 Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

I further report that, having 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	Sales Tax / Value Added Tax Acts of various States
24	Shops and Establishments Acts of various States
25	The Central Excise Act, 1944
26	Water (Prevention and Control of Pollution) Act, 1974
27	Wealth Tax Act, 1957
28	The Employees Compensation Act, 1923
29	Registration Act, 1908
30	Applicable Stamp Act(s) and the rules made there under
31	The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

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 composition of the Board of Directors 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 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:

Place: Bangalore
Date: 23rd May, 2017

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 Anexure A and forms an integral part of this report

Annexure A

The Members

INGERSOLL-RAND (INDIA) LIMITED
8thFloor, 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.

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

Place: Bangalore
Date : 23rd May, 2017

ANNEXURE G
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

1. 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 Company has a strong history of fair, transparent and ethical governance practices and the Company has over the years consistently demonstrated good corporate governance practices. Good Corporate Governance is an integral part of the Company's value system and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance. The Company is committed to do business in an efficient, responsible, honest and ethical manner and ensures fiscal accountability, operational excellence and fairness to all our stakeholders including shareholders, employees, customers, suppliers and communities.

   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.

2. BOARD OF DIRECTORS

   As at March 31, 2017, the Company has five Directors headed by Mr. Amar Kaul as the Chairman of the Board. Of the five Directors, four are Non-Executive Directors out of which three 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 year 2016-17 on May 26, 2016, July 26, 2016, August 4, 2016, November 21, 2016, February 14, 2017 and March 24, 2017. Necessary quorum was present for all the meetings.

   Also, a separate meeting of Independent Directors was held on March 24, 2017 which was attended by all the Independent Directors.

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

Name of Director	Status i.e. Executive and Non-Executive & Independent	No. of Board Meetings		Attendance at the last AGM (July 27, 2016)
		Held during the year ^	Attended during the year	
Mr. Amar Kaul (Chairman and Managing Director)#	Executive	3	3	Yes
Mr. Hemraj C. Asher	Non - Executive & Independent	6	6	Yes
Mr. Darius C. Shroff	Non - Executive & Independent	6	5	Yes
Ms. Jayantika Dave	Non-Executive	6	4	Yes
Mr. Sekhar Natarajan *	Non - Executive & Independent	4	4	No
Mr. Roman Steinhoff**	Non – Executive	3	2	Yes

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

   # Appointed as Managing Director w.e.f. August 5, 2016 & Chairman w.e.f. November 21, 2016

   * Appointed w.e.f. July 27, 2016

   **Ceased to be Director w.e.f. August 30, 2016

   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.

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	5
Mr. Darius C. Shroff	2	1
Ms. Jayantika Dave	2	NIL
Mr. Sekhar Natarajan	3	4

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

During the year 2016-17, information as mentioned in Part A of Schedule II of the 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 (https:///www.ingersollrand.co.in)

The number of equity shares held by the Directors as on March 31, 2017 are given below:

Name of Director	Category	No. of shares held as on March 31, 2017
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	NIL
Mr. Sekhar Natarajan	Non - Executive & Independent	NIL

3. AUDIT COMMITTEE

The Audit Committee was reconstituted during the year. Mr. Hemraj C. Asher resigned as Chairman and Member of the Audit Committee and was replaced by Mr. Sekhar Natarajan as Chairman. The Audit Committee held four meetings during the year on May 26, 2016, July 26, 2016, November 21, 2016 and February 14, 2017. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of Director	No. of meetings held	No. of meetings attended
Mr. Sekhar Natarajan, Chairman #	2	1
Mr. Hemraj C. Asher *	4	3
Mr. Darius C. Shroff	4	4
Mr. Amar Kaul #	2	2
Mr. Roman Steinhoff^	2	2

Inducted into the Committee w.e.f. November 21, 2016

* Ceased to be member w.e.f. February 14, 2017

^ Ceased to be member w.e.f. August 30, 2016

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 the 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
  - Any change in accounting policies and practices and reasons for the change;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Major accounting entries based on exercise of judgment by Management;
  - Compliance with accounting standards;
  - The going concern assumption;
- Compliance with stock exchange and legal requirements concerning financial statements
- Related party transactions;
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors;
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees;
- Approval for payment to statutory auditors for other services;
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit;
- Review with internal auditors and senior management, of any significant findings and follow-ups thereon;
- Review of the Company's financial risk and management policies;
- Review functioning of the Whistle Blower mechanism;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- Any other function as may be stipulated by any law/Government guidelines;
- Such other functions as may be specified by the Board of Directors of the Company from time to time;

During the year under review, the Audit Committee besides considering the unaudited quarterly financial results and audited financial results and recommending to the Board of Directors of the Company for its adoption and approval, discussed various topics relating to Company's operations including inventory, direct and indirect tax compliance, receivables, C forms and compliances in general. The minutes of the Audit Committee Meetings are placed before the Board for their review.

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

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is duly constituted under the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. As of March 31, 2017, the Stakeholders Relationship

Committee comprise of

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

The Committee meetings are held as and when required, 13 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 Registrar and Share Transfer Agents;
- All other matters related to shares.

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

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

All queries like non-receipt of annual reports, dividend, transfer of shares, change of address etc. were resolved to the satisfaction of the shareholders / investors. During the year, 365 grievances / queries were received from shareholders / investors and 5 complaints were received from Securities Exchange Board of India (SEBI) and other statutory authorities. All investor grievances/queries and 5 complaints from statutory authorities have been resolved to the satisfaction of the complainants before the end of the financial year. 1 complaint outstanding at the beginning of the year was closed on May 2, 2016. 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, 2017.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. Hemraj C. Asher, Mr. Darius C. Shroff and Mr. Amar Kaul. Mr. Hemraj C. Asher is the Chairman of the Committee. The Nomination and Remuneration Committee met 4 times during the year on May 26, 2016, July 26, 2016, November 21, 2016 and March 24, 2017.

The terms of reference of 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, retirals and increments of Managing Director/Manager under the Companies Act.
- Decide the amount of commission payable to Managing Director under the provisions of Companies Act.

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

The performance evaluation criteria for independent 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.

6. REMUNERATION TO DIRECTORS

Remuneration Policy:

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. The Nomination and Remuneration Committee decides on the commission/bonus payable to the Managing Director within the ceilings prescribed under the Companies Act, 2013 based on the performance of the Company as well as that of the Managing Director.

Non – Executive Directors have been 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 2016-17 are given below:

Non-Executive Directors:

Name of the Director	Sitting fees (INR)	Commission (INR)
Mr. Hemraj C. Asher	NIL	12,00,000
Mr. Darius C. Shroff	NIL	12,00,000
Ms. Jayantika Dave	NIL	12,00,000
Mr. Sekhar Natarajan	NIL	8,00,000

Managing Director:

Name of the Director	Salary (INR)	Benefits, Perquisites and Allowances (INR)	Commission/Bonus (INR)
Mr. Amar Kaul	43,15,325	1,32,28,152	33,19,389

7. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue	Time	No. of special resolutions passed
AGM	July 27, 2016	Vivanta By Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001	12.00 Noon	Nil
AGM	September 23, 2015	Eagleton – The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	2
AGM	September 12, 2014	Eagleton – The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109	12.00 Noon	1

8. DISCLOSURES

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. 39 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)

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 shared held with NSDL and CDSL. This report is sent to all the Stock Exchanges on a quarterly basis within 30 days from the end of every quarter.

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

The Company has adopted a policy on determination of materiality on disclosures as well as 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 reqirements, 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 considerd 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)

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

During the year under review, the Company has taken steps to familiarize its directors including independent directors about the Company operations, business model, industry in which the Company operates and their roles and responsibilities.

9. 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. 2014-15, 2015-16 and 2016-17. 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.

10. 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, 2017.

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

11. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Directors and Senior Management and all its employees. The Code of Conduct is 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.

12. CEO/CFO CERTIFICATION

A certificate from Managing Director and Vice President – Finance on the integrity of the financial statements and other matters of the Company for the financial year ended March 31, 2017 was placed before the Board at its meeting held on May 23, 2017.

13. RISK MANAGEMENT

The Board has established a risk assessment and minimization procedure which is reviewed by the Board periodically. There is a structure in place to identify and mitigate various identifiable risks faced by the Company from time to time. These risks are reviewed by the 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.

14. MEANS OF COMMUNICATION

The last year's audited accounts were announced by the Company within 60 days of closure of the financial year. The quarterly results during the year were announced within the last date as specified under the 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 household of shareholders	No
• Quarterly Results – Which newspapers normally published in	The Financial Express Kannada Prabha
• Any Web site, where displayed	The quarterly results are displayed on the Company's website www.ingersollrand.co.in
• Presentation made to Institutional Investors or to Analyst	No
• Whether Management Discussion and Analysis Report is a part of annual report or not	Yes

15. GENERAL SHAREHOLDER INFORMATION

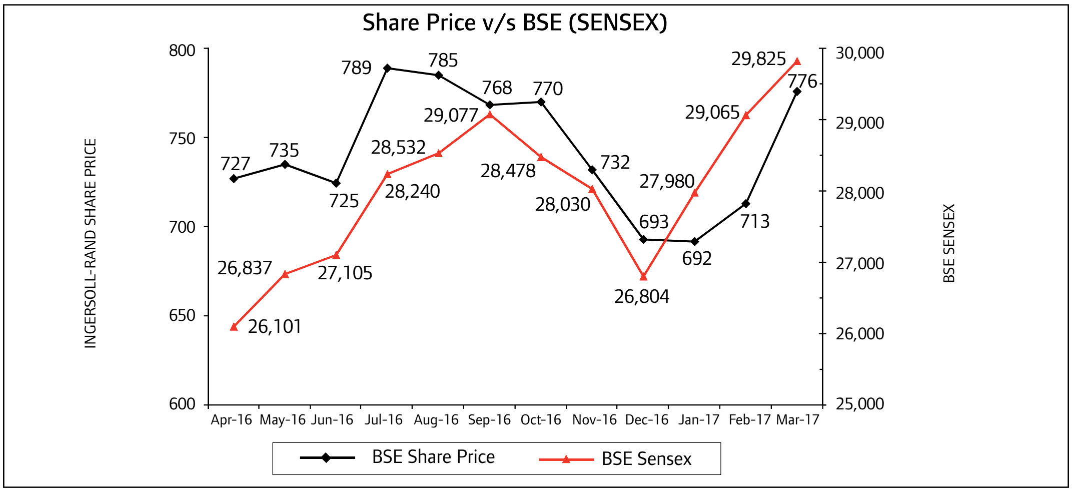
• AGM	- Date	August 3, 2017
	- Time	12.00 Noon
	- Venue	Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001
• Financial Calendar		April 2017 to March 2018
(a) First Quarter Results		First week of August 2017
(b) Second Quarter Results		Second week of November 2017
(c) Third Quarter Results		Second week of February 2018
(d) Results for the year ending March 2017		Last week of May 2018
• 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 2016-17 from July 18, 2017 to July 21, 2017 (Both days inclusive)
• Dividend Payment Date		August 8, 2017
• Listing on Stock Exchange		BSE Limited Ahmedabad Stock Exchange Limited National Stock Exchange of India Limited Listing fees for the period 2017 - 18 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 2016 to March 2017

(In Rupees)

	The Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 2016	727.00	624.65	726.90	625.00
May 2016	735.00	645.50	734.95	650.20
June 2016	724.50	621.50	727.00	621.00
July 2016	789.00	696.30	790.00	695.80
August 2016	785.00	716.60	786.00	717.00
Septmeber 2016	768.40	700.00	768.00	700.00
October 2016	770.00	715.00	768.85	713.85
November 2016	732.00	646.00	730.00	648.75
December 2016	692.95	645.40	695.85	650.00
January 2017	691.75	645.00	692.85	646.35
February 2017	713.00	648.00	714.80	645.00
March 2017	775.90	646.00	778.00	668.00

- Stock Performance in comparison to BSE Sensex



- Registrars & Share Transfer Agents

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

- Share Transfer System

The share transactions are approved by the General Manager - Corp. Finance & Company Secretary periodically in terms of the authority granted by the Board of Directors of the Company with a view to expedite the process of approving the share transactions. The summary of share transactions approved is placed before the Board of Directors of the Company at the succeeding Board Meetings for ratification.

Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

The total number of shares transferred in the physical form during the year under review was 9,010.

- Distribution and Shareholding Pattern as on March 31, 2017

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	22,357	90.99%	2,131,053	6.75%
501 – 1,000	1,492	6.07%	1,147,962	3.64%
1,001 – 2,000	413	1.68%	609,791	1.93%
2,001 – 3,000	119	0.48%	299,422	0.95%
3,001 – 4,000	48	0.20%	170,268	0.54%
4,001 – 5,000	33	0.13%	151,684	0.48%
5,001 – 10,000	62	0.25%	450,348	1.43%
10,001 and above	50	0.20%	26,607,472	84.28%
Total	**24,574**	**100.00%**	**31,568,000**	**100.00%**
No. of shareholders in physical mode	1,633	6.65%	353,029	1.12%
No. of shareholders in electronic mode	22,941	93.35%	31,214,971	98.88%

- Shareholding pattern as on March 31, 2017 is as follows

Category	As on March 31, 2017	
	No. of shares	%
Ingersoll-Rand Company, USA	23,360,000	74.00%
Foreign Institutional Investors	240,591	0.77%
Non Resident Indians	149,679	0.47%
Unit Trust of India	200	0.00%
Insurance Companies	1,408,010	4.46%
Nationalised & Other Banks	8,673	0.03%
Foreign Banks	150	0.00%
Mutual Funds	896,090	2.84%
Domestic Companies	665,971	2.11%
Trusts	2,110	0.01%
Directors & their relatives	76,200	0.24%
General Public	4,760,326	15.07%
TOTAL	**31,568,000**	**100.00%**

- Dematerialisation of shares and liquidity: The equity shares of the Company are in compulsory demat list and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of March 31, 2017, 98.88% of the paid-up capital has been dematerialised.
- 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 or to the Compliance Officer at the following address:

Registrar & Share Transfer Agents

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

Compliance Officer

The Company Secretary
Ingersoll-Rand (India) Limited
8th Floor, Tower D,
IBC Knowledge Park,
No. 4/1, Bannerghatta Main Road, Bangalore – 560029
E-mail: p_r_shubhakar@irco.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

For and on behalf of the Board of Directors

Mumbai
May 23, 2017

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, 2017.

For Ingersoll-Rand (India) Limited

Mumbai
May 23, 2017

Amar Kaul
Chairman and Managing Director
(DIN: 07574081)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No: L05190KA1921PLC036321

Nominal Capital: Rs. 31,56,80,000

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, 2016 to March 31, 2017. 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.

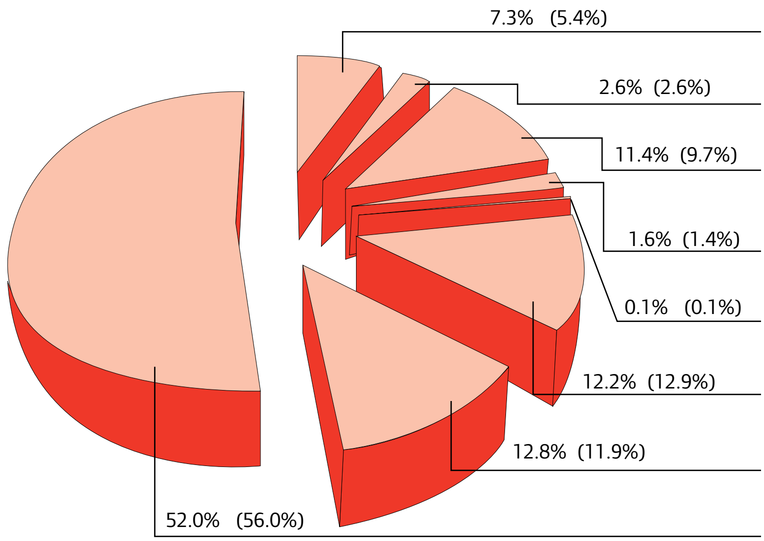
This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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: 23rd May, 2017

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

Distribution of Income



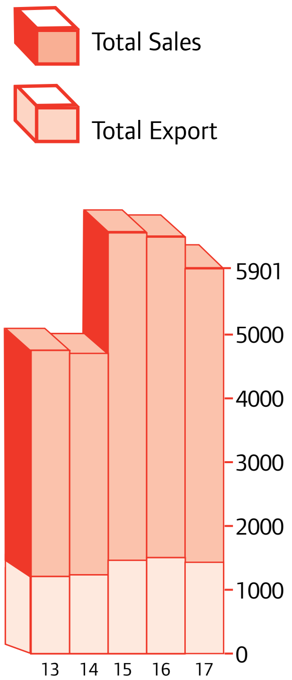
(Rs. Million)

	2016-17	2015-16
Retained Earnings	539.01	388.32
Shareholders	189.40	189.40
Corporate Taxes and Excise Duty	838.61	698.69
Depreciation	118.00	97.76
Interest	7.88	4.67
Expenses	894.34	925.68
Employee	937.42	854.58
Materials and Services	3,822.74	4,010.12
Total	7,347.40	7,169.22

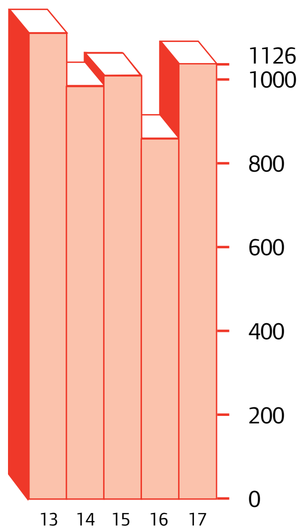
Ten years at a glance

	(Rs.'000)	2016-17	2015-16	2014-15
1.	Sales	59,01,021	58,99,861	65,26,450
2.	Other Income	14,58,490	12,36,660	12,88,670
3.	Total Income	73,59,511	71,36,521	78,15,120
4.	CAGR For Total Income (%)	-2.24		-
5.	Manufacturing and Other Expenses	61,08,100	62,10,130	61,09,920
6.	Depreciation	1,18,000	97,760	1,15,590
7.	Interest	7,880	4,670	20,780
8.	Voluntary Retirement Compensation	-	-	-
9.	Profit Before Depreciation & Income Tax	12,43,531	9,21,721	11,25,050
10.	Profit Before Tax	11,25,531	8,23,961	10,09,460
11.	Tax	3,64,790	2,12,800	3,48,000
12.	Profit After Tax	7,60,741	6,11,161	6,61,460
13.	CAGR For Profit After Tax (%)	13.94		-
14.	Dividend	1,89,408	1,89,408	1,89,408
15.	Dividend - Rs. per share	6.00	6.00	6.00
16.	Fixed Assets (Net)	12,61,470	7,75,490	15,49,490
17.	Current Assets, Financial Assets etc.	1,07,95,630	1,08,32,840	97,62,030
18.	Total Assets	1,20,57,100	1,16,08,330	1,13,11,520
19.	Share Capital	3,15,680	3,15,680	3,15,680
20.	Market Price Per Share : 52 Weeks High & Low (H - High ; L - Low)	H 789.00 L 621.50	H 1,125.00 L 583.00	H 1,107.80 L 420.00
21.	Reserves and Surplus	1,02,99,930	97,60,920	92,56,510
22.	Net Worth	1,06,15,610	1,00,76,600	95,72,190
23.	Loans (Secured and Unsecured)	-	-	-

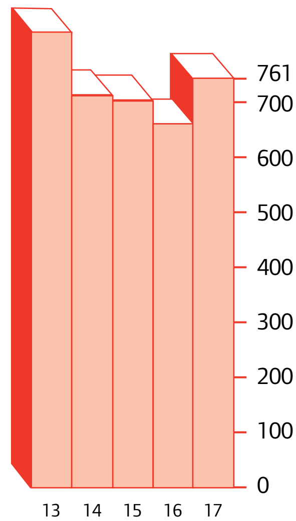
GROSS SALES
(in Millions of Rs.)



PROFIT BEFORE TAX
(in Millions of Rs.)



PROFIT AFTER TAX
(in Millions of Rs.)



2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	
58,77,851	58,98,371	59,97,141	49,70,526	37,60,037	40,56,434	53,06,573	1.
10,74,460	10,37,480	10,05,880	7,78,991	5,71,449	7,65,117	5,59,746	2.
69,52,311	69,35,851	70,03,021	57,49,517	43,31,486	48,21,551	58,66,319	3.
-	-	-	-	-	-	-	4.
53,34,240	53,18,250	53,22,800	43,52,041	33,07,541	34,14,289	44,24,359	5.
81,060	51,760	50,360	47,530	41,486	41,632	42,453	6.
11,870	10,900	4,710	5,340	18,539	1,731	8,772	7.
-	-	-	-	10,316	4,847	-	8.
10,65,411	11,63,250	12,82,800	10,59,051	7,73,040	10,68,960	37,99,353	9.
9,84,351	11,11,490	12,32,440	10,11,521	7,31,554	10,27,328	37,56,900	10.
3,14,780	3,32,060	4,04,810	3,25,300	2,57,522	3,55,274	9,51,570	11.
6,69,571	7,79,430	8,27,630	6,86,221	4,74,032	6,72,054	28,05,330	12.
-	-	-	-	-	-	-	13.
1,89,408	1,89,408	7,57,632	1,89,408	1,89,408	1,89,408	1,89,408	14.
6.00	6.00	24.00	6.00	6.00	6.00	6.00	15.
11,63,241	10,20,281	4,53,761	2,53,621	2,39,154	2,23,472	2,26,724	16.
97,70,561	91,75,640	89,99,040	93,57,978	87,31,850	83,78,020	80,05,710	17.
1,09,33,802	1,01,95,921	94,52,801	96,11,599	90,20,530	86,48,984	82,89,491	18.
3,15,680	3,15,680	3,15,680	3,15,680	3,15,680	3,15,680	3,15,680	19.
H 473.95	H 543.70	H 558.50	H 518.40	H 376.90	H 421.45	H 422.10	20.
L 301.00	L 383.05	L 355.20	L 337.00	L 264.55	L 204.75	L 251.25	
88,30,361	83,82,394	78,23,829	78,76,749	74,11,020	71,58,220	67,07,773	21.
91,46,041	86,98,074	81,39,509	81,92,429	77,26,700	74,73,900	70,23,453	22.
-	-	-	-	-	-	-	23.

Independent Auditors' Report

To the Members of Ingersoll-Rand (India) Limited

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

1. We have audited the accompanying Ind AS financial statements of **Ingersoll-Rand (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records inaccordance 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of

the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which were audited by us and on which we expressed an unmodified opinion dated May 26, 2016 and May 12, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us.

   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 Cash Flow Statement and the Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Notes 12 and 25;

        ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company did not have any derivative contract as at March 31, 2017;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017; and

iv. The Company has made requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in "Specified Bank Notes" during the period from November 8 to December 30, 2016. Based on audit procedures and relying on Management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by Management – Refer Note 40 to the Ind AS financial statements.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Mumbai
May 23, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Ingersoll-Rand (India) Limited on the Ind AS financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Ingersoll-Rand (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

5. 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Mumbai
May 23, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Ingersoll-Rand (India) Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the Ind AS financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of account.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans given. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, profession tax, sales tax, withholding income tax, and service tax, though there has been a slight delay in a few cases, and is regular in depositing employees' state insurance, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

vii. (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and duty of excise, as at March 31, 2017, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	- (*1)	2002-03	The Income Tax Appellate Tribunal (ITAT), Bangalore
		- (*2)	2003-04	
		- (*3)	2004-05	
		- (*4)	2006-07	
		- (*5)	2008-09	
		- (*6)	2008-09	The Commissioner of Income Tax (Appeals), Bangalore
		12,717,314 (*7)	2010-11	ITAT, Bangalore
		11,748,149 (*8)	2011-12	ITAT, Bangalore
The Central Excise Act, 1944	Excise duty	6,705,998	2007-08	The Commissioner of Central Excise (Appeals), Bangalore
		164,311,077	2008-13	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad
		50,302,115 (*9)	2009-13	
The Central Sales Tax Act, 1956	Sales tax	4,691,907 (*10)	2010-11	The Gujarat Value Added Tax Tribunal, Ahmedabad
		11,034,718 (*11)	2011-12	
		20,651,685	2012-13	The Deputy Commissioner of Commercial Tax, Ahmedabad
The Finance Act, 1994	Service tax	61,279,019	2008-16	CESTAT, Ahmedabad
		14,220,117 (*12)	2008-16	The Commissioner (Appeals) of Central Excise, Ahmedabad
		5,053,515	2012-16	

(*1) Rs.14,525,728 has been deposited "under protest" by the Company.
(*2) Rs.26,346,404 has been deposited "under protest" by the Company.
(*3) Rs.16,206,755 has been deposited "under protest" by the Company.
(*4) Rs.18,338,642 has been deposited "under protest" by the Company.
(*5) Rs.634,956 has been deposited "under protest" by the Company.
(*6) Rs.3,538,403 has been deposited "under protest" by the Company.
(*7) Rs.16,189,585 has been deposited "under protest" by the Company.
(*8) Rs.11,093,825 has been deposited "under protest" by the Company.
(*9) Rs.2,037,745 has been deposited "under protest" by the Company.
(*10) Rs.11,850,000 has been deposited "under protest" by the Company.
(*11) Rs.5,684,000 has been deposited "under protest" by the Company.
(*12) Rs.3,954,879 has been deposited "under protest" by the Company.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Mumbai
May 23, 2017

Balance Sheet

(All amounts in Rupees Million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current assets				
Property, plant and equipment	4	1,261.47	775.49	1,093.08
Capital work-in-progress	4	18.97	349.99	456.41
Intangible assets	4	-	-	-
Financial assets				
(i) Loans	5.1	1,391.28	1,464.61	1,470.00
(ii) Other financial assets	5.5	53.97	49.39	62.51
Deferred tax assets (net)	6	82.95	92.78	33.32
Other non-current assets	7	123.11	127.64	224.10
Total non-current assets		2,931.75	2,859.90	3,339.42
Current assets				
Inventories	8	873.79	952.00	1,124.37
Financial assets				
(i) Trade receivables	5.2	935.19	1,363.34	1,784.00
(ii) Cash and cash equivalents	5.3	6,224.68	3,833.57	2,270.53
(iii) Other bank balances	5.4	505.53	930.51	1,905.44
(iv) Other financial assets	5.5	58.79	57.65	148.18
Advance income tax (net)	9.1	138.97	138.97	43.71
Other current assets	7	388.40	762.52	695.87
Assets classified as held for sale	33	-	709.87	-
Total current assets		9,125.35	8,748.43	7,972.10
Total assets		12,057.10	11,608.33	11,311.52
Equity and Liabilities				
Equity				
Equity share capital	10.1	315.68	315.68	315.68
Reserves and surplus	10.2	10,299.93	9,760.92	9,372.60
Total equity		10,615.61	10,076.60	9,688.28
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Other financial liabilities	11	5.95	5.94	5.84
Provisions	12	55.98	43.07	15.57
Employee benefit obligations	13	33.48	12.40	13.66
Total non-current liabilities		95.41	61.41	35.07
Current liabilities				
Financial liabilities				
(i) Trade payables	14	936.50	1,050.23	1,264.12
(ii) Other financial liabilities	11	36.11	119.74	63.04
Provisions	12	30.37	45.45	50.30
Employee benefit obligations	13	14.58	14.11	13.10
Current tax liabilities (net)	9.2	56.56	-	-
Other current liabilities	15	271.96	240.79	197.61
Total current liabilities		1,346.08	1,470.32	1,588.17
Total liabilities		1,441.49	1,531.73	1,623.24
Total equity and liabilities		12,057.10	11,608.33	11,311.52

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 Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Mumbai
Date: May 23, 2017

For and on behalf of Board of Directors

Amar Kaul
Chairman and Managing Director

H. C. Asher
Director

G. Madhusudhan Rao
Vice President-Finance

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

Place: Mumbai
Date: May 23, 2017

Statement of Profit and Loss

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations			
Revenue from operations	16	6,771.78	6,658.55
Other income	17	587.73	477.97
Total income		7,359.51	7,136.52
Expenses			
Cost of materials consumed	18	3,754.19	3,875.48
Purchases of stock-in-trade		135.57	121.42
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	(67.02)	13.22
Excise duty expense		435.26	447.33
Employee benefits expense	20	937.42	854.58
Depreciation and amortisation expense	21	118.00	97.76
Other expenses	22	894.34	925.68
Finance costs	23	7.88	4.67
Total expenses		6,215.64	6,340.14
Profit before tax from continuing operations		1,143.87	796.38
Income tax expense	24		
Current tax		375.75	269.26
Deferred tax charge/ (credit)		26.73	(13.83)
Write back relating to prior years (net)		(31.34)	(52.17)
Total tax expense		371.14	203.26
Profit from continuing operations		772.73	593.12
Discontinued operations			
Profit from discontinued operations before tax	33	-	23.27
Income tax expense from discontinued operations		-	8.05
Profit from discontinued operations		-	15.22
Profit for the year		772.73	608.34
Other comprehensive income from continuing operations:			
Items that will not be reclassified to profit or loss			
Gain/ (Loss) on remeasurements of post-employment benefit obligations		(18.34)	4.31
Income tax relating to this item credit/ (charge)		6.35	(1.49)
Other comprehensive income for the year, net of tax		(11.99)	2.82
Total comprehensive income for the year		760.74	611.16
Earnings per equity share for profit from continuing operations [Nominal value per share Rs.10 (March 31, 2016: Rs.10)]			
Basic and Diluted	26	24.48	18.79
Earnings per equity share for profit from discontinued operations [Nominal value per share Rs.10 (March 31, 2016: Rs.10)]			
Basic and Diluted	26	-	0.48
Earnings per equity share for profit from continuing and discontinued operations [Nominal value per share Rs.10 (March 31, 2016: Rs.10)]			
Basic and Diluted	26	24.48	19.27

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 Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Mumbai
Date: May 23, 2017

For and on behalf of Board of Directors

Amar Kaul
Chairman and Managing Director

H. C. Asher
Director

G. Madhusudhan Rao
Vice President-Finance

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

Place: Mumbai
Date: May 23, 2017

Cash Flow Statement

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Cash flow from operating activities		
Profit before income tax from		
Continuing operations	1,143.87	796.38
Discontinued operations	-	23.27
Profit before income tax including discontinued operations	1,143.87	819.65
Adjustments for:		
Depreciation and amortisation expense	118.00	119.29
Interest expense	7.88	4.67
Interest income	(482.36)	(483.02)
Unwinding of discount on interest on loans to fellow subsidiaries	(1.05)	5.39
Net (gain)/ loss on disposal of property, plant and equipment	(60.82)	38.80
Employee share based payments expense	6.23	5.12
Bad debts written off	18.35	34.22
Provision for sales tax refund receivable	5.86	16.87
Provision for doubtful debts (net)	19.74	(23.26)
Unrealised foreign exchange (gain)/ loss	19.96	(6.03)
Provision for doubtful advances (net)	-	1.39
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	390.06	432.25
(Increase) / Decrease in inventories	78.21	172.37
(Increase) / Decrease in other financial assets	8.71	93.85
(Increase) / Decrease in other non-current assets	(10.77)	(12.56)
(Increase) / Decrease in other current assets	368.25	(84.91)
Increase / (Decrease) in trade payables	(113.73)	(213.89)
Increase / (Decrease) in provisions	(2.17)	22.65
Increase / (Decrease) in employee benefit obligations	3.21	4.06
Increase / (Decrease) in other current liabilities	26.27	40.91
Adjustment for unrealised foreign exchange gain/ (loss)	(19.96)	6.03
Cash generated from operations	**1,523.74**	**993.85**
Income taxes paid (net of refunds)	(309.00)	(326.15)
Net cash inflow from operating activities	**1,214.74**	**667.70**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(333.28)	(443.96)
Proceeds from sale of property, plant and equipment	63.41	101.74
Proceeds from disposal of assets held for sale [includes Rs.127.27 (March 31, 2016: Rs.60.45) recovered from IRCSPL] (Note 33)	709.87	-
(Increase) / Decrease in financial asset - loans	74.37	-
Investments in term deposits (with original maturity more than 3 months but less than 12 months)	(500.00)	(3,325.00)
Proceeds on maturity of term deposits (with original maturity more than 3 months but less than 12 months)	925.00	4,300.00
Interest received	467.93	492.82
Net cash inflow from investing activities	**1,407.30**	**1,125.60**

Cash Flow Statement (Contd.)

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
C. Cash flows from financing activities		
Dividends paid	(189.39)	(189.30)
Dividend distribution tax	(38.56)	(38.56)
Interest paid	(2.98)	(2.40)
Net cash outflow from financing activities	(230.93)	(230.26)
Net Increase/ (decrease) in cash and cash equivalents	2,391.11	1,563.04
Cash and Cash equivalents at the beginning of the year	3,833.57	2,270.53
Cash and Cash equivalents at the end of the year	6,224.68	3,833.57
Cash and cash equivalents comprise of:		
Cash on hand	0.01	0.03
Cheques on hand	4.14	6.89
Balances with banks (including demand deposits)	6,226.54	3,827.95
Effect of exchange differences on balances with banks in foreign currency	(6.01)	(1.30)
Total	6,224.68	3,833.57

Notes:

1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ended on that date.

2 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.

3 Refer Note 33 for disclosure relating to discontinued operations.

4 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 Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Mumbai
Date: May 23, 2017

For and on behalf of Board of Directors

Amar Kaul
Chairman and Managing Director

H. C. Asher
Director

G. Madhusudhan Rao
Vice President-Finance

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

Place: Mumbai
Date: May 23, 2017

Statement of Changes in Equity

(All amounts in Rupees Million, unless otherwise stated)

		Notes	Amount
A.	**Equity share capital**		
	As at April 01, 2015		315.68
	Changes in equity share capital	10	-
	As at March 31, 2016		315.68
	Changes in equity share capital	10	-
	As at March 31, 2017		315.68

		Notes	General reserve	Retained earnings	Other reserves	Total other equity
B	**Other equity**					
	Balance at April 1, 2015		3,030.19	6,339.66	2.75	9,372.60
	Profit for the year		-	608.34	-	608.34
	Other comprehensive income		-	2.82	-	2.82
	Total comprehensive income for the year		-	611.16	-	611.16
	Dividends paid and tax thereon	29	-	(227.96)	-	(227.96)
	Employee stock option compensation	18	-	-	5.12	5.12
			-	(227.96)	5.12	(222.84)
	Balance at March 31, 2016		3,030.19	6,722.86	7.87	9,760.92
	Profit for the year		-	772.73	-	772.73
	Other comprehensive income		-	(11.99)	-	(11.99)
	Total comprehensive income for the year		-	760.74	-	760.74
	Dividends paid and tax thereon	29	-	(227.96)	-	(227.96)
	Employee stock option compensation	18	-	-	6.23	6.23
			-	(227.96)	6.23	(221.73)
	Balance at March 31, 2017		3,030.19	7,255.64	14.10	10,299.93

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 Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Mumbai
Date: May 23, 2017

For and on behalf of Board of Directors

Amar Kaul
Chairman and Managing Director

H. C. Asher
Director

G. Madhusudhan Rao
Vice President-Finance

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

Place: Mumbai
Date: May 23, 2017

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

1 **General information**

Ingersoll-Rand (India) Limited (the 'Company') is a public limited company incorporated in 1921 under provisions of the Companies Act, 1913 and existing under the provisions of the Companies Act, 1956/ 2013. The Company's registered office is at Bangalore and its principal place of business and manufacturing plant is located at Naroda, Ahmedabad. It is primarily engaged in the business of manufacturing and sales of industrial air compressors of various capacities and related services. The Company sells air compressors primarily in India and also exports the products to American, Asian and European countries. During the prior year, the Company also manufactured air conditioner package under contract manufacturing arrangement for a fellow subsidiary in India from a plant at Chennai, the business of which has since been discontinued (refer Note 33). 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 **Significant accounting policies**

2.1 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) ("Previous GAAP") and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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.

(ii) Historical cost convention

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) assets held for sale - measured at fair value less cost to sell;

(c) defined benefit plans - plan assets measured at fair value; and

(d) share-based payments measured at fair value on grant date.

Also, refer note 37 (A) on deemed cost

(iii) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

(All amounts in Rupees Million, unless otherwise stated)

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Company's CODM consists of the managing director and the chief financial officer. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. Refer note 38 for segment information presented.

2.3 Foreign currency translation

(i) 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.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

Subsequent Recognition:

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

2.4 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when the amount

(All amounts in Rupees Million, unless otherwise stated)

of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

(a) Sale of goods

Timing of Recognition:

Revenue from sale of goods are recognised when significant risks and rewards are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

Measurement of Revenue:

Amounts disclosed as Revenue are inclusive of excise duty, where applicable, and net of returns, trade allowances, rebates, liquidated damages and value added taxes.

(b) Sale of services

Timing of Recognition:

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

Measurement of Revenue:

Revenue from services are disclosed exclusive of service 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.

2.5 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.

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 liability method, on temporary 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 tax assets and tax liabilities

(All amounts in Rupees Million, unless otherwise stated)

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.

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.

2.6 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.

2.7 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 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.

2.8 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.

2.9 Trade Receivables

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

2.10 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

(All amounts in Rupees Million, unless otherwise stated)

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.

2.11 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, etc., which are specifically exempt from this requirement.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.12 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. For investments in debt instruments, this will depend on the business model in which the investment is held.

(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 34 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.

(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.

(All amounts in Rupees Million, unless otherwise stated)

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.

(v) Income recognition

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.

2.13 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.

2.14 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:

Leasehold land: 99 years

Buildings: 25-40 years

Leasehold improvements: Useful life of assets in line with the lease term

Plant and machinery: 10-15 years

Plant and machinery - given on operating lease: 2-5 years

Computer systems: 3-5 years

Electrical installations: 10 years

Furniture, fittings and equipment: 3-5 years

Vehicles: 5-10 years

Small tools: 5-15 years

Office equipment: 5 years

(All amounts in Rupees Million, unless otherwise stated)

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 property, plant and equipment 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.

2.15 Intangible Assets

Computer Software:

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.

Amortisation methods and periods:

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.

Transition to Ind AS:

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.

2.16 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 Million, unless otherwise stated)

2.17 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.

2.18 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.

2.19 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.

2.20 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.

(All amounts in Rupees Million, unless otherwise stated)

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. 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.

2.21 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 Company revises its estimates of the number of options that 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.

(All amounts in Rupees Million, unless otherwise stated)

2.22 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.

2.23 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.

2.24 Rounding of amounts

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

3 Critical 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

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.

(All amounts in Rupees Million, unless otherwise stated)

4 Property, plant and equipment, Intangible assets and Capital work-in-progress

	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, 2016													
Gross carrying amount													
Deemed cost as at April 01, 2015	202.19	428.60	33.48	289.57	14.91	38.28	25.06	2.35	30.61	28.03	1,093.08	456.41	-
Additions	-	302.57	-	207.05	37.57	116.97	5.59	-	4.75	0.23	674.73	542.38	-
Disposals/ Transfers	-	(3.26)	-	(119.70)	(0.36)	(1.67)	(5.12)	(0.21)	(16.13)	(0.01)	(146.46)	(648.80)	-
Reclassified to Assets held for sale	(196.06)	(411.53)	-	(85.48)	(2.39)	(37.01)	(4.65)	-	-	(12.94)	(750.06)	-	-
Closing gross carrying amount	6.13	316.38	33.48	291.44	49.73	116.57	20.88	2.14	19.23	15.31	871.29	349.99	-
Accumulated depreciation													
Depreciation charge during the year	1.03	22.83	13.70	39.14	12.77	16.32	3.98	0.71	1.20	7.61	119.29	-	-
Disposals	-	(0.26)	-	(4.43)	(0.17)	(0.12)	(0.37)	(0.21)	(0.37)	-	(5.93)	-	-
Reclassified to Assets held for sale	(1.03)	(7.33)	-	(3.15)	(1.11)	(2.52)	(0.30)	-	-	(2.12)	(17.56)	-	-
Closing accumulated depreciation	-	15.24	13.70	31.56	11.49	13.68	3.31	0.50	0.83	5.49	95.80	-	-
Net carrying amount	6.13	301.14	19.78	259.88	38.24	102.89	17.57	1.64	18.40	9.82	775.49	349.99	-
Year ended March 31, 2017													
Gross carrying amount													
Opening gross carrying amount	6.13	316.38	33.48	291.44	49.73	116.57	20.88	2.14	19.23	15.31	871.29	349.99	-
Additions	-	318.08	-	162.36	68.94	40.67	9.95	-	5.08	1.49	606.57	213.41	-
Disposals/ Transfers	-	(4.33)	-	(3.13)	(0.08)	(0.26)	(1.54)	-	(0.06)	(0.11)	(9.51)	(544.43)	-
Closing gross carrying amount	6.13	630.13	33.48	450.67	118.59	156.98	29.29	2.14	24.25	16.69	1,468.35	18.97	-
Accumulated depreciation													
Opening accumulated depreciation	-	15.24	13.70	31.56	11.49	13.68	3.31	0.50	0.83	5.49	95.80	-	-
Depreciation charge during the year	-	18.86	13.70	36.82	21.39	15.53	4.41	0.50	1.19	5.60	118.00	-	-
Disposals	-	(3.33)	-	(1.82)	(0.08)	(0.07)	(1.52)	-	(0.01)	(0.09)	(6.92)	-	-
Closing accumulated depreciation	-	30.77	27.40	66.56	32.80	29.14	6.20	1.00	2.01	11.00	206.88	-	-
Net carrying amount	6.13	599.36	6.08	384.11	85.79	127.84	23.09	1.14	22.24	5.69	1,261.47	18.97	-

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

Notes:

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

	Land - leasehold	Buildings	Plant and machinery	Computer systems	Electrical installations	Furniture, fixtures and equipment	Office equipment	Total tangible assets
Year ended March 31, 2016								
Gross carrying amount								
Deemed cost as at April 01, 2015	196.06	412.60	198.66	2.75	36.84	5.64	12.95	865.50
Additions	-	-	2.10	-	0.63	-	-	2.73
Disposals	-	(1.07)	(102.12)	(0.36)	(0.46)	(0.99)	(0.01)	(105.01)
Reclassified to Assets held for sale	(196.06)	(411.53)	(85.48)	(2.39)	(37.01)	(4.65)	(12.94)	(750.06)
Closing gross carrying amount	-	-	13.16	-	-	-	-	13.16
Accumulated depreciation								
Depreciation charge during the year	1.03	7.35	12.42	1.28	2.55	0.36	2.12	27.11
Disposals	-	(0.02)	(3.69)	(0.17)	(0.03)	(0.06)	-	(3.97)
Reclassified to Assets held for sale	(1.03)	(7.33)	(3.15)	(1.11)	(2.52)	(0.30)	(2.12)	(17.56)
Closing accumulated depreciation	-	-	5.58	-	-	-	-	5.58
Net carrying amount	-	-	7.58	-	-	-	-	7.58
Year ended March 31, 2017								
Gross carrying amount								
Opening gross carrying amount	-	-	13.16	-	-	-	-	13.16
Additions	-	-	10.68	-	-	-	-	10.68
Disposals	-	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	23.84	-	-	-	-	23.84
Accumulated depreciation								
Opening accumulated depreciation	-	-	5.58	-	-	-	-	5.58
Depreciation charge during the year	-	-	5.61	-	-	-	-	5.61
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	11.19	-	-	-	-	11.19
Net carrying amount	-	-	12.65	-	-	-	-	12.65

(2) Deemed cost as at April 01, 2015 has been arrived at as follows:

The carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS has been measured as per the previous GAAP and is considered to be its deemed cost as at the date of transition.

(All amounts in Rupees Million, unless otherwise stated)

The break up of gross block and the accumulated depreciation as per the previous GAAP has been detailed below:

	Land - leasehold	Buildings	Leasehold improvements	Plant and machinery	Computer systems	Electrical installations	Furniture, fixtures and equipment	Vehicles	Small tools	Office equipment	Total tangible assets	Intangible assets - Computer software
Year ended March 31, 2015												
Gross carrying amount	213.45	493.53	61.85	492.31	101.59	73.21	70.62	4.69	82.52	48.99	1,642.76	20.02
Accumulated depreciation	11.26	64.93	28.37	202.74	86.68	34.93	45.56	2.34	51.91	20.96	549.68	20.02
Net carrying amount as at April 01, 2015 (Deemed cost)	202.19	428.60	33.48	289.57	14.91	38.28	25.06	2.35	30.61	28.03	1,093.08	-

(3) The leasehold land represents land taken on finance lease and the premium paid thereon is amortised over the period of lease.

5 Financial assets

5.1 Loans

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good:						
Loans to fellow subsidiaries (refer note 39)	-	1,391.28	-	1,464.61	-	1,470.00
Total loans	-	1,391.28	-	1,464.61	-	1,470.00

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, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment			
Receivables from related parties (refer note 39)	-	-	3.73
Others	26.03	37.79	119.77
Outstanding for a period not exceeding six months from the date they are due for payment			
Receivables from related parties (refer note 39)	255.91	458.00	654.24
Others	653.25	867.55	1,006.26
Unsecured, considered doubtful			
Outstanding for a period exceeding six months from the date they are due for payment			
Others	58.62	38.88	62.14
(Less): Allowance for doubtful debts	(58.62)	(38.88)	(62.14)
Total receivables	935.19	1,363.34	1,784.00
Current portion	935.19	1,363.34	1,784.00

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

5.3 Cash and cash equivalents

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Balances with banks			
- in current accounts	156.53	96.20	64.86
- in Export Earners' Foreign Currency (EEFC) accounts	215.00	38.15	66.16
Deposits with original maturity of less than three months	5,849.00	3,692.30	2,137.40
Cheques on hand	4.14	6.89	2.07
Cash on hand	0.01	0.03	0.04
Total cash and cash equivalents	6,224.68	3,833.57	2,270.53

5.4 Other bank balances

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Term deposits with original maturity more than three months but less than twelve months	500.00	925.00	1,900.00
Unpaid dividend accounts	5.53	5.51	5.44
Total other bank balances	505.53	930.51	1,905.44

5.5 Other financial assets

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Security and other deposits	-	53.97	5.13	49.39	3.85	62.51
Unbilled revenues	12.08	-	20.24	-	102.25	-
Interest accrued on over-due trade receivables	-	-	-	-	9.42	-
Interest accrued on deposits with banks	46.71	-	32.28	-	32.66	-
Total other financial assets	58.79	53.97	57.65	49.39	148.18	62.51

6 Deferred tax assets

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
The balance comprises temporary differences attributable to:			
(A) Deferred tax assets arising from:			
Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961:			
Allowance for doubtful debts: trade receivables, advances and other receivables	34.49	25.75	26.99
Provisions: Warranties and employee benefits expenses	59.05	48.04	38.89
Depreciation: difference between carrying amount of Property, plant and equipment in the financial statements and income tax return	-	18.98	-

(All amounts in Rupees Million, unless otherwise stated)

6 Deferred tax assets (Contd.)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Others	2.07	0.01	-
Total deferred tax assets	95.61	92.78	65.88
(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	(12.66)	-	(32.56)
Total deferred tax (liabilities)	(12.66)	-	(32.56)
Net deferred tax assets	82.95	92.78	33.32

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 April 1, 2015	**(32.56)**	**38.89**	**26.99**	**-**	**33.32**
(Charged)/ Credited to profit or loss	51.54	9.15	(1.24)	0.01	59.46
As at March 31, 2016	**18.98**	**48.04**	**25.75**	**0.01**	**92.78**
(Charged)/ Credited to profit or loss	(31.64)	11.01	8.74	2.06	(9.83)
As at March 31, 2017	**(12.66)**	**59.05**	**34.49**	**2.07**	**82.95**

7 Other current and non-current assets

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Taxes paid under protest	-	87.01	-	76.41	-	117.78
Capital advances	-	1.48	-	27.38	-	95.03
Balance with government authorities	294.59	23.53	444.85	13.88	440.89	10.00
Prepaid expenses	20.92	11.09	28.09	8.68	16.66	-
Advances to suppliers						
Considered good	6.87	-	31.18	1.29	79.07	1.29
Considered doubtful	5.14	-	-	-	-	-
(Less): Provision for doubtful advances	(5.14)	-	-	-	-	-
Export incentives receivable						
Considered good	66.02	-	52.40	-	62.90	-
Considered doubtful	13.17	-	18.67	-	17.28	-
(Less): Provision for doubtful export incentive receivables	(13.17)	-	(18.67)	-	(17.28)	-

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

7 Other current and non-current assets (Contd.)

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Other receivables (refer note 39)						
Considered good	-	-	206.00	-	96.35	-
Considered doubtful	32.73	-	16.87	-	-	-
(Less): Provision for doubtful other receivables	(32.73)	-	(16.87)	-	-	-
Total other current and non-current assets	388.40	123.11	762.52	127.64	695.87	224.10

8 Inventories

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Raw materials	560.67	629.14	862.61
Work-in-progress	37.57	14.69	26.09
Finished goods	270.51	301.93	227.93
Traded goods	5.04	6.24	7.74
Total inventories	873.79	952.00	1,124.37
(a) Stock in transit (included above)			
Raw materials	145.98	126.74	145.53
Finished goods	44.06	70.51	45.69
Total stock in transit	190.04	197.25	191.22
(b) Details of inventories			
Work-in progress			
Air compressors	37.57	14.69	26.06
Air conditioner packages	-	-	0.03
Total work-in progress	37.57	14.69	26.09
Finished goods			
Air compressors	270.51	301.93	222.93
Air conditioner packages	-	-	5.00
Total finished goods	270.51	301.93	227.93

The total inventories are net of provision for obsolescence amounting to Rs.136.39 (March 31, 2016: Rs.121.24).

9.1 Advance income tax (net)

	As at	
	March 31, 2017	March 31, 2016
Opening balance [Net of provision for earlier years Rs.3,868.64 (March 31, 2016: Rs.3,596.38)]	138.97	43.71
Add: Advance tax and tax deducted at source	-	374.06
(Less): Provision for current tax	-	(278.80)
Closing balance	138.97	138.97

(All amounts in Rupees Million, unless otherwise stated)

9.2 Current tax liabilities (net)

	As at March 31, 2017	As at March 31, 2016
Opening balance	-	-
Add: Current tax payable for the year	369.40	-
(Less): Taxes paid	(312.84)	-
Closing balance	**56.56**	**-**

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, 2016, 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, 2017, 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, 2017, the transactions with the said enterprises are on an arm's length basis.

10 Equity share capital and other equity

		Number of shares (in millions)	Amount
10.1	**Equity share capital**		
	Authorised equity share capital		
	As at April 01, 2015	32.00	320.00
	Change during the year	-	-
	As at March 31, 2016	32.00	320.00
	Change during the year	-	-
	As at March 31, 2017	**32.00**	**320.00**
(i)	**Movements in equity share capital**		
	As at April 01, 2015	31.57	315.68
	Change during the year	-	-
	As at March 31, 2016	31.57	315.68
	Change during the year	-	-
	As at March 31, 2017	**31.57**	**315.68**

The above includes 31,301,500 (March 31, 2016: 31,301,500) shares allotted as fully paid-up by way of bonus shares by capitalisation of share premium and general reserves. The Company had last issued bonus shares 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.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

10 Equity share capital and other equity (Contd.)

		As at	
	March 31, 2017	March 31, 2016	April 01, 2015
(iii) Equity shares held by holding company			
Ingersoll-Rand Company, USA, the immediate holding company	233.60	233.60	233.60
Total	233.60	233.60	233.60
(iv) Details of shareholders holding more than 5% shares in the Company			
Number of Equity Shares:			
Ingersoll-Rand Company, USA, the immediate holding company	23,360,000	23,360,000	23,360,000
Percentage of holding	74%	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, 2017, 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.

10.2 Reserves and surplus

		As at	
	March 31, 2017	March 31, 2016	April 01, 2015
General reserve	3,030.19	3,030.19	3,030.19
Retained earnings	7,255.64	6,722.86	6,339.66
Other reserves	14.10	7.87	2.75
Total reserves and surplus	10,299.93	9,760.92	9,372.60

	As at	
	March 31, 2017	March 31, 2016
(i) General reserve		
Opening balance	3,030.19	3,030.19
Add: Change during the year	-	-
Closing balance	3,030.19	3,030.19
(ii) Retained earnings		
Opening balance	6,722.86	6,339.66
Net profit for the year	772.73	608.34
Items of other comprehensive income recognised directly in retained earnings - remeasurements of post-employment benefit obligations, net of tax	(11.99)	2.82
Dividends and tax thereon	(227.96)	(227.96)
Closing balance	7,255.64	6,722.86

(All amounts in Rupees Million, unless otherwise stated)

10 Equity share capital and other equity (Contd.)

		As at	
		March 31, 2017	March 31, 2016
(iii)	**Other reserves**		
	Opening balance	7.87	2.75
	Employee stock option compensation	6.23	5.12
	Closing balance	14.10	7.87

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(d).

11 Other financial liabilities

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Unpaid dividends (refer note below)	-	5.95	-	5.94	-	5.84
Creditors for capital goods:						
- payable to related parties (refer note 39)	4.19	-	11.27	-	13.04	-
- payable to others	31.92	-	108.47	-	50.00	-
Total other financial liabilities	36.11	5.95	119.74	5.94	63.04	5.84

Note: As at the year end, there are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956/ Section 125 of the Companies Act, 2013.

12 Provisions

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Litigations/ disputes	-	8.17	-	7.52	-	6.56
Warranties	30.37	1.84	45.45	1.78	50.30	2.90
Provision for sales tax	-	45.97	-	33.77	-	6.11
Total provisions	30.37	55.98	45.45	43.07	50.30	15.57

	Litigations/ disputes	Warranties	Provision for sales tax
As at April 01, 2016	7.52	47.23	33.77
Charged/ (credited) to profit or loss:			
- additional provisions recognised	0.27	10.27	12.20
- unwinding of discount	0.38	-	-
- amounts utilised	-	(25.29)	-
As at March 31, 2017	8.17	32.21	45.97

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

12 **Provisions (Contd.)**

Provision for Litigations/ disputes

Provision for litigations/ disputes relates to employees claiming compensation towards termination of employment and are provided for based on estimates made by the Company. Based on the past experience, Management believes that these claims will be settled beyond twelve months.

Provision for Warranties

Warranties against manufacturing and other defects, as per terms of contract(s) with the customer, are provided for based on estimates made by the Company, except where the Company has back to back arrangement with the suppliers. It is expected that this provision will be settled in the remaining unexpired warranty period ranging from twelve to eighteen months.

Provision for sales tax

Provision for sales tax relates to non-submission of statutory forms by customers to the Company and was inadvertently included under 'Trade payables' in the prior years, which is now appropriately reclassified. It is expected that this provision will be settled beyond twelve months as and when the tax assessments are completed.

13 **Employee benefit obligations**

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Leave obligations	14.58	18.16	14.11	12.40	13.10	13.66
Gratuity [refer note 20(a)]	-	15.32	-	-	-	-
Total employee benefit obligations	14.58	33.48	14.11	12.40	13.10	13.66

14 **Trade payables**

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Current:			
Total outstanding dues of micro enterprises and small enterprises (refer Note 31)	24.32	25.35	17.94
Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Acceptances	178.99	170.53	195.97
- Trade payables	497.65	609.67	776.91
- Trade payables to related parties (refer note 39)	235.54	244.68	273.30
Total trade payables	936.50	1,050.23	1,264.12

15 **Other current liabilities**

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Income received in advance	52.96	53.14	23.46
Advance from customers	82.77	83.16	71.38
Employee benefits payable	53.33	41.05	29.87
Statutory dues including provident fund and tax deducted at source	49.15	32.65	44.13
Others	33.75	30.79	28.77
Total other current liabilities	271.96	240.79	197.61

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

16 Revenue from operations

	Year ended	
	March 31, 2017	March 31, 2016
Sale of finished goods	5,901.02	5,899.86
Sale of services		
Installation, commissioning and maintenance	304.82	284.96
Business support and auxiliary services	441.31	373.78
Other operating revenue		
Recovery of freight, insurance and packing expenses	33.52	26.27
Export incentives	64.91	46.68
Sale of scrap	14.31	14.96
Lease rentals - equipment	11.89	12.04
Total revenue from operations	**6,771.78**	**6,658.55**

17 Other income

	Year ended	
	March 31, 2017	March 31, 2016
Interest Income on:		
Deposits with banks	328.66	309.76
Loans to fellow subsidiaries	153.70	160.63
Others	-	12.63
Sub lease rentals from office facilities	35.89	34.46
Net gain/ (loss) on disposal of property, plant and equipment	60.82	(38.80)
Unwinding of discount on interest on loans to fellow subsidiaries	1.05	(5.39)
Unwinding of discount on security deposits	3.30	2.57
Miscellaneous	4.31	2.11
Total other income	**587.73**	**477.97**

18 Cost of materials consumed

	Year ended	
	March 31, 2017	March 31, 2016
Raw materials at the beginning of the year	629.14	662.19
Add: Purchases of raw materials	3,622.91	3,794.03
(Less): Raw materials at the end of the year	(560.67)	(629.14)
Cost of raw materials consumed during the year	3,691.38	3,827.08
Packing materials consumed	62.81	48.40
Total cost of materials consumed	**3,754.19**	**3,875.48**

Notes:

(i) Includes provision for inventory obsolescence Rs.15.15 (March 31, 2016: write back of provision for inventory obsolescence Rs.33.70).

(ii) Purchase of traded goods was inadvertently included under "Cost of materials consumed" in the prior year and now appropriately regrouped, which, however, does not have any impact on the results of the Company.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

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

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Opening inventories		
Work-in progress	14.69	26.09
Finished goods	227.93	222.89
Traded goods	6.24	7.74
Total opening balance	248.86	256.72
(b) Closing inventories		
Work-in progress	37.57	14.69
Finished goods	270.51	227.93
Traded goods	5.04	6.24
Total closing balance	313.12	248.86
(Increase)/ decrease in inventories	(64.26)	7.86
Excise duty on opening stock of finished goods	(25.19)	(19.83)
Excise duty on closing stock of finished goods	22.43	25.19
Increase/ (decrease) in excise duty	(2.76)	5.36
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(67.02)	13.22

20 Employee benefits expense

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	824.96	746.59
Post-employment benefits:		
Contribution to provident fund and other funds (refer notes below)		
Defined benefit plan	23.31	20.87
Defined benefit contribution	12.87	13.36
Gratuity (refer notes below)	11.16	11.66
Leave compensation	20.82	15.94
Employee share based payments expense	6.23	5.12
Staff welfare expenses	38.07	41.04
Total employee benefits expense	937.42	854.58

(a) Defined benefit plan:

Gratuity: The Company operates a gratuity plan, which is a final salary 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 Re.1. It is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. In case of employees who joined the Company prior to April 1, 2006, the benefits given by the Company are more favourable 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.

(All amounts in Rupees Million, unless otherwise stated)

20 Employee benefits expense (Contd.)

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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balance at the beginning of the year	146.63	143.30	1.50	1.00
Add: Current service cost	11.86	12.49	0.44	0.28
Add: Interest cost	11.09	10.48	0.12	0.08
Add: Past service cost	-	-	-	-
Add: Actuarial (gain)/ loss - experience	4.33	(0.30)	(0.53)	(0.08)
Add: Actuarial (gain)/ loss - demographic assumptions	2.06	(0.70)	(0.26)	0.23
Add: Actuarial (gain)/ loss - financial assumptions	12.22	(0.85)	0.05	(0.01)
Add: Transfer in/ out (net)	-	-	-	-
(Less): Settlement cost	-	-	-	-
(Less): Benefits paid from plan assets	(12.61)	(17.79)	-	-
Balance at the end of the year	**175.58**	**146.63**	**1.32**	**1.50**
(ii) Change in plan assets				
Fair value of plan assets at the beginning of the year	150.07	153.84	9.89	11.26
Add: Interest income	11.78	13.01	0.78	0.88
Add: Actuarial (gain)/ losses	-	-	-	-
Add: Contributions	10.75	-	-	-
Add: Return on plan assets greater/ (lesser) than discount rate	0.27	2.46	3.42	(2.25)
(Less): Benefits paid	(12.61)	(17.79)	-	-
Others	-	(1.45)	-	-
Balance at the end of the year	**160.26**	**150.07**	**14.09**	**9.89**
Actual return on plan assets (%)	7.10	7.90	9.00	9.00

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

20 **Employee benefits expense (Contd.)**

(iii) **Assets and Liabilities recognised in the Balance Sheet**

	Gratuity (#)		Provident Fund (#)(*)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	175.58	146.63	1.32	1.50
Less: Fair value of plan assets	160.26	150.07	14.09	9.89
Amounts recognised as liability/ (asset)	15.32	(3.44)	-	-
Recognised/ Disclosed under:				
Long term provision (refer note 13)	15.32	-	-	-
Prepaid expenses (refer Note 7)	-	3.44	-	-
Total	15.32	3.44	-	-

(*) 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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Net defined benefit asset/ (liability) at end of prior period	3.44	10.54	8.39	10.26
Less: Current service cost	(11.86)	(12.49)	(0.44)	(0.28)
Add: Net interest on net defined benefit (liability)/ asset	0.69	0.82	0.66	0.80
Add: Amount recognised in other comprehensive income	(18.34)	4.31	-	-
Add: Actuarial (losses)/ gains	-	-	4.16	(2.39)
Add: Contributions	10.75	-	-	-
Add: Others	-	0.26	-	-
Net defined benefit asset/ (liability) at end of the year	(15.32)	3.44	-	-

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

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

	Gratuity		Provident Fund (*)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	11.86	12.49	0.44	0.28
Add: Interest cost	-	-	0.12	-
Add: Net interest on net defined benefit liability/ (asset)	(0.70)	(0.83)	(0.66)	(0.80)
Add: Immediate recognition of (gains)/ losses - other long term employee benefit plans	-	-	(4.16)	2.39
Total expense/ (surplus) recognised in statement of profit or loss	11.16	11.66	-	1.87

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

(All amounts in Rupees Million, unless otherwise stated)

20 **Employee benefits expense (Contd.)**

Remeasurements

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(Gains)/ Losses from experience assumptions	4.33	(0.30)	(0.53)	(0.08)
(Gains)/ Losses from demographic assumptions	14.28	(1.55)	(0.20)	0.22
Return on plan assets (greater)/less than discount rate	(0.27)	(2.46)	(3.48)	2.25
Total Expense/ (Income) recognised in other comprehensive income	18.34	(4.31)	-	-
(v) Major Category of Assets as a % of total Plan Assets				
Cash (including Special Deposits)	3.69%	7.06%	8.17%	14.62%
Government Securities	43.47%	45.48%	39.50%	35.87%
Mutual funds	0.00%	0.00%	4.75%	2.85%
Corporate bonds	52.84%	47.46%	47.58%	46.66%
Total	100.00%	100.00%	100.00%	100.00%

(vi) The weighted average duration of the defined benefit obligation is 9 years old (2016:12 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, 2017	19.38	21.65	77.41	117.82	236.26
March 31, 2016	17.37	15.22	56.37	100.92	189.88
Provident Fund					
March 31, 2017	0.19	0.17	0.46	0.59	1.41
March 31, 2016	0.38	0.15	0.42	0.62	1.57

(vii) Significant Actuarial Assumptions

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate per annum	7.10%	7.90%	7.10%	7.90%
Expected rate of Return on Plan Assets	7.10%	7.90%	9.00%	9.00%
Expected salary increase per annum	(*)	(*)	8.00%	8.00%
Attrition rate	10.00%	7.00%	10.00%	7.00%

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

(All amounts in Rupees Million, unless otherwise stated)

20 **Employee benefits expense (Contd.)**

Notes:

(a) 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.

(b) 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.

(c) 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.

(viii) Sensitivity analysis

	Gratuity		Provident Fund	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Effect on DBO due to 1% increase in Discount Rate	-5.80%	-6.58%	-	-
Effect on DBO due to 1% decrease in Discount Rate	6.50%	7.49%	-	-
Effect on DBO due to 1% increase in Salary Escalation Rate	5.91%	6.94%	-	-
Effect on DBO due to 1% decrease in Salary Escalation Rate	-5.50%	-6.38%	-	-
Effect on DBO due to 1% increase in Withdrawal Rate	0.03%	0.33%	-	-
Effect on DBO due to 1% decrease in Withdrawal Rate	-0.04%	-0.38%	-	-
Effect on DBO due to 0.5% increase in Expected Return on Exempt Fund	-	-	NA	NA
Effect on DBO due to 0.5% decrease in Expected Return on Exempt Fund	-	-	NA	NA

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, 2017	March 31, 2016
Gratuity	25.00	6.00
Provident fund (including employees' contribution)	120.00	120.00

(All amounts in Rupees Million, unless otherwise stated)

20 Employee benefits expense (Contd.)

(b) Defined contribution plans

		Year ended	
		March 31, 2017	March 31, 2016
Amount recognised in the Statement of profit and loss			
(i)	Provident fund paid to the authorities	2.96	3.05
(ii)	Pension fund paid to the authorities	9.38	9.73
(iii)	Employees State Insurance paid to the authorities	0.25	0.27
		12.59	13.05

(c) 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.

(d) 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.

(All amounts in Rupees Million, unless otherwise stated)

20 **Employee benefits expense (Contd.)**

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.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the rate prevailing on the stock exchange on the date of exercise.

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Average Exercise Price per option (in USD)	Number of options	Average Exercise Price per option (in USD)	Number of options
Opening balance	43.46	10,347	36.21	5,672
Granted during the year	50.04	3,869	66.25	4,675
Granted during the year (Note 1)	33.71	(2,036)	31.33	-
Closing balance		12,180		10,347
Vested and exercisable		5,601		2,863

Note 1: The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2017 was USD 75.09 (March 31, 2016: USD 68.48).

Note 2: 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 expiry date and exercise prices:

Plan	Grant Date	Expiry date	Exercise price USD	Share options As at March 31, 2017	Share options As at March 31, 2016	Share options As at April 01, 2015 (*)
2007 plan	22-Feb-13	22-Feb-16	41.91	167	1,019	1,019
2013 plan	25-Feb-14	25-Feb-17	59.83	1,439	1,756	1,756
2013 plan	03-Feb-15	03-Feb-18	67.06	2,520	2,897	2,897
2013 plan	10-Feb-16	10-Feb-19	50.00	4,185	4,675	-
2013 plan	07-Feb-17	07-Feb-20	80.21	3,869	-	-
				12,180	10,347	5,672
Weighted average remaining contractual life of options outstanding at the end of period				8.7 years	8.95 years	9.2 years

(*) The Company has opted not to measure the options vested prior to April 1, 2015. [Refer note 36 A.1.3]

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2017 was USD 9.42 per option (March 31, 2016: USD 13.98). 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.

(All amounts in Rupees Million, unless otherwise stated)

20 Employee benefits expense (Contd.)

The model inputs for options granted during the year ended March 31, 2017 are listed below.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Exercise price (USD)	80.21	50.00
Grant date	07-Feb-17	10-Feb-16
Expiry date	07-Feb-20	10-Feb-19
Share price at grant date (USD)	79.93	49.73
Expected price volatility of the company's shares	28.60%	28.56%
Expected dividend yield	2.55%	1.73%
Risk-free interest rate	1.12%	1.24%

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, 2017		As at March 31, 2016	
	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	58.14	1,811	47.60	1,179
Granted during the year	51.28	776	66.42	1,116
Exercised during the year (Note 1)	53.84	(856)	43.32	(484)
Closing balance		1,731		1,811
Vested and exercisable		-		-

Note 1: The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2017 was USD 78.70 (March 31, 2016: USD 49.49).

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

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

Plan	Grant Date	Expiry date	Exercise price USD	Share options As at March 31, 2017	Share options As at March 31, 2016	Share options As at April 01, 2015 (*)
2013 plan	25-Feb-14	25-Feb-17	52.04	-	274	547
2013 plan	03-Feb-15	03-Feb-18	61.90	211	421	632
2013 plan	10-Feb-16	10-Feb-19	49.49	744	1,116	-
2013 plan	07-Feb-17	07-Feb-20	78.70	776	-	-
				1,731	1,811	1,179
Weighted average remaining contractual life of RSUs outstanding at the end of period				9.1 years	9.3 years	9.4 years

(*) The Company has opted not to measure the RSUs vested prior to April 1, 2015. [Refer note 36 A.1.3]

(All amounts in Rupees Million, unless otherwise stated)

20 **Employee benefits expense (Contd.)**

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:

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Employee option plan	2.77	2.54
Restricted stock units	3.46	2.58
Total	**6.23**	**5.12**

21 **Depreciation and amortisation expense**

	Year ended	
	March 31, 2017	March 31, 2016
Depreciation on property, plant and equipment	118.00	97.76
Amortisation on intangible assets	-	-
Total depreciation and amortisation expense	**118.00**	**97.76**

22 Other expenses

	Year ended	
	March 31, 2017	March 31, 2016
Rent	84.27	84.15
Rates and taxes	29.04	40.99
Insurance	16.45	11.91
Power and fuel	40.30	38.46
Repairs and maintenance:		
Buildings	12.72	4.79
Plant and machinery	19.22	20.81
Others	0.27	0.15
Engineering services - product design, development, etc.	0.40	8.07
Information technology infrastructure	47.96	35.83
Cost contribution (Management fees)	76.93	128.55
Communication	42.79	41.16
Travel and conveyance	113.33	117.89
Freight, insurance and handling	54.72	58.21
Dealer commission	4.63	5.23
Advertising	2.73	4.50
Warranty	10.27	23.05
Legal and professional fees	65.60	40.94
Contractor charges	61.10	67.97
Net foreign exchange gain/ (loss)	18.31	11.15
Provision for sales tax refund receivable	5.86	16.87
Provision/ (write back) for doubtful debts (net)	19.74	(23.26)
Provision for doubtful advances (net)	-	1.39

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

22 Other expenses (Contd.)

	Year ended March 31, 2017	Year ended March 31, 2016
Bad debts written off	18.35	34.15
Payments to auditors:		
Statutory audit fees	7.44	6.12
Tax audit fees	0.45	0.45
Limited reviews	0.85	0.85
Certification fees	0.60	0.81
Expenditure towards Corporate Social Responsibility (CSR) activities [refer note (a) below]	18.86	25.84
Miscellaneous expenses	121.15	118.65
Total other expenses	894.34	925.68

Notes:

(a) CSR expenditure:

	Year ended March 31, 2017	Year ended March 31, 2016
Gross amount required to be spent by the Company during the year	18.86	21.20
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	18.86	25.84
Yet to be paid in cash	-	-
	18.86	25.84

(b) Expenses capitalised as a part of Capital Work-in-Progress

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages (specifically attributable to construction / installation of fixed assets)	4.09	8.02
Total	4.09	8.02

23 Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
Unwinding of discount on provisions	0.52	0.37
Others	7.36	4.30
Total finance costs	7.88	4.67

24 Income tax expense

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income tax expense		
Current tax		
Current tax on profits for the year	375.75	277.31
Adjustments for current tax of prior periods	(14.44)	(6.54)
Total current tax expense	361.31	270.77

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

24 Income tax expense (Contd.)

	Year ended	
	March 31, 2017	March 31, 2016
Deferred tax		
Decrease/ (increase) in deferred tax assets	(21.81)	(7.92)
(Decrease)/ increase in deferred tax liabilities	48.54	(5.91)
Adjustment for deferred tax for prior periods	(16.90)	(45.63)
Total deferred tax expense/(benefit)	**9.83**	**(59.46)**
Income tax expense	**371.14**	**211.31**
Income tax expense is attributable to:		
Profit from continuing operations	371.14	203.26
Profit from discontinued operations	-	8.05
	371.14	211.31

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

	Year ended	
	March 31, 2017	March 31, 2016
Profit from continuing operations before income tax expense	1,143.87	796.38
Profit from discontinuing operations before income tax expense	-	23.27
	1,143.87	819.65
Tax at the Indian tax rate of 34.608% (2015-16: 34.608%)	395.87	283.66
Tax effect of amounts which are not deductible (taxable) in calculating taxable Income:		
Expenditure towards Corporate Social Responsibility (CSR) activities	1.92	0.89
Employee share-based payments expense	2.16	1.77
Finance costs	2.55	1.49
Effect of change in tax rate on opening balance of net deferred tax asset	-	(0.61)
Recovery of capital loss	(4.25)	(26.91)
Adjustments for tax of prior periods	(31.34)	(52.17)
Expenses allowable on payment basis as per Income Tax Act	2.97	0.98
Other items	1.26	2.21
Income tax expense	371.14	211.31

25 Contingent liabilities

		As at	
	March 31, 2017	March 31, 2016	April 01, 2015
(a) Claims against the Company not acknowledged as debts	34.75	34.39	40.65
(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)			

(All amounts in Rupees Million, unless otherwise stated)

25 Contingent liabilities (Contd.)

		Year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
(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.7.40 (March 31, 2016: Rs.7.40)]	33.02	44.79	15.10
(c)	Central excise matters in dispute (Relates to adjustment on account of levy of additional duty and related demands made by the Excise department / Service tax department, which is disputed by the Company and are lying under appeal with various forums)	223.36	313.14	202.33
(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)	131.22	39.25	-
(e)	Income tax matters [Relates to transfer pricing and other adjustments made by the Income Tax Department for the assessment years 2003-04 to 2007-08 and 2009-10 to 2012-13, 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 'under protest' Rs.87.06 (March 31, 2016: Rs.76.41) to the Income Tax Department in this regard].	159.06	175.18	169.64

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.

26 Earnings per share

		Year ended	
		March 31, 2017	March 31, 2016
(a)	**Basic and Diluted earnings per share**		
	From continuing operations attributable to the equity shareholders of the Company	24.48	18.79
	From discontinued operations	-	0.48
	Total basic and diluted earnings per share attributable to the equity shareholders of the Company	24.48	19.27

(All amounts in Rupees Million, unless otherwise stated)

26 Earnings per share (Contd.)

	Year ended March 31, 2017	Year ended March 31, 2016
(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:		
From continuing operations	772.73	593.12
From discontinued operations	-	15.22
Total	**772.73**	**608.34**
(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	31,568,000	31,568,000

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, 2017, March 31, 2016 and April 1, 2015. 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, 2017			
Financial assets			
Trade receivables	1,003.09	(67.90)	935.19
Total	**1,003.09**	**(67.90)**	**935.19**
Financial liabilities			
Trade payables	1,004.40	(67.90)	936.50
Total	**1,004.40**	**(67.90)**	**936.50**
March 31, 2016			
Financial assets			
Trade receivables	1,421.48	(58.14)	1,363.34
Total	**1,421.48**	**(58.14)**	**1,363.34**
Financial liabilities			
Trade payables	1,108.37	(58.14)	1,050.23
Total	**1,108.37**	**(58.14)**	**1,050.23**
April 1, 2015			
Financial assets			
Trade receivables	1,821.52	(37.52)	1,784.00
Total	**1,821.52**	**(37.52)**	**1,784.00**
Financial liabilities			
Trade payables	1,301.64	(37.52)	1,264.12
Total	**1,301.64**	**(37.52)**	**1,264.12**

(All amounts in Rupees Million, unless otherwise stated)

27 **Offsetting financial assets and financial liabilities (Contd.)**

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**

	As at		
	March 31, 2017 Amortised cost	March 31, 2016 Amortised cost	April 01, 2015 Amortised cost
Financial instruments by category			
Financial assets			
Loans to fellow subsidiaries	1,391.28	1,464.61	1,470.00
Trade receivables	935.19	1,363.34	1,784.00
Cash and cash equivalents	6,224.68	3,833.57	2,270.53
Other bank balances	505.53	930.51	1,905.44
Security deposits	53.97	54.52	66.36
Unbilled revenues	12.08	20.24	102.25
Interest accrued on over-due trade receivables	-	-	9.42
Interest accrued on deposits with banks	46.71	32.28	32.66
Total financial assets	9,169.44	7,699.07	7,640.66
Financial liabilities			
Unpaid dividends	5.95	5.94	5.84
Creditors for capital goods	36.11	119.74	63.04
Trade payables	936.50	1,050.23	1,264.12
Total financial liabilities	978.56	1,175.91	1,333.00

	As at		
	March 31, 2017 Level 3	March 31, 2016 Level 3	April 01, 2015 Level 3
(i) Fair value hierarchy			
Assets and liabilities			
Loans to fellow subsidiaries	1,395.63	1,470.00	1,470.00
Security deposits	50.82	52.82	41.93
Total financial assets	1,446.45	1,522.82	1,511.93

(ii) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values of loans to fellow subsidiaries and security deposits are discount rates using a long term bank deposit rate to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(All amounts in Rupees Million, unless otherwise stated)

28 Fair value measurements (Contd.)

(iii) Fair value of financial assets measured at amortised cost

	As at					
	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to fellow subsidiaries	1,391.28	1,395.63	1,464.61	1,470.00	1,470.00	1,470.00
Security deposits	42.27	50.82	40.70	52.82	41.93	41.93
Total financial assets	1,433.55	1,446.45	1,505.31	1,522.82	1,511.93	1,511.93

(a) The carrying amounts of trade receivables, trade payables, creditors for capital goods, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

(b) The fair values for loans to fellow subsidiaries and security deposits are determined based on discounted cash flows calculated using a long term bank deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

29 Dividend remitted in foreign exchange

	Year ended	
	March 31, 2017	March 31, 2016
For the year 2014 - 2015 (Final Dividend)	-	70.08
For the year 2015 - 2016 (Interim Dividend)	-	70.08
For the year 2015 - 2016 (Final Dividend)	70.08	-
For the year 2016 - 2017 (Interim Dividend)	70.08	-
Number of equity shares held by such non-resident	23,360,000	23,360,000
Number of non-resident shareholders	1	1

30 Particulars of research and development expenditure

	Year ended	
	March 31, 2017	March 31, 2016
(a) Revenue expenditure debited to various heads of account:		
Material consumed	-	5.09
Employee benefits expense	18.79	14.41
Others	2.34	4.35
Total	21.13	23.85
(b) Capital (refer note below)		

Description - Gross block (Original cost of asset)	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations	Computer Systems
Balance as at March 31, 2016	12.08	0.32	3.21	0.38
Additions during the year	14.80	-	0.68	0.36
Deletions during the year	-	-	-	-
Balance as at March 31, 2017	26.88	0.32	3.89	0.74

(All amounts in Rupees Million, unless otherwise stated)

30 Particulars of research and development expenditure (Contd.)

Description - Gross block (Original cost of asset)	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations	Computer Systems
Balance as at April 1, 2015	6.55	0.32	0.05	-
Additions during the year	5.53	-	3.16	0.38
Deletions during the year	-	-	-	-
Balance as at March 31, 2016	12.08	0.32	3.21	0.38

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.

31 Dues to micro and small enterprises

		Year ended	
	March 31, 2017 Level 3	March 31, 2016 Level 3	April 01, 2015 Level 3
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	24.32	25.35	17.94
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.29	0.95	3.26
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	32.01	253.97	120.41
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	0.53	1.05	2.64
Further interest remaining due and payable for earlier years	30.89	28.79	22.87

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.

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

(All amounts in Rupees Million, unless otherwise stated)

The Company received a recomputation statement from the Sales tax authorities confirming the excess tax paid aggregating to Rs.96.35, which was recognised as income and disclosed as an 'Exceptional Item' in the Statement of Profit and Loss for the year ended March 31, 2015.

During the year 2015-16, the Company realised Rs.73.62 from the Department. Subsequent to March 31, 2016, the Company received a letter from the Department stating that no further amounts are due to the Company. In light of this development, the Company reassessed the recoverability of the remaining refund and provided for Rs.16.87 in the year 2015-16 and based on reassessment of the remaining balance, an amount of Rs.5.86 has been provided during the year. These amounts have been disclosed under 'Other expenses' in the Statement of Profit and Loss.

33 Discontinued operations

At the meeting of the Board of Directors ("the Board") held on September 21, 2015, the Board decided to discontinue the operations at the Chennai Plant (i.e., Environment Solutions Business). The Company entered into a Termination Agreement with Ingersoll-Rand Climate Solutions Private Limited (IRCSPL), fellow subsidiary, with whom the Company had an arrangement to manufacture specified products. Pursuant to the termination agreement, IRCSPL agreed to reimburse all losses and expenses directly or indirectly, suffered or incurred by the Company upto the time all assets are sold and proceeds received by the Company. Accordingly, expenses reported are net of amounts recoverable from IRCSPL. During the year, the Company disposed of all the remaining assets held for sale relating to the Environment Solutions Business to an independent third party.

The assets, liabilities, operating results and cash flows of the Company's discontinued operations are summarised below:

(I) Carrying amounts of assets and liabilities attributable to the discontinued operations:

	As at	
	March 31, 2017	March 31, 2016
Current assets		
Trade receivables	-	72.89
Short-term loans and advances	-	4.10
Other current assets	11.46	224.96
Assets classified as held for sale	-	709.87
Total assets	**11.46**	**1,011.82**
Trade payables	2.19	7.77
Other current liabilities	-	10.57
Total liabilities	**2.19**	**18.34**
Net assets	**9.27**	**993.48**

(II) Revenue and expenses in respect of ordinary activities attributable to the discontinued operations:

	As at	
	March 31, 2017	March 31, 2016
Revenue from operations (note 1)	-	327.15
Total expenses (note 2)	-	303.88
Profit before taxes	-	23.27
Income tax (expense)	-	(8.05)
Income from discontinued operations, net of tax	-	15.22

Notes:

Note 1: Fixed assets at the Chennai plant of the Company have been considered to be falling within the definition of an arrangement in the nature of operating lease as per "Ind-AS 17 Leases". Accordingly, revenue from such operating lease rentals has been reclassified from "Net sales (including excise duty)/ income from operations" to "Other operating income" for the year ended March 31, 2016. No such rentals were receivable in the current year.

Note 2: This amount is net of Rs.147.81 (March 31, 2016: Rs.184.63) recovered from IRCSPL.

(All amounts in Rupees Million, unless otherwise stated)

33 Discontinued operations (Contd.)

		Year ended	
		March 31, 2017	March 31, 2016
(III)	Cash flows attributable to the discontinued operations:		
	Operating activities	274.34	93.29
	Investing activities [includes Rs.127.27 (March 31, 2016: Rs.60.45) recovered from IRCSPL]	709.87	98.31
	Net cash inflows	984.21	191.60
(IV)	**Details of the sale of assets classified as held for sale:**		
	Consideration received:		
	Cash	709.87	-
	Carrying amount of net assets sold	(709.87)	-
	Gain on sale before income tax	-	-
	Income tax expense on gain	-	-
	Gain on sale after income tax	-	-
(V)	**Assets classified as held for sale:**		

	As at	
	March 31, 2017	March 31, 2016
Property, plant and equipment	-	709.87
	-	709.87

34 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 by 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.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and letters of guarantees/ letters of credit.
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of surplus cash and time deposits.
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee (Rupees).	Cash flow forecasting, sensitivity analysis.	Natural hedge between export receivables and import payables.

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 and financial institutions, as well as credit exposures to customers including outstanding receivables.

(All amounts in Rupees Million, unless otherwise stated)

34 Financial Risk Management (Contd.)

(i) Credit risk management

Credit risk is managed and assessed on an ongoing basis. Only high rated banks/ financial institutions 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.

(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		
			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.	Asset is fully provided for or written off.	Asset is fully provided for or written off.

(All amounts in Rupees Million, unless otherwise stated)

34 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, 2017							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	1,391.28	0%	-	1,391.28
		Security deposits	A	42.27	0%	-	42.27
Year ended March 31, 2016							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	1,464.61	0%	-	1,464.61
		Security deposits	A	40.70	0%	-	40.70
As at April 01, 2015							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	1,470.00	0%	-	1,470.00
		Security deposits	A	41.93	0%	-	41.93

Expected credit loss for trade receivables under simplified approach.

Customer category	Public sector undertaking	Direct customers	Distributors	Total
Year ended As at March 31, 2017				
Gross carrying amount	131.11	637.15	225.55	993.81
Expected loss rate	10.74%	6.37%	1.76%	5.90%
Expected credit loss (loss allowance provision)	14.08	40.56	3.98	58.62
Carrying amount of trade receivables (net of impairment)	117.03	596.59	221.57	935.19
Year ended As at March 31, 2016				
Gross carrying amount	251.05	919.59	231.58	1,402.22
Expected loss rate	2.22%	3.51%	0.45%	2.77%
Expected credit loss (loss allowance provision)	5.57	32.27	1.04	38.88
Carrying amount of trade receivables (net of impairment)	245.48	887.32	230.54	1,363.34
As at April 01, 2015				
Gross carrying amount	244.66	1,388.93	212.55	1,846.14
Expected loss rate	4.31%	3.47%	1.62%	3.37%
Expected credit loss (loss allowance provision)	10.54	48.15	3.45	62.14
Carrying amount of trade receivables (net of impairment)	234.12	1,340.78	209.10	1,784.00

Reconciliation of loss allowance provision - Trade receivables

Particulars	As at	
	March 31, 2017	March 31, 2016
Opening provision for loss allowance	38.88	62.14
Add: Additional provision	40.05	-
Less: Utilisation/ (reversal)	(20.31)	(23.26)
Closing provision	58.62	38.88

(All amounts in Rupees Million, unless otherwise stated)

34 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, 2017			
Trade payables	936.50	-	936.50
Other financial liabilities	36.11	5.95	42.06
Total	**972.61**	**5.95**	**978.56**
As at March 31, 2016			
Trade payables	1,050.23	-	1,050.23
Other financial liabilities	119.74	5.94	125.68
Total	**1,169.97**	**5.94**	**1,175.91**
As at April 01, 2015			
Trade payables	1,264.12	-	1,264.12
Other financial liabilities	63.04	5.84	68.88
Total	**1,327.16**	**5.84**	**1,333.00**

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, 2017		As at March 31, 2016		As at April 01, 2015	
		Foreign currency	Indian rupees	Foreign currency	Indian rupees	Foreign currency	Indian rupees
Financial assets							
Trade receivables	USD	4.43	287.28	8.16	541.73	5.31	332.82
Trade receivables	EUR	(*)	0.06	(*)	0.06	0.01	0.79
Trade receivables	ZAR	0.01	0.06	0.14	0.63	0.55	2.85
Bank balance (EEFC)	USD	3.31	215.00	0.57	38.11	1.15	71.89
Other current assets							
Advances recoverable	USD	0.06	3.77	0.08	5.31	0.45	27.92
Advances recoverable	EUR	-	-	(*)	0.18	0.02	1.04
Financial liabilities							
Trade payables	USD	0.87	56.32	3.16	209.79	4.78	299.60
Trade payables	EUR	0.40	28.11	0.39	29.40	0.86	58.38
Trade payables	JPY	4.49	2.62	4.74	2.80	3.96	2.06
Trade payables	GBP	0.01	0.41	-	-	-	-

(*) Amount is below the rounding off norm adopted by the Company.

(All amounts in Rupees Million, unless otherwise stated)

34. Financial Risk Management (Contd...)

Sensitivity

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

	Year ended	
	March 31, 2017	March 31, 2016
Sensitivity on profit after tax		
USD sensitivity		
INR/ USD - Increase by 5% (March 31, 2016: 6%)	7.67	13.23
INR/ USD - Decrease by 5% (March 31, 2016: 6%)	(7.67)	(13.23)

35 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. The 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, 2017	March 31, 2016
(i)	Equity shares		
	Interim dividend for the financial year 2016-17 of Rs.3.00 (March 31, 2016: Rs. 3.00) per fully paid equity share	94.70	94.70
(ii)	Dividends not recognised at the end of the reporting period		
	The directors have recommended the payment of a final dividend of Rs.3.00 per fully paid equity share (March 31, 2016: Rs.3.00). This dividend is subject to the approval of shareholders in the ensuing annual general meeting.	94.70	94.70

36 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, 2017	March 31, 2016	April 01, 2015
Property, plant and equipment	17.61	141.56	148.09

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.

(All amounts in Rupees Million, unless otherwise stated)

36 Commitments (Contd.)

Rental expenses relating to operating leases:

	Year ended	
	March 31, 2017	March 31, 2016
Total rental expense relating to operating leases	84.27	84.15
Minimum lease payments in relation to non-cancellable operating lease	62.83	61.85

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Within one year	43.27	62.04	44.42
Later than one but not later than five years	103.68	103.25	61.74
Later than five years	2.93	46.63	-
	149.88	211.92	106.16

C Other commitments

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Duty free licenses for import			
(Value of customs duty on goods imported by utilising licenses against which export obligations are outstanding at the year end)	-	76.18	-
	-	76.18	-

37 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended as at March 31, 2017, the comparative information presented in these financial statements for the year ended as at March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

A.1 Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at the Previous GAAP carrying value.

(ii) Leases

Appendix C to Ind AS 17 requires a Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

(iii) Share-based payments

Ind AS 101 permits a first time adopter to not consider the number of options / RSUs, that have already vested as on the date of transition, for fair valuation. Accordingly, the Company has elected to measure only those options / RSUs that have not vested as on the date of transition.

(iv) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.2 Ind AS mandatory exceptions

(i) Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with the Previous GAAP.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the Company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

According to Ind AS 101, the Company has assessed classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2015)

Particulars	Notes to first-time adoption	Previous GAAP (#)	Adjustments	Ind AS
Assets				
Non-current Assets				
Property, plant and equipment		1,093.08	-	1,093.08
Capital work-in-progress		456.41	-	456.41
Intangible assets		-	-	-
Financial assets				
(i) Loans		1,470.00	-	1,470.00
(ii) Other financial assets		62.51	-	62.51
Deferred tax assets (net)		33.32	-	33.32
Other non-current assets		224.10	-	224.10
Total non-current assets		3,339.42	-	3,339.42
Current Assets				
Inventories		1,124.37	-	1,124.37
Financial assets				
(i) Trade receivables		1,784.00	-	1,784.00
(ii) Cash and cash equivalents		2,270.53	-	2,270.53
(iii) Other bank balances		1,905.44	-	1,905.44
(iv) Other financial assets		148.18	-	148.18
Advance income tax (net)		43.71	-	43.71
Other current assets		695.87	-	695.87
Total current assets		7,972.10	-	7,972.10
Total assets		11,311.52	-	11,311.52
Equity and Liabilities				
Equity				
Equity share capital		315.68	-	315.68
Reserves and surplus	3, 4	9,256.51	116.09	9,372.60
Total equity		9,572.19	116.09	9,688.28
Non-current Liabilities				
Financial liabilities				
(i) Other financial liabilities		5.84	-	5.84
Provisions	3	17.68	(2.11)	15.57
Employee benefit obligations		13.66	-	13.66
Total non-current liabilities		37.18	(2.11)	35.07
Current Liabilities				
Financial liabilities				
(i) Trade payables		1,264.12	-	1,264.12
(ii) Other financial liabilities		63.04	-	63.04
Provisions	4	164.28	(113.98)	50.30
Employee benefit obligations		13.10	-	13.10
Other current liabilities		197.61	-	197.61
Total current liabilities		1,702.15	(113.98)	1,588.17
Total liabilities		1,739.33	(116.09)	1,623.24
Total equity and liabilities		11,311.52	-	11,311.52

(#) The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

Reconciliation of equity as at March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP (#)	Adjustments	Ind AS
Assets				
Non-current Assets				
Property, plant and equipment		775.49	-	775.49
Capital work-in-progress		349.99	-	349.99
Intangible assets		-	-	-
Financial assets				
(i) Loans	9	1,470.00	(5.39)	1,464.61
(ii) Other financial assets	8	61.92	(12.53)	49.39
Deferred tax assets (net)		92.78	-	92.78
Other non-current assets	8	118.96	8.68	127.64
Total non-current assets		2,869.14	(9.24)	2,859.90
Current Assets				
Inventories		952.00	-	952.00
Financial assets				
(i) Trade receivables		1,363.34	-	1,363.34
(ii) Cash and cash equivalents		3,833.57	-	3,833.57
(iii) Other bank balances		930.51	-	930.51
(iv) Other financial assets		57.65	-	57.65
Advance income tax (net)		138.97	-	138.97
Other current assets	9	753.69	8.83	762.52
Assets classified as held for sale		709.87	-	709.87
Total current assets		8,739.60	8.83	8,748.43
Total assets		11,608.74	(0.41)	11,608.33
Equity and Liabilities				
Equity				
Equity share capital		315.68	-	315.68
Reserves and surplus	3, 4	9,651.00	109.92	9,760.92
Total equity		9,966.68	109.92	10,076.60
Non-current Liabilities				
Financial liabilities				
(i) Other financial liabilities		5.94	-	5.94
Provisions	3	44.81	(1.74)	43.07
Employee benefit obligations		12.40	-	12.40
Total non-current liabilities		63.15	(1.74)	61.41
Current Liabilities				
Financial liabilities				
(i) Trade payables		1,050.23	-	1,050.23
(ii) Other financial liabilities		119.74	-	119.74
Provisions	4	159.43	(113.98)	45.45
Employee benefit obligations		14.11	-	14.11
Other current liabilities	9	235.40	5.39	240.79
Total current liabilities		1,578.91	(108.59)	1,470.32
Total liabilities		1,642.06	(110.33)	1,531.73
Total equity and liabilities		11,608.74	(0.41)	11,608.33

(#) The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP (#)	Discontinued operations	Adjustments	Ind AS
Revenue from operations	5, 10	6,588.29	(327.15)	397.41	6,658.55
Other income	8	542.85	-	(64.88)	477.97
Total revenue		7,131.14	(327.15)	332.53	7,136.52
Expenses:					
Cost of materials consumed		4,110.11	(234.63)	-	3,875.48
Purchases of stock-in-trade		121.42	-	-	121.42
Changes in inventories of work-in-progress, stock-in-trade and finished goods		18.26	(5.04)	-	13.22
Excise duty	5	-	-	447.33	447.33
Employee benefit expense	6, 7, 12	860.83	(15.67)	9.42	854.58
Depreciation and amortisation expense		119.29	(21.53)	-	97.76
Other expenses	8, 10	1,044.81	(27.01)	(92.12)	925.68
Finance costs	3	4.30	-	0.37	4.67
Total expenses		6,279.02	(303.88)	365.00	6,340.14
Profit before exceptional items and tax		**852.12**	**(23.27)**	**(32.47)**	**796.38**
Exceptional item - Sales tax (provision)/ refund relating to earlier years		(16.87)	-	16.87	-
Profit before tax		835.25	(23.27)	(15.60)	796.38
Tax expense:					
Current tax	11	278.80	(8.05)	(1.49)	269.26
Deferred tax (credit)/ charge		(13.83)	-	-	(13.83)
Write back relating to prior years (net)		(52.17)	-	-	(52.17)
Profit for the year		622.45	(15.22)	(14.11)	593.12
Discontinued operations					
Profit from discontinued operation before tax		-	23.27	-	23.27
Income tax expense from discontinued operations		-	(8.05)	-	(8.05)
Profit from discontinued operations		-	15.22	-	15.22
Profit for the year		622.45	-	(14.11)	608.34
Other comprehensive income from continuing operations:					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	6, 12	-	-	4.31	4.31
Current income tax relating to this item		-	-	(1.49)	(1.49)
Other comprehensive income for the year, net of tax		-	-	2.82	2.82
		-	-	2.82	2.82
Total comprehensive income for the year		622.45	-	(11.29)	611.16

(#) The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Notes to first-time adoption	March 31, 2016	April 01, 2015
Total equity (shareholders funds) as per Previous GAAP		9,966.68	9,572.19
Adjustments:			
Reversal of provision of litigations/ disputes - restated to fair valuation	3	2.11	2.11
Provision of litigations/ disputes - restated to fair valuation	3	(0.36)	-
Interest on intercompany loan	9	(5.39)	-
Accretion of security deposit (Net of rent expense and interest income)	8	(0.42)	-
Proposed final dividend and tax thereon	4	113.98	113.98
Total adjustments		109.92	116.09
Total equity as per Ind AS		10,076.60	9,688.28

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first-time adoption	March 31, 2016
Profit after tax as per Previous GAAP		622.45
Adjustments:		
Provision for employee share based payment	7	(5.12)
Actuarial gain of gratuity reclassed to other comprehensive income	6, 12	(4.31)
Fair valuation of security deposits	8	(2.98)
Discounting of litigations/ disputes	3	(0.37)
Interest income on fair valuation of security deposits	8	2.57
Interest income on discounting of intercompany loans	9	(5.39)
Total adjustments		(15.60)
Profit after tax as per Ind AS		606.85
Other comprehensive income	6, 12	4.31
Total comprehensive income as per Ind AS		611.16

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	665.29	2.41	667.70
Net cash flow from investing activities	1,125.61	(0.01)	1,125.60
Net cash flow from/ (used in) financing activities	(227.86)	(2.40)	(230.26)
Net increase/ (decrease) in cash and cash equivalents	1,563.04	-	1,563.04
Cash and cash equivalents as at April 1, 2015	2,271.83	-	2,271.83
Effects of exchange rate changes on cash and cash equivalents	(1.30)	-	(1.30)
Cash and cash equivalents as at March 31, 2016	3,833.57	-	3,833.57

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

Note 1 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note 2 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising of allowance for doubtful debts. Based on the assessment, there is no material impact on the provisions for doubtful debts created under the Previous GAAP.

Note 3 Provisions

Under the Previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, non-current provisions have been discounted to their present values. This change increased the non-current provisions as at March 31, 2016 by Rs.0.37 (reduction as at April 1, 2015: Rs.2.11). Consequent to the same, the profit for the year and equity decreased/ (April 1, 2015: increased) by an equivalent amount.

Note 4 Proposed dividend

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when it is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax thereon of Rs.113.98 as at March 31, 2016 (April 1, 2015: Rs.113.98) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 5 Excise duty

Under the Previous GAAP, revenue from sale of products was presented net of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty, wherever applicable. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by Rs.447.33. There is no impact on the total equity and profit.

Note 6 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements, i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs.4.31. There is no impact on the total equity as at March 31, 2016.

Note 7 Employee stock option expense

Under the Previous GAAP, the cost of both equity-settled and cash-settled employee share-based transactions among group entities were not recognised in the statement of profit and loss, as the cost related to such share based payments was not being recharged to the Company. Under Ind AS, the cost of both equity-settled and cash-settled share-based plans are recognised based on the fair value of the options/ restricted stock units (RSU) as at the grant date. Consequently, the profit for the year ended March 31, 2016 decreased by Rs.5.12. The impact as at April 1, 2015 is Rs.2.75 and has been adjusted to equity. However, as there is no recharge to the Company, there is no impact to the equity.

Note 8 Security deposits

Under the Previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs.12.12 as at March 31, 2016 (April 1, 2015: Rs.Nil).

(All amounts in Rupees Million, unless otherwise stated)

37 First-time adoption of Ind AS (Contd.)

The prepaid rent increased by Rs.12.12 as at March 31, 2016 (April 1, 2015: Rs.Nil). Total equity decreased by Rs.Nil as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs.0.41 due to amortisation of the prepaid rent of Rs.2.98 which is partially off-set by the notional interest income of Rs.2.57 recognised on security deposits.

Note 9 Loans to fellow subsidiaries

Under the Previous GAAP, loans to fellow subsidiaries are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these loans to fellow subsidiaries under Ind AS. Difference between the fair value and transaction value of the loans to fellow subsidiaries has been recognised as pre-paid expenses under other current assets. Consequent to this change, the amount of loans to fellow subsidiaries decreased by Rs.5.39 as at March 31, 2016 (April 1, 2015: Rs.Nil). The prepaid expenses increased by Rs.5.39 as at March 31, 2016 (April 1, 2015: Rs.Nil). Total interest received from loans to related parties decreased by Rs.5.39 for the year ended March 31, 2016. The profit for the year and total equity as at March 31, 2016 decreased by Rs.5.39 (April 1, 2015: Nil) due to amortisation of the loans to fellow subsidiaries.

Note 10 Liquidated damages, etc.

Under the Previous GAAP, liquidated damages and credit notes issued on account of delays, short shipments, defectives, etc., aggregating to Rs.49.92 for the year ended March 31, 2016 has been shown under other expenses. As per "Ind-AS 18 Revenue", these expenses have been netted off against Revenue. This has no impact on the profit and the total equity.

Note 11 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

38 Segment Reporting:

(a) Description of segments and principal activities

The Company's chief operating decision maker (CODM) consists of the managing director and the chief financial officer. They examine the Company's performance both from a product and geographic perspective and hence, indentified two segments of its business:

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

(b) Environment Solutions - relating to contract manufacturing of air conditioner packages for a fellow subsidiary, which has since been discontinued (refer Note 33)

Geographical segment is considered based on sales within India and outside India (namely USA, Europe, etc.).

The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. However, they also review information about the segments' revenue and assets on a quarterly basis.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

38 Segment Reporting: (Contd...)

(b) Segments details are given below

Particulars	Continuing Operations - Air Solutions		Discontinued Operations - Environment Solutions		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
A. Business Segment						
Gross revenue (including other operating revenue)						
External revenue	6,771.78	6,658.55	-	356.94	6,771.78	7,015.49
Intersegment revenue	-	-	-	-	-	-
Total gross revenue	6,771.78	6,658.55	-	356.94	6,771.78	7,015.49
Result						
Segment result - Profit / (Loss)	779.14	486.39	-	23.27	779.14	509.66
Less:						
Interest expense					7.88	4.67
Unallocable corporate expenses					76.93	128.55
Add:						
Interest income					486.71	480.20
Unallocable other income / (expense)					(37.17)	(36.99)
Profit before taxation					1,143.87	819.65
Other information						
Segment assets	3,734.01	3,943.74	11.46	1,011.82	3,745.47	4,955.56
Unallocable assets					8,311.63	6,652.77
Total assets					12,057.10	11,608.33
Segment liabilities	1,405.82	1,473.12	2.19	18.34	1,408.01	1,491.46
Unallocable liabilities					33.48	40.27
Total liabilities					1,441.49	1,531.73
Capital expenditure	554.77	648.78	-	2.73	554.77	651.51
(Including capital work in progress)						
Unallocable capital expenditure					70.77	23.22
Total capital expenditure					625.54	674.73
Depreciation	118.00	97.76	-	21.53	118.00	119.29
Total Depreciation					118.00	119.29
Non-Cash Expenses other than Depreciation	48.91	11.25	-	-	48.91	11.25
B. Geographical Segment						
Gross Revenue						
India					4,993.37	5,259.77
Outside India					1,778.41	1,755.72
					6,771.78	7,015.49

(All amounts in Rupees Million, unless otherwise stated)

39 Related party transactions:

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2017	March 31, 2016	April 01, 2015
Ingersoll-Rand plc.	Ultimate holding company	Ireland	-	-	-
Ingersoll-Rand Company	Immediate holding company	USA	74%	74%	74%

(b) Key management personnel compensation

	Year ended	
	March 31, 2017	March 31, 2016
Salaries and other employee benefits	29.17	19.49
Employee share-based payment	5.85	1.50
Total compensation	35.02	20.99

(c) Transactions with related parties

	Year ended			
	March 31, 2017		March 31, 2016	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
Sales and purchases of goods and services				
Sale of finished goods	1,137.58	191.20	1,050.73	615.51
Business support and auxiliary services	2.07	416.99	-	222.21
Purchase of raw materials, components and traded goods	29.86	769.14	3.11	925.82
Other transactions				
Rent received	-	35.89	-	34.31
Rent paid	-	1.56	-	9.36
Purchase of property, plant and equipment	-	9.17	-	25.87
Expenses recharged by other companies:				
(i) Cost contribution (Management fees)	76.93	-	128.55	-
(ii) Professional fees	-	10.03	-	2.85
(iii) Advertising	-	-	-	2.77
(iv) Other miscellaneous expenses	2.06	27.76	2.53	19.58
Interest income on intercorporate loans given	-	153.70	-	160.64
Interest income - others	-	-	-	12.63
Disposal of assets held for sale	-	6.77	-	34.36
Expenses/ losses recovered	-	155.37	-	184.63
Contributions made to gratuity fund	-	10.00	-	-
Contributions made to provident fund	-	23.31	-	22.37
Dividend paid	140.16	-	140.16	-
Repayment of loan	-	74.37	-	-

(All amounts in Rupees Million, unless otherwise stated)

39 Related party transactions: (Contd.)

(d) Balances with related parties

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
The following balances are outstanding at the end of the reporting period in relation with transactions with related parties:			
Holding company			
Trade receivables	123.82	237.24	235.73
Trade payables	33.72	32.40	27.05
Fellow subsidiaries			
Trade receivables	132.09	220.76	422.24
Other receivables	-	200.14	-
Unbilled revenues	10.94	-	82.81
Intercorporate Loans receivable	1,391.28	1,464.61	1,470.00
Trade payables	206.01	223.55	259.29

(e) Remuneration paid to key management personnel

	Year ended	
	March 31, 2017	March 31, 2016
Remuneration Paid:		
Amar Kaul, Chairman and Managing Director	20.86	11.81
G. Madhusudhan Rao, Vice President - Finance	14.16	9.18

Note: The above does not include provision for gratuity and compensated absences that are calculated for the Company as a whole.

39 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, 2017	March 31, 2016
Sales and purchases of goods and services		
(a) Sale of finished goods		
-Ingersoll-Rand International Limited, Ireland	101.41	224.39
-Ingersoll-Rand Climate Solutions Private Limited, India	0.30	246.98
-Nanjing Ingersoll Rand Compressor Co Ltd, China	72.07	69.35
(b) Business support and auxiliary services		
-Ingersoll-Rand Technologies and Services Private Limited, India	62.66	58.53
-Ingersoll-Rand Climate Solutions Private Limited, India	47.54	40.50
-Ingersoll-Rand International Limited, Ireland	13.68	49.60
-Trane U.S. Inc, USA	270.98	59.82

(All amounts in Rupees Million, unless otherwise stated)

39 Related party transactions: (Contd...)

		Year ended	
		March 31, 2017	March 31, 2016
(c)	Purchase of raw materials, components and traded goods		
	-Ingersoll Rand International Limited, Ireland	612.73	690.38
	-GHH-Rand Schraubenkompressoren GmbH, Germany	18.17	107.31
	-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	99.12	84.88
Other transactions			
(a)	Rent received		
	-Ingersoll-Rand International (India) Private Limited, India	3.05	3.23
	-Ingersoll-Rand Technologies and Services Private Limited, India	4.60	3.69
	-Ingersoll-Rand Climate Solutions Private Limited, India	28.24	27.39
(b)	Rent paid		
	-Ingersoll-Rand Technologies and Services Private Limited, India	1.56	9.36
(c)	Purchase of property, plant and equipment		
	-Ingersoll-Rand Technologies and Services Private Limited, India	7.18	8.13
	-Ingersoll-Rand Climate Solutions Private Limited, India	0.95	16.71
(d)	Expenses recharged by other companies		
	-Ingersoll-Rand Technologies and Services Private Limited, India	27.76	23.09
	-Ingersoll-Rand International (India) Private Limited, India	10.03	2.11
(e)	Interest income on intercorporate loans given		
	-Ingersoll-Rand Technologies and Services Private Limited, India	100.28	95.62
	-Ingersoll-Rand Climate Solutions Private Limited, India	45.64	56.89
	-Thermo King India Private Limited, India	7.78	8.13
(f)	Interest income - others		
	-Ingersoll-Rand Climate Solutions Private Limited, India	-	12.63
(g)	Disposal of assets held for sale		
	-Ingersoll Rand International Limited, Ireland	-	19.52
	-Trane Air Conditioning Systems China Co Ltd, China	-	12.74
	-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	5.87	
(h)	Expenses/ losses recovered		
	-Ingersoll-Rand Climate Solutions Private Limited, India	147.81	184.63
(i)	Contributions made to gratuity fund		
	-Ingersoll-Rand Employees Gratuity Trust, India	10.00	-
(j)	Contributions made to provident fund		
	-Ingersoll-Rand Employees Provident Fund Trust, India	23.31	22.37
(k)	Repayment of loan		
	-Thermo King India Private Limited, India	74.37	-

(All amounts in Rupees Million, unless otherwise stated)

39 Related party transactions: (Contd...)

Balances with related parties:

		As at		
		March 31, 2017	March 31, 2016	April 01, 2015
(a)	Trade receivables			
	-Ingersoll Rand International Limited, Ireland	11.55	70.96	43.37
	-Ingersoll-Rand Climate Solutions Private Limited, India	16.42	15.19	364.01
	-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	-	44.09	-
	-Trane U.S. Inc, USA	86.39	59.69	-
(b)	Other receivables			
	-Ingersoll Rand International Limited, Ireland	-	19.45	-
	-Ingersoll-Rand Climate Solutions Private Limited, India	-	167.43	-
(c)	Unbilled revenues			
	-Ingersoll-Rand Climate Solutions Private Limited, India	10.94	-	82.81
(d)	Intercorporate Loans receivable			
	-Thermo King India Private Limited, India	-	74.10	74.37
	-Ingersoll-Rand Climate Solutions Private Limited, India	519.00	518.72	520.63
	-Ingersoll-Rand Technologies and Services Private Limited, India	872.28	871.79	875.00
(e)	Trade payables			
	-GHH-Rand Schraubenkompressoren GmbH, Germany	-	26.93	27.27
	-Ingersoll Rand International Limited, Ireland	147.71	145.75	158.85
	-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	28.30	22.40	32.83

(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 10.25% (March 31, 2016: 10.50%).

(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 Million, unless otherwise stated)

40 **Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016**

(Amount in Rupees)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**13,000**	**22,119**	**35,119**
(+) Permitted receipts	-	27,000	27,000
(-) Permitted payments	-	38,478	38,478
(-) Amount deposited in Banks	13,000	-	13,000
Closing cash in hand as on December 30, 2016	-	10,641	10,641

(*) Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated November 8, 2016.

41 **Events occurring after the reporting period**

Refer note 35 (B) with respect to final dividend recommended by the Board of Directors and subject to approval of Shareholders in the ensuing Annual General Meeting.

42 **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 Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

Shivakumar Hegde
Partner
Membership Number: 204627

Place: Mumbai
Date: May 23, 2017

For and on behalf of Board of Directors

Amar Kaul
Chairman and Managing Director

H. C. Asher
Director

G. Madhusudhan Rao
Vice President-Finance

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

Place: Mumbai
Date: May 23, 2017

Notes :

Ingersoll Rand
Inspiring Progress™

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