



Owning our **Future**

Ingersoll-Rand (India) Limited

REGISTERED OFFICE & CORPORATE OFFICE

First Floor,
Subramanya Arcade
No. 12/1, Bannerghatta Road,
Bengaluru – 560029
Phone : +91 80 4685 5100
Fax : +91 80 4169 4399
Website : www.irco.com

REGIONAL AND OTHER OFFICES

Ahmedabad-Bengaluru-
Chennai-Ghaziabad-
Gurgaon-Kolkata-
Mumbai-Pune-Secunderabad

MANUFACTURING FACILITY

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

BOARD OF DIRECTORS

Mr. Amar Kaul	Chairman and Managing Director
Ms. Preeti Mohanty	Executive Director and CFO
Mr. Naveen Samant	
Ms. Jayantika Dave	
Mr. Sekhar Natarajan	
Ms. Vijaya Sampath	

COMPANY SECRETARY

Mr. P. R. Shubhakar

AUDITORS

B S R & Co. LLP
Chartered Accountants

SOLICITORS

Krishnamurthy & Co.
Bengaluru

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

Our
Purpose and **Values**



We want our customers, employees, partners and communities to lean on us to help make their life better. For customers, we're making their life better by providing highly reliable products, by providing products that are mission critical and represent a high cost of failure to the application – whether a compressor, blower, tool or personal electric vehicle, they are vital for our customers. Employees lean on us through career progression and ownership in the company to help achieve long-term stockholder performance.

Lean on Us

To help you make life better

We think and act like owners

For 160 years we have been waking up every day to help make life better. We are driven by an entrepreneurial spirit and an ownership mindset, inspiring us to care deeply about our neighbors and shared planet. We have a bias for action, take accountability and quickly bounce back from setbacks.

We are committed to making our customers successful

We pride ourselves on innovation, and we aim to operate in a clear, straightforward fashion. We aspire to be connected for life with our customers and embrace the responsibility that comes with that. We know they lean on us for essential, vital and mission-critical solutions.

We are bold in our aspirations while moving forward with humility and integrity

We have the confidence to take on the hardest problems, yet we are rooted in a genuine sense of humility. We endeavor to earn trust every day by being honest in our dealings and acting with integrity regardless of how hard the challenge. We speak with candor, own our mistakes and always strive to be better tomorrow.

We foster inspired teams

We nurture and celebrate a culture that embraces diverse points of views, backgrounds and experiences. We are committed to equity in how people are treated and the opportunities available to them. And we know that a workplace which cultivates a sense of inclusion, belonging and respect will develop the most talented and capable employees.

CHAIRMAN'S MESSAGE



Amar Kaul
Chairman and Managing Director

Dear Shareholders,

Welcome to the 98th Annual General Meeting of your company. As we close another year of pursuing excellence while driving sustainable innovation, I would like to express my gratitude on behalf of the Board of Directors, for the persistent trust you have placed in us. It is this trust that has helped us reach new milestones, pioneer industry trends while remaining steadfast in our commitment to reduce the world's carbon footprint.

On March 1, 2020, Gardner Denver and the Ingersoll Rand Industrial Segment merged, combining two companies with associated cultures and creating a more comprehensive portfolio of leading brands across technologies and solutions with greater end-market balance and enhanced scale and reach. This was a milestone as we formed a new strong industrial company with a talented global workforce, powered by an entrepreneurial spirit, ownership mindset and sustainability focus.

Our Purpose

Our Purpose barely days old, the newly formed Ingersoll Rand Purpose – Lean On Us to Help You Make Life Better – and our Values were put to the test by the COVID-19 pandemic. With the health and safety of our employees as our top priority, response teams were formed immediately and quickly implemented actions to reduce the spread of the virus, launched an organization-wide communication plan to engage

employees and empowered local leaders to make quick decisions that were backed up by our global health and safety team to ensure consistent execution of best practices.

Ingersoll Rand's businesses manufacture and service mission-critical products that support essential sectors on the front lines of minimizing the spread and fighting the impact of COVID-19, including the healthcare and public health, food and agriculture. Our employees, customers and partners are proud that our COVID-19 response has been high in our Purpose, and know they can lean on us to help make life better.

In 2019-20, the GDP growth rate is estimated to be 5% as compared to 6.8% in 2018-19. The overall industrial sector growth is estimated to be 2.5% in 2019-20 as compared to 6.9% growth in 2018-19. Manufacturing sector is estimated to grow at 2.0% during 2019-20. Manufacturing activities were subdued due to a decrease in domestic demand for key sectors such as automotive and pharmaceuticals. Exports of labour intensive sectors such as jewelry, basic metals, leather and textile also underperformed during the current financial year. Liquidity crunch due to reduced lending by NBFC also had an adverse impact.

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

core of Ingersoll Rand's vision; and nurturing an inclusive environment for our team and partners alike gives that vision fruition. As India marches ahead on a solid growth trajectory to complete 74 glorious years of independence, and the vision of a Better India continues to take shape, Ingersoll Rand is geared to translate its multi-pronged and progressive agenda into action for the year 2019-20 and grow exponentially in this conducive environment.

From growth perspective, various projects initiated in 2019-20, and that includes localization of Next Generation R series, developing indigenous 30-37kw with world class performance as well as competitive costs, localizing NX2000 compressor to give energy efficient products, leveraging Naroda facility to cater to the requirements.

Environmental, Health and Safety (EHS) benchmarks are areas of prime focus at Ingersoll Rand. The company is committed to pursue the goal of "zero workplace injuries" and "incident free" operations, and ensure all employees are aligned with this objective. This year we also attained 25% reduction in fresh water consumption at Naroda plant by reuse of treated domestic waste water.

To reinforce our commitment towards establishing an increasingly diverse workforce, multiple initiatives were taken to increase the representation and retention of female employees through the Gender Diversity Employee Resource Group. This further underscores our intent to uphold the pledge of Paradigm for Parity Coalition made by our parent company to bring gender parity to corporate leadership structure by 2030. Continuing to place a premium on the wellness of our employees, this year again we sponsored the Global Corporate Health Challenge. Around 235 of our employees participated in the same, displaying their leaning towards a healthy work-life balance.

Our continued initiative to strengthen the industry-academic relationship and pave the way for future talent saw over 300 students visiting our Naroda plant on the occasion of International Manufacturing Day. The students from various colleges running vocational studies, engineering and management programs across Gujarat joined us at the manufacturing site and were delighted to get this opportunity.

We are committed

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

With a strong belief in nurturing the future generation and encouraging an environment of equity for marginalized sections of society, our partnerships with several not for profit organizations helped us take actions that mattered. Our support for the Government of India led mid-day meal scheme was able to cover 4162 children across 31 schools in Ahmedabad, Gujarat while our projects focused on furthering STEM (Science, Technology, Engineering and Mathematics) education progressed to make scientific concepts simple and application-based for identified beneficiaries in Gurgaon, Haryana

Through our three year partnership with National Skill Development Corporation (NSDC), we have committed to train 1,100 youth by making a contribution of approximately INR 2.2 crores. Over 820 candidates have been trained till date with 79% of them successfully placed. Additionally, the partnership has provided for over 435 women till date with a focus to make them economically independent by molding them as skilled personnel.



Taking forward our social responsibility focus on community development, we continued to maintain the patches of land in Gurgaon we adopted two year's back.

The massive floods in Karnataka caused immense loss to human lives, households and infrastructure with greater impact on the poor and the marginalized living in vulnerable pockets. In an endeavor towards positive intervention amidst this mass destruction, we allocated 5% of our CSR budget to contribute to the recovery and rehabilitation efforts undertaken by the state.



Crystallizing our collective vision of creating long-term value in the world, are our compassionate and engaged employees who volunteered wholeheartedly in all our community development initiatives. This year, over 12 employee volunteering activities were organized including 1250 hours of employee volunteering time.

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

We thank you for your ongoing trust and partnership, and we look forward to earning your continued support for years to come.

Sincerely,

Amar Kaul

Chairman and Managing Director

Highlights of the Year

	2019-20		2018-19	
Domestic Sales	Rs. 46,457.14	lakhs	Rs. 49,476.85	lakhs
Export Sales	Rs. 12,683.14	lakhs	Rs. 14,952.85	lakhs
Sale of Services	Rs. 10,391.66	lakhs	Rs. 8,284.76	lakhs
Other Revenue from Operations	Rs. 1,030.32	lakhs	Rs. 1,193.01	lakhs
Total Revenue from Operations	Rs. 70,562.26	lakhs	Rs. 73,907.47	lakhs
Profit before tax	Rs. 10,918.48	lakhs	Rs. 12,735.42	lakhs
As a % of revenue from operations	15.47		17.23	
Profit after tax	Rs. 7,972.95	lakhs	Rs. 8,087.02	lakhs
As a % of revenue from operations	11.30		10.94	
Return on total resources (%)	14.44		13.49	
Net worth per share	Rs. 120.73		Rs. 132.59	
Earnings per share	Rs. 26.80		Rs. 25.64	
Price earnings ratio	27.20	times	24.33	times
Dividend per share (excl. special dividend)	Rs. 6.00		Rs. 6.00	
Cover	4.5	times	4.3	times
Net revenue from operations/total assets	1.3	times	1.2	times
Profit after tax/gross fixed assets (%)	49.83		49.47	
No. of employees	522		721	
No. of shareholders	29,298		31,233	

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

	Number of Shares	%
Holding Company	23,360,000	74.00%
Institutional Investors (Includes Govt. sponsored Financial Institutions/ FII/Nationalized & other Banks/Mutual Funds)	2,104,921	6.67%
Bodies Corporate & Trusts	955,875	3.03%
Directors and their relatives	-	-
Others	5,147,204	16.30%
Total	31,568,000	100.00%

Contents

Chairman’s Message	3-5
Highlights of the Year.....	6
Notice	8-14
Annexure to Notice	15-19
Directors’ Report	20-31
Annexure to Directors Report (Annexure-A), Information Required Under Section 134 (3) of the Companies Act, 2013 Read With Rule 8 Of The Companies (Accounts) Rules, 2014.....	32-34
Annexure to Directors Report (Annexure-B), Company’s CSR Policy and Activities	35-39
Annexure to Directors Report (Annexure-C), Information as per Section 197 (12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.....	40
Annexure to Directors Report (Annexure-D1), Secretarial Audit Report	41-44
Annexure to Directors Report (Annexure-D2), Secretarial Compliance Report	45-46
Annexure to Directors Report (Annexure-E), Report on Corporate Governance	47-62
Annexure to Directors Report (Annexure-F), Form No. AOC-2.....	63
Distribution of Income/Ten years at a Glance	64-65
Auditors’ Report.....	66-75
Balance Sheet	76
Statement of Profit and Loss.....	77
Statement of Changes in Equity	78
Statement of Cash Flows.....	79-80
Notes to the Financial Statements	81-130

Notice

The Notice is hereby given that the 98th Annual General Meeting of Ingersoll – Rand (India) Limited (the “Company”) will be held on Thursday, September 24, 2020 at 12.00 noon (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business.

The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company at First Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bengaluru 560 029 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the financial year ended on March 31, 2020 together with the reports of the Directors and the Auditors.

SPECIAL BUSINESS

2. **Appointment of Mr. Naveen Samant (DIN: 05127077) as a Non-Executive Non-Independent Director of the Company.**

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

RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, Mr. Naveen Samant (DIN: 05127077) who was appointed by the Board of Directors of the Company as an Additional Director of the Company effective February 10, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and Article 118 of the Articles of Association of the Company and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

3. **Appointment of Ms. Preeti Mohanty (DIN: 08210994) as a Director of the Company.**

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

RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder Ms. Preeti Mohanty (DIN: 08210994) who was appointed by the Board of Directors of the Company as an Additional Director of the Company effective February 10, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and Article 118 of the Articles of Association of the Company, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing her candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Director of the Company.

4. **Appointment of Ms. Preeti Mohanty (DIN: 08210994) as a Whole-time Director of the Company and fixing her remuneration.**

To consider, and, if thought fit, to pass, with or without modification(s), 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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment and terms of remuneration of Ms. Preeti Mohanty (DIN: 08210994) as a Whole-time Director of the Company, designated as Chief Financial Officer (with such other designation(s) as the Board may deem fit to confer upon her from time to time), for a period of five years with effect from February 10, 2020 on such terms and conditions including the remuneration payable to her as recorded in the Agreements entered into by and between the Company and Ms. Preeti Mohanty, salient features of which are set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors of the Company (including a Committee

thereof), to alter and vary the terms and conditions of the said appointment in such manner including remuneration within the overall limits of Section 197 of the Act as may be agreed to between the Board and Ms. Preeti Mohanty from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during her tenure as Whole-time Director, Ms. Preeti Mohanty be paid the aforesaid remuneration as minimum remuneration by way of salary, perquisites, other allowances, benefits and Performance Pay for that year subject to receipt of requisite approvals, if any.

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 and give such directions, as it may in its absolute discretion deem necessary, proper and expedient to give effect to this resolution and settle any question that may arise in this regard.

5. Ratification of remuneration to the Cost Auditor of the Company for Financial Year 2020 - 21

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants (Firm Registration Number 000387) appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost accounting records of the Company for the financial year ending March 31, 2021 be paid Rs.235,000/- (Rupees Two lakh thirty five thousand only) plus reimbursement of out of pocket expenses actually incurred during the course of audit and applicable taxes.

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

NOTES: -

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the MCA) vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter collectively referred as the MCA Circulars) read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing (VC) or Other Audio Visual Means (OAVM), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 98th AGM of Ingersoll – Rand (India) Limited (the Company) will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the Act) and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the Listing Regulations). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. Keeping the convenience of the Members positioned in different time zones, the Meeting has been scheduled at 12.00 noon IST.
3. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF THE SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 98TH AGM OF THE COMPANY (THE NOTICE).**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-voting or for the participation and e-voting during the AGM, through VC or OAVM. Institutional shareholders (other than individuals, HUF, NRI, etc.) are required to send scanned copy (pdf/jpg format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter with attested specimen signature(s) of the duly

authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at nateshcs@gmail.com with a copy marked to evoting@nsdl.co.in

4. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
5. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, setting out the material facts in respect of Special Business to be transacted at the AGM, as set out under Item Nos. 2 to 5 above and the relevant details of the Directors seeking appointment under Item Nos. 2 and 3 above as required under Regulation 26 and Regulation 36 of the Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.
7. Dispatch of Annual Report through E-mail:

In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agents (the RTA), i.e. TSR Darashaw Consultants Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz. www.irco.com and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall be available on the e-Voting website of the agency engaged for providing e-Voting facility i.e. National Securities and Depositories Limited (NSDL) viz. <https://www.evoting.nsdl.com>
8. The Company has enabled the Members to participate at the 98th AGM through the VC facility provided by NSDL. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
9. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary

user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 98th AGM being held through VC

10. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again
11. M/s. B S R & Co. LLP. Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office for a period of five (5) years commencing from the 95th AGM held on August 3, 2017, subject to ratification by the members at every AGM. However, pursuant to the notification of certain sections of the Companies (Amendment) Act, 2017, with effect from May 7, 2018, the ratification of the Statutory Auditors by members is no longer required. Taking into consideration this amendment, the resolution for ratification of their appointment has not been brought before the members of the Company and is therefore not included in the annual report.
12. The Register of Members and the Share Transfer Books of the Company will remain closed from September 8, 2020 to September 11, 2020, both days inclusive, for the purpose of 98th AGM.
13. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Company's Registrar and Share Transfer Agents at the earliest.
14. Transfer of Unclaimed or Unpaid dividend to the Investor Education and Protection Fund (IEPF)
 - (i) Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven (7) years. Further according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for seven (7) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company

would be transferring the unpaid or unclaimed dividend for Final Dividend 2012-13 and Interim Dividend 2013-14 on or before August 20, 2020 and December 9, 2020 respectively as well as the corresponding equity shares relating thereto. The shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the Rules.

- (ii) Members are requested to ensure that they claim the dividends referred to above before these are transferred to the said Fund. Members are requested to make their claims to the Company / Registrar and Share Transfer Agents immediately. Members are also requested to furnish Bank Account No., name of the Bank, Branch, IFSC Code and Place with PIN Code No. where the account is maintained to prevent fraudulent encashment of dividend warrants.
- (iii) During the financial year 2019-20, the Company has transferred to IEPF unclaimed dividend and the corresponding shares thereto as follows:

Particulars	Amount of dividend (Rs)	No. of equity shares
Final dividend for the financial year 2011-12	298,473	4,605
Interim dividend for the financial year 2012-13	269,991	1,169

15. 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.
16. 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.
17. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to

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

18. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the EVEN for the AGM. **Further details in this regard are annexed separately and form part of this Notice.**

19. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations, the Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM to all eligible Members to enable them cast their votes electronically in respect of businesses to be transacted at the AGM. 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):
- 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.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - Click on Shareholder – Login.
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

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- viii. Select “EVEN” of Ingersoll-Rand (India) Limited.
 - ix. Now you are ready for e-Voting as Cast Vote Page opens.
 - x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xiii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - xiv. Institutional holders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@irco.com with a copy marked to evoting@nsdl.co.in
- B. Instructions for members for e-voting on the day of AGM are as under:
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting
 - ii. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM
 - iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting
- C. Instructions for members for attending the AGM through VC/OAVM are as under:
- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company, i.e. 113635 will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
 - ii. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. The facility for joining the AGM shall close at the expiry of 15 minutes after the scheduled time or once the capacity is filled, whichever is earlier.
 - iii. Members are encouraged to join the Meeting through Laptops for better experience
 - iv. Please note that members/shareholders participating from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- AI. 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
- BI. If you are already registered with NSDL for e-Voting, then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

-
- V. The e-Voting period commences on September 21, 2020 (9.00 am IST) and ends on September 23, 2020 (5.00 pm IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 17, 2020, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting after September 23, 2020 (5.00 pm IST). Once the vote on a resolution is cast by the Member, the Member shall not be permitted to change it subsequently
- VI. Only those Members who are present in the AGM through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change the votes already cast nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of Notice of the AGM and holds shares as on the cut-off date i.e. September 17, 2020 may obtain a User ID and Password by sending a request at evoting@nsdl.co.in
- VII. A person whose name is recorded in the Register of Members or in the beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through polling paper.
- VIII. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- IX. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of September 17, 2020.
- X. The Board has appointed Mr. K. Natesh, Practicing Company Secretary, as the Scrutinizer to scrutinize the remote e-Voting process and also e-Voting during the AGM in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of the e-Voting period, unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make, not later than three (3) days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- XII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.irco.com 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 and National Stock Exchange of India Limited, where the shares of the Company are listed.
- XIII Subject to receipt of requisite number of votes, the businesses mentioned in the Notice/the resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM.
- XIV Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company's RTA:
- (i) Scanned copy of signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;
 - (ii) Self-attested scanned copy of PAN card; and
 - (iii) Self-attested scanned copy of any document (such as AADHAR card / latest electricity bill / latest telephone bill / driving license / passport / voter ID card / bank passbook) in support of the postal address of the Member as registered against their shareholding.
- Members who hold shares in physical mode and already having valid e-mail addresses registered with the Company/RTA need not take any further action in this regard.
- 20. Procedure to raise Questions / seek Clarifications**
- (i) As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance

for smooth conduct of the AGM not later than 5.00 PM (IST) Tuesday, September 22, 2020 mentioning their names, folio numbers / demat account numbers, e-mail addresses at Pramod.hegde@irco.com and only such questions/queries received by the Company till the said date and time shall be considered and responded during the AGM.

(ii) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Monday, September 14, 2020 (9.00 AM IST) to Monday, September 21, 2020 (5.00 PM IST) at Pramod.hegde@irco.com from their registered e-mail addresses mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of AGM.

21. All documents referred to in this Notice and accompanying explanatory statement are open for inspection at the registered office of the Company on

all working days of the company between 10.00 am IST and 1.00 pm IST up to the date of the AGM and at the venue of the AGM for the duration of this AGM.

22. 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 and in the same order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agent M/s TSR Darashaw Consultants Private 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

Bengaluru, June 30, 2020

Registered Office:
First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Road,
Bengaluru – 560 029
CIN: L05190KA1921PLC036321
Website: www.irco.com

Annexure to the Notice

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

Item No. 2

The Board of Directors (“the Board”) upon recommendation of the Nomination and Remuneration Committee, has appointed Mr. Naveen Samant (DIN: 05127077) as an Additional Non-Executive Non-Independent Director of the Company effective February 10, 2020. Pursuant to the provisions of Section 161 of the Act and Article 118 of the Articles of Association of the Company, Mr. Naveen Samant holds office upto the date of the ensuing Annual General Meeting (AGM) and he is eligible for appointment as Director of the Company.

The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a member of the Company proposing the candidature of Mr. Naveen Samant for the office of Director of the Company. Mr. Naveen Samant, once appointed, will be liable to retire by rotation.

The Company has received from Mr. Naveen Samant consent, in writing, to act as Director of the Company and intimation to the effect that he is not disqualified under Section 164(2) of the Act. Mr. Naveen Samant is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Mr. Naveen Samant is presently an employee of Ingersoll Rand Technologies and Services Private Limited (“IRT SPL”), a subsidiary of the Company’s ultimate holding company, and is designated as Legal Counsel Leader, India. IRT SPL is a related party to the Company. Accordingly, he may be deemed to be concerned or interested, financially or otherwise, in the Company’s transactions with IRT SPL.

A brief profile of Mr. Naveen Samant has been provided as annexure to this Notice.

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

The Board recommends the Ordinary Resolution set forth at Item No. 2 of the Notice for approval by the Members.

Item Nos. 3 & 4

The Board of Directors (“the Board”) upon recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing General Meeting of the Company, appointed Ms. Preeti

Mohanty (DIN: 08210994) as an Additional and Whole-time Director of the Company effective February 10, 2020 designated as Chief Financial Officer (CFO) for a period of 5 years with effect from February 10, 2020 to February 9, 2025. Pursuant to the provisions of Section 161 of the Act and Article 118 of the Articles of Association of the Company, Ms. Preeti Mohanty holds office upto the date of the ensuing Annual General Meeting (AGM) and she is eligible for appointment as Director of the Company.

The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a member of the Company proposing the candidature of Ms. Preeti Mohanty for the office of Director of the Company.

Ms. Preeti Mohanty, aged about 38 years, joined the Company on October 1, 2019 and on the recommendation of the Nomination and Remuneration Committee she was appointed as Chief Financial Officer effective November 5, 2019.

Ms. Preeti Mohanty is a qualified Chartered Accountant (qualified in first attempt with Rank) and has professional experience of over 16 years in various finance functions.

Ms. Preeti Mohanty has extensive knowledge and experience in areas of General and Financial Management, Controllership, Commercial and Supply Chain Finance, Financial Planning & Reporting, Controls and Compliance and Mergers & Acquisitions. She has played a key role as Finance Lead for the Novartis India business integration with GSK.

A brief profile of Ms. Preeti Mohanty has been provided as annexure to this Notice.

The main terms and conditions of appointment of Ms. Preeti Mohanty (hereinafter referred to as “Whole-Time Director”) as set out in the Principal Agreement are given below:

1. Tenure:

Ms. Preeti Mohanty shall be “Whole-Time Director” of the Company for a period of 5 years from February 10, 2020 to February 9, 2025.

2. Nature of duties:

During her employment pursuant to this agreement the “Whole-Time Director” shall devote her full time and attention to the business of the Company and shall use her best endeavors to promote the Company’s interest and welfare.

The “Whole-Time Director” shall exercise and perform such powers and duties subject to the superintendence,

Annexure to the Notice

control and direction of the Board as may be entrusted to her by the Board from time to time and subject thereto, shall have power 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, she may consider necessary or proper or in the interest of the Company.

3. Remuneration:

I. (a) Monthly remuneration to the Whole-Time Director:

- i. Basic salary of 293,333/- (Rupees two lakhs ninety three thousand three hundred thirty three only);
- ii. Education Allowance – Rs.100/- (Rupees one hundred only)
- iii. Special Allowance of Rs.435,301/- (rupees four lakhs thirty five thousand three hundred and one only);
- iv. Annual Bonus/Commission at such rate of the net profits of the Company/such amount as the Board may decide from time to time, without any maximum limits.

(b) Minimum salary and perquisites as mentioned in Schedule V of the Companies Act, 2013, shall be paid in the event of absence or inadequacy of profits in any year.

II. 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.

III. In addition to monthly compensation and annual bonus/commission as per (I) above, the Whole-Time Director shall be entitled to the following perquisites:-

- a) **MEDICAL BENEFIT:** The benefit of the Company's Group Medical Benefit Scheme or any other Scheme for the time being in force for medical services/benefits, for the Whole-Time Director and her family.
- b) **FOOD COUPON:** The food coupon worth of Rs.2,200/- per month (Rupees two thousand two hundred only)
- c) **PERSONAL ACCIDENT INSURANCE:** Personal Accident Insurance for a maximum sum assured of Rs.26,400,000/- (Rupees two crores sixty four lakhs only).

d) **VEHICLE MAINTENANCE:** Payment towards expenses incurred by the Whole-Time Director for maintenance of her personal motor car, subject to a maximum of Rs.28,800/- (Rupees twenty eight thousand eight hundred only) in a year.

IV. The Whole-Time Director shall also be entitled to the following:

- a) **PROVIDENT FUND:** Contribution to Provident Fund as per the rules of the Company.
- b) **GRATUITY:** Contribution to an approved 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.2,000,000/- (Rupees twenty lakhs only).

V. The Company shall pay or reimburse to the Whole-Time Director, the actual travelling, entertainment and other expenses reasonably incurred by her in or about the business of the Company.

VI. Earned/privilege leave and sick leave including encashment of unavailed leave in accordance with the Rules of the Company.

4. Other conditions of appointment:

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

Annexure to the Notice

In the resolution placed before the Members at Item No.4 it is also proposed to authorise the Board to pay to Ms. Preeti Mohanty the same remuneration in the event of loss or inadequacy of profits in any financial year commencing from April 1, 2020 during the tenure of her appointment subject to the approval of the Members, if necessary. It is also proposed to authorise the Board to alter, modify or vary the terms and conditions of the said appointment of Ms. Preeti Mohanty as also to alter, enhance or increase the remuneration payable to her subject to the provisions of Sections 196 and 197 of the Act and subject to the approval of the Members, 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 Whole-Time Director 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 Whole-time Director are commensurate with her duties and responsibilities. The Board commends the Ordinary Resolutions set forth at Item Nos. 3 & 4 of the Notice for approval by the Members.

Ms. Preeti Mohanty is interested in the resolutions set out at Item Nos. 3 and 4 of this Notice as they relate to her 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. 3 and 4 of this Notice.

Item No.5

The Board of Directors of the Company (the 'Board'), on the recommendation of the Audit Committee, has approved the appointment of M/s. Ashish Bhavsar & Associates, Cost Accountants (Firm Registration Number 000387), as Cost Auditor to conduct the audit of the cost records of the Company as per the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending on March 31, 2021. M/s. Ashish Bhavsar & Associates, Cost Accountants,

have submitted a letter confirming their eligibility for appointment as cost auditor.

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

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought as referred to in the resolution at Item No. 5 of the Notice for the payment of remuneration amounting to Rs.235,000/- plus applicable taxes and out of pocket expenses for the financial year ending on March 31, 2021.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, interested or concerned, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 5 of the Notice for approval by the members.

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

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

Bengaluru, June 30, 2020

Registered Office:
First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Road,
Bengaluru – 560 029
CIN: L05190KA1921PLC036321
Website: www.irco.com

Annexure to the Notice

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

Name of the Director	Mr. Naveen Samant
Director Identification Number	05127077
Date of Birth / Age	December 15, 1977 / 43 years
Date of appointment as Director	February 10, 2020
Qualification	Master degree in International Commercial Law from Cardiff University, United Kingdom
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none"> • Mr. Naveen is a qualified lawyer and has professional experience of over 19 years in legal vertical. • Mr. Naveen started his career as an Associate with Dua Associates, Bengaluru, one of the top tier law firm in India in the year 2001. After completing his masters in UK in 2005, he joined Dell International Services as UK/India Legal Adviser. In the year 2007, he joined Subex Limited in Bengaluru as Sr. Legal Counsel, EMEA and joined Ingersoll Rand Group in the year 2010 as Legal Counsel for India operations. • Mr. Naveen has extensive knowledge and experience in the areas of corporate and Commercial Laws, Litigations, Mergers & Acquisitions, Commercial Contracts, Intellectual Property and allied legislations. • At present Mr. Naveen is working as Legal Counsel Leader, India for Ingersoll Rand group and is on the payroll of Ingersoll Rand Technologies and Services Private Limited.
Directorships held in other listed companies in India	Nil
Memberships / Chairmanships of committees held in other listed companies in India	Nil
Shareholding in the Company	Nil

Annexure to the Notice

Name of the Director	Ms. Preeti Mohanty
Director Identification Number	08210994
Date of Birth / Age	January 20, 1982 / 38 years
Date of appointment as Director	February 10, 2020
Qualification	Chartered Accountant (qualified in first attempt with Rank) from Institute of Chartered Accountants of India (ICAI)
Brief profile and nature of expertise in specific functional areas	<ul style="list-style-type: none">• Ms. Preeti has professional experience of over 16 years in various finance function.• Prior to joining Ingersoll Rand, Preeti was working as Finance Director – Supply Chain (India Sub continent) with GlaxoSmithKline Consumer Healthcare Ltd. Prior to GSK, she has also worked with Coca-Cola India and Deloitte in business assurance and advisory services. She was also a Non-Executive Director on the Board of GSK Asia Private Limited.• She has extensive knowledge and experience in areas of General and Financial Management, Controllership, Commercial and Supply Chain Finance, Financial Planning & Reporting, Controls and Compliance and Mergers & Acquisitions. She has played a key role as Finance Lead for the Novartis India business integration with GSK
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

Directors' Report

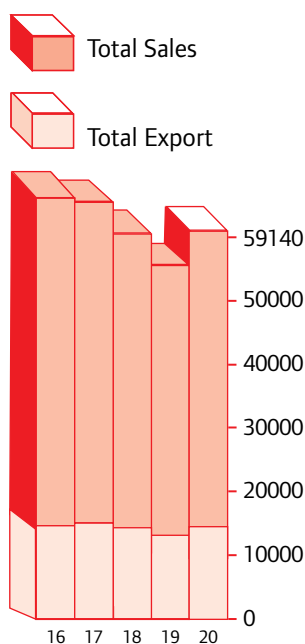
To
THE MEMBERS,
INGERSOLL – RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-Eighth Annual Report along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020, that is, the year under review.

1. FINANCIAL SUMMARY OF THE COMPANY

GROSS SALES

(in Rs. Lakhs)



	(Rupees in Lakhs)	
	2019-20	2018-19
Gross Profit:	13,490.47	13,931.14
(Less): Depreciation and amortization expenses	(1,826.11)	(1,137.34)
(Less): Finance costs	<u>(260.01)</u>	<u>(49.01)</u>
Profit before taxation and exceptional items	11,404.35	12,744.79
(Less): Provision for Current Tax	(2,875.75)	(4,311.27)
(Less): Deferred Tax for the year	(178.07)	(388.71)
Add: Write back relating to prior years (net)	<u>109.54</u>	<u>48.31</u>
Net Profit	8,460.07	8,093.12
Other comprehensive income: (net of tax)	(487.12)	(6.10)
Total comprehensive income for the year	7,972.95	8,087.02
Add: Balance in retained earnings brought forward from earlier years	8,111.25	79,182.57
	<u>16,084.20</u>	<u>87,269.59</u>
Appropriations:		
Dividends paid (including tax thereon)	11,797.64	79,158.34
Balance carried to Balance Sheet as retained earnings	4,286.56	8,111.25
	<u>16,084.20</u>	<u>87,269.59</u>

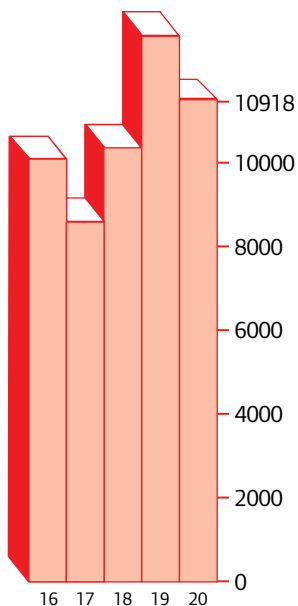
2. MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Development:

The financial year 2019-20 witnessed healthy growth in the diverse product segments and markets as a result of steady demand from industries in the domestic market, combined with rising compressor sales in focused international markets.

PROFIT BEFORE TAX

(in Rs. Lakhs)



The Indian economy shrunk by 45% on an annualized basis for March quarter and its GDP is expected to slump by 5% this fiscal year due to the COVID-19 pandemic and lockdown, which would be its steepest contraction in 41 years. The board acknowledges that the current year will be a challenging one to function at the fullest capacities and reach the expected growth set by the management earlier.

According to a data by the National Statistical Office (NSO), the manufacturing sector output grew at a rate of 3.2 per cent in February compared to a contraction of 0.3 per cent in the same month a year ago.

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

- II. **Segment-wise operational performance:** Air Solutions is the only segment in your Company's operations. The gross revenue of Air Solutions business in the year under review was Rs. 70,562 lakhs as against Rs. 73,907 lakhs in the previous financial year. Your Company continues to focus on local innovation and creating markets "In India; For India; By India".

The profit before tax is Rs. 11,404 lakhs in the year under review as against Rs. 12,745 lakhs in the previous financial year.

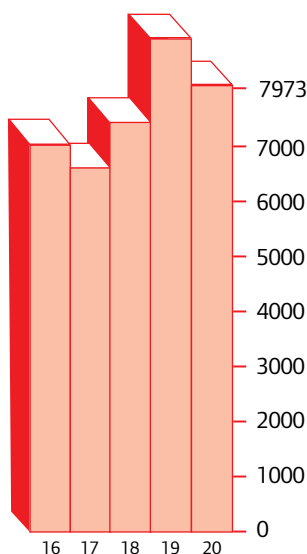
- III. **Outlook:** The International Monetary Fund (IMF) further slashed India's growth estimate for FY2020-21 to 1.9% from 5.8% estimated in January, warning that the "Worst Recession since the Great Depression" will dwarf the economic damage caused by the global financial crisis a decade back. It also said that India and China would be the only two major economies likely to register growth, with all others contracting.

- IV. **Risk and Concerns:** Growth in the industrial sector depends on government policies and effective implementation of the same to boost industrial output. Your Company constantly monitors the challenges from amongst the ecosystem comprising competition, industry, product life cycle, raw materials cost and takes steps to maintain and enhance existing competence. The primary threat continues to be competitors that are using price pressures as a tool to win the market share. Availability of spurious parts and components at cheap prices to the competitors to disrupt the fair competition is also an added threat. Fluctuating foreign currency rates will have impact on imports.

- V. **Opportunities and Threats:**

The Company is known for its superior quality products in the segment from the customers' perspective. Whereas from the shareholders perspective the Company has been declaring dividend consistently over the years due to its excellent financial performance. The industries requiring the products manufactured by your Company are growing which serves your Company a huge opportunity to enlarge its market share and reach to new customer base. Your Company always takes an extra step to be a trusted brand in the market for satisfying its customer with a reliable product and service. Your Directors have a positive insight on the wider opportunities of the growing market to make the Company and its products more attractive to the industries.

PROFIT AFTER TAX
(in Rs. Lakhs)



Certain locally made spurious products which has a large presence due to their low price may reduce certain opportunities the Company has in this segment. The management prefers to have a safe and steady assessment view point in respect of reaping the opportunities.

VI. Material developments in Human Resources / Industrial Relations front, including number of people employed:

With People as a key partner in success, the Company is committed to nurturing an environment of progressive growth, knowledge and skill development, coupled with high levels of engagement for its employees. Employees are led by the organization Purpose and Values and continues to focus on providing professional training to employees, while promoting a dialogue-oriented transparent culture, rooted in trust, respect for diversity and equal opportunity. The Company strives to provide fair treatment at workplace, a transparent and equitable compensation system, flexible work timings, and an environment that ensures health and well-being to hire and retain the best talent in the industry.

The Company constantly endeavors to adopt the best policies to keep its employees motivated, engaged and aligned to the interests of the Company. The Company undertakes various employee engagement initiatives and also fosters a culture of continuous learning and development and creating future leaders. The Company measures its employee engagement index through annual survey and is committed to execute the action plan.

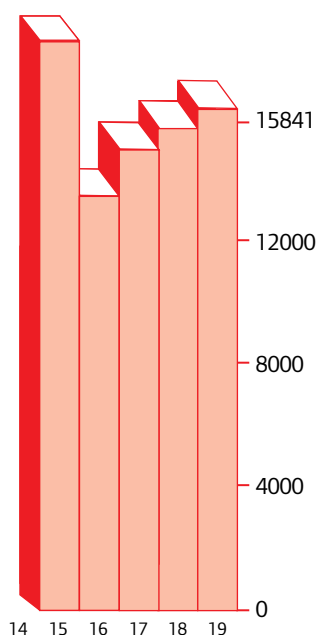
As on March 31, 2020, the company had 522 permanent employees on its rolls.

VII. Safety, Health and Environment: Environmental, Health and Safety (EHS) is of prime importance at Ingersoll Rand. Your Company has been taking timely measures to reaffirm the goal of “zero workplace at injuries” and “incident free” operations, and ensure all employees, staff, visitors are aligned with this objective. Continuous education on the safety measures and handling the machinery with due care is being taught to the employees on regular basis. The management is committed and responsible in complying with safety norms and takes adequate precautionary measures to avoid any kind of incidents at workplace.

Regular health check-up and hygiene studies are conducted on annual basis for the employees. Your Company continues to carefully analyze the hazardous and non-hazardous waste generation and its disposal, improving its own environmental footprint by continually reducing greenhouse gas (GHG) emissions. The wastes generated at the factory are suitably treated to ensure no harm is caused to the natural environment. Your Company has also achieved substantial savings of energy, natural resources etc. by carrying out energy audits and implementing necessary checkpoints to conserve the energy and take the best utilization of the available resources..

VIII. Technology Innovation: Your Company has continued to invest in technology innovation to sustain its leadership position and be the pioneer of best-in-class solutions for its customers. This year, your company has added new products to the existing wide gamut of products and introduced new models for small-scale industries in the form of reciprocating technology, which is our

GROSS BLOCK (in Rs. Lakhs)



flagship product. Other than this, you have also introduced various energy saving options like VFD Retrofit and HRU, which compliments the industry in this global economic slowdown. There are a couple of new products in the pipeline, which would enter the market in the upcoming months to address various applications and industries. Some of these products will align with the Make in India strategy to make us more sustainable. With this and more, we continue to introduce break-through innovation into the market to partner with our customers in their quest for excellence.

IX. Disclosure as per paragraph B(1)(h)(i) under Schedule V of the SEBI Listing Regulations has not been furnished as none of the ratios differ by 25% or more as on March 31, 2020 in comparison to the previous financial year ended on March 31, 2019.

3. DIVIDEND

Your Company on December 4, 2019 declared an interim dividend at the rate of Rs. 3 per equity share, absorbing Rs. 947.04 lakhs for the financial year under review, out of profit for the year 2019-20

The shareholders vide e-voting/postal ballot on January 27, 2020 declared, out of the retained earnings, second interim dividend as Special Dividend at the rate of Rs. 25 per equity share absorbing Rs.7,892 lakhs.

Having declared two interim dividends during the during the year 2019 - 20, your Directors have not recommended payment of final dividend for the financial year 2019-20 ended on March 31, 2020.

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 at www.irco.com

4. TRANSFER TO RESERVES

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

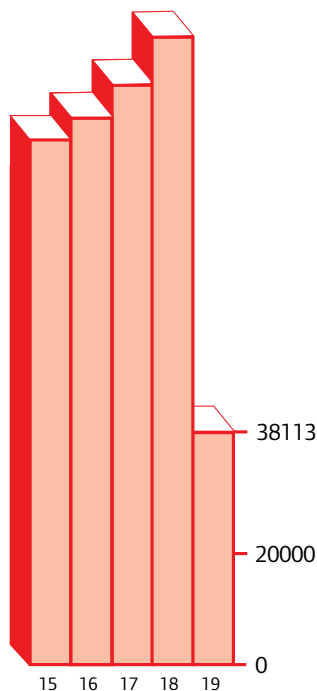
5. THE STATE OF COMPANY'S AFFAIRS

For the year ng March 31, 2020, your Company has recorded revenues of Rs. 70,562 lakhs from continuing operations which is 4.5% lower compared to that of previous financial year, primarily driven by impact of COVID pandemic in the last quarter of the fiscal year. Our profits after tax for the year ending March 31, 2020 stood at Rs. 7,973 lakhs which is marginally lower by 1.4% compared to profit after tax of previous financial year.

6. COVID-19

The Coronavirus (COVID-19) outbreak is an unprecedented global situation that all countries are dealing with in terms of its human and economic consequences. The World health Organization (WHO) has declared the COVID-19 as a pandemic which rapidly turned into a global crisis, forcing governments across the World to enforce lock-downs of all economic activity.

NET WORTH
(in Rs. Lakhs)



The outbreak of COVID-19 pandemic and consequent lockdown announced across India in the second fortnight of March 2020 impacted the business operations of the Company significantly. The Company's manufacturing plant at Naroda, Ahmedabad was operating to a limited extent only during the lockdown to meet the requirements of our customers who cater to essential services. The branch offices across different locations within India were closed as per Government/local authorities directives applicable to them. The Company adopted Work from Home for all its office employees and other staff to minimize the risk and contain spread of COVID-19 and provided IT infrastructure and connectivity to enable them to work from home.

Your Company pro-actively implemented certain measures to manage the impact of COVID-19, which inter alia included:

- i. Managing the liquidity prudently
- ii. Deploying various cost savings initiatives
- iii. Working closely with its supply chain partners and extending support as needed to ensure that supply chain partners are able to resume supplies.
- iv. Closely tracking end market conditions whereby Company estimates that demand in near term will remain soft considering disruptions in supply chain as well as closure of customer operations.
- v. Postponed/deferred capex after assessing business needs and sustainability.

The Company is currently in a comfortable liquidity position to meet its financial and other commitments and will continue to monitor the liquidity situation.

7. INGERSOLL RAND'S INDUSTRIAL SEGMENT MERGED INTO GARDNER DENVER

Gardner Denver Holdings Inc. completed the merger with Industrial Segment of Ingersoll Rand plc (erstwhile ultimate holding company) at the end of the day on 29 February 2020. The combined group globally is now named as Ingersoll Rand Inc.

Ingersoll Rand Inc. along with Ingersoll Rand U.S. Holdco Inc. and Ingersoll Rand Industrial U.S. Inc. has made an offer of Rs 642.63 per fully paid-up equity share to the public shareholders of the Company to acquire upto 8,207,680 fully paid-up equity shares, constituting 26% of the fully diluted voting equity share capital of the Company. This Offer is mandatory in compliance with Regulations 3(1), 4 and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Letter of Offer has been electronically dispatched to all the public shareholders of the Company holding equity shares as on identified date and who have registered their mail ids with the Depositories/Company and no physical dispatch of the Letter of Offer has been made in accordance with Relaxation Circular issued by SEBI. The period for tendering of equity shares has commenced on June 22, 2020 and will close on July 3, 2020.

8. 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, 2020 and the date of signing of this report.

9. 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.

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

The Company's management is responsible for establishing and maintaining an adequate system of internal controls over financial reporting. Accordingly, the Board of Directors has laid down internal financial controls to be followed by the Company and such policies and procedures to be adopted by the Company for ensuring efficient and orderly conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of financial information. The said internal controls are commensurate with the size, scale and complexity of your Company's operations and facilitate prevention and timely detection of any irregularities, errors and frauds. Your Company has an adequate and talented team of internal auditors that oversee the internal financial processes, policies and recommend robust internal financial controls from time to time to meet changes in business conditions, statutory and accounting requirements. The Audit Committee evaluates the internal financial control system periodically.

11. DETAILS OF JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES

Ingersoll-Rand Industrial U.S Inc. is the holding Company and Ingersoll-Rand Inc. 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.

12. 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, 2020.

13. AUDIT

A. STATUTORY AUDIT:

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a term of 5 years at the 95th Annual General Meeting to hold office till the conclusion of 100th Annual General Meeting of the Company.

M/s. B S R & Co. LLP, Chartered Accountants, has confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Audit Report issued by M/s. B S R & Co. LLP, Chartered Accountants on the financial statement of the Company for the year ended March 31, 2020 is part of the Annual Report. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, during the financial year 2019-20, the Statutory Auditors have not reported any instances of fraud to the Audit Committee or Board as per Section 143 (12) of the Act.

B. COST AUDIT:

The Company has maintained adequate records and books of accounts pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed under Section 148 of the Act. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Ashish Bhavsar & Associates, Cost Accountants, (ICMA Firm Registration No. 000387) as Cost Auditors for conducting the audit of the cost records maintained by the Company for the year ending March 31, 2021. M/s. Ashish Bhavsar & Associates, being eligible, have

consented to act as the Cost Auditors of the Company for the financial year 2020-21. The requisite resolution seeking approval for remuneration proposed to be paid to the Cost Auditors, as approved by the Board of Directors on the recommendation of Audit Committee has been set out in the Notice of the 98th Annual General Meeting of your Company.

C. SECRETARIAL AUDIT:

The Board of Directors of the Company has appointed Mr. Natesh K, Practicing Company Secretary (Certificate of Practice No. 7277), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2019-20. The Company has received consent from Mr. Natesh K to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2020.

The Secretarial Audit Report for the financial year ended 31st March, 2020 under Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the Annexure – D1 to this report.

The Secretarial Compliance Report for the financial year ended 31st March, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations, is set out in Annexure D2 to this report.

14. SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

15. 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, 2020 is Rs.3,156.80 lakhs comprising 31,568,000 equity shares of Rs.10/- each. Share capital audit as per the directives of the Securities and Exchange Board of India is being conducted on a quarterly basis by Parikh & Associates, Company Secretaries and the Audit Reports are placed on the table of the Board Meeting and duly forwarded to the stock exchanges where the equity shares of your Company are listed.

Ingersoll Rand Industrial U.S. Inc. acquired 23,360,000 equity shares of the Company from Ingersoll Rand Company, USA (erstwhile parent company) and consequently is now classified as the Promoter of the Company.

16. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return in Form MGT 9 as on March 31, 2020 as required under Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 has been uploaded on website of the Company at the link www.irco.com

17. NUMBER OF MEETINGS OF THE BOARD

Six (6) meetings of the Board of Directors were held during the year under review. The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2019-20 are given in the Corporate Governance Report which forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

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

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

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company continues to contribute time and financial support to the communities and beneficiaries in and around its areas of operation. This year too, your Company has continued its CSR initiatives to focus on providing education & skill development, healthcare, conservation of environment, and disaster relief. 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 CSR policy of your Company is available on the website of the Company at www.irco.com

During the financial year 2019-20, your Company incurred CSR Expenditure of Rs.250.77 lakhs and the details of the same is set out in Annexure - B forming part of this report.

20. INDEPENDENT DIRECTORS

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

All new independent directors as and when inducted into the Board are familiarized with the operations and functioning of the Company.

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

In view of Regulation 17 (1A) of SEBI Listing Regulations becoming effective from April 1, 2019, Mr. Darius C Shroff, upon attaining the age of 75 years, ceased to be a Non-Executive & Independent Director effective August 8, 2019. Your Board places on record its appreciation for the invaluable contributions made by Mr. Shroff during his long tenure as Director on your Board.

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties, the veracity of which has been assessed by the Board of Directors.

21. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report. All the recommendations made by the Audit Committee was accepted by the Board of Directors.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. DIRECTORS:

Mr. Anil Gopinathan and Mr. Kumar St Clair Paul, both of whom were Non-Executive and Non-Independent Directors resigned from the Board effective February 10, 2020. The Board places on record its appreciation for their contribution since their appointment.

In accordance with the applicable provisions of the Companies Act, 2013 read with terms of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the

Board at its meeting held on February 10, 2020, considered and approved the following appointments, subject to the approval of the shareholders:

- Appointed Ms. Preeti Mohanty (DIN 08210994) as an additional director (executive & non-independent category), for a period of 5 consecutive years
- Appointed Mr. Naveen Samant (DIN 05127077) as an additional director (non-executive & non-independent category), subject to retirement by rotation

Both of them hold office upto the date of the forthcoming Annual General Meeting and are eligible for appointment. The Board recommends the appointment of both Ms. Preeti Mohanty and Mr. Naveen Samant as Directors.

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

B. KEY MANAGERIAL PERSONNEL:

Prior to appointment as Director, Ms. Preeti Mohanty, was appointed as Chief Financial Officer (CFO) of the Company effective November 5, 2019 in lieu of Mr. Vikas Goel who resigned as CFO effective July 19, 2019.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

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

23. PARTICULARS OF EMPLOYEES

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

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

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

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

The Company’s Whistle Blower Policy is the mechanism for directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct, violations of legal or regulatory requirements, incorrect or misrepresentation in any financial statements and reports etc. The mechanism provides for adequate safeguards against victimization of those who avail the mechanism and also provides for direct access to the Chairman of Audit Committee in exceptional cases.

The Whistle Blower Policy can be accessed on the website of the Company www.irco.com

25. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Your Board has adopted a Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides criteria for fixing remuneration of the Directors, KMPs, SMPs as well as other employees of the Company.

Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the Company based on his/her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings. Generally, the Executive Directors and Independent Directors are appointed for a period of five years. The Directors, KMPs and SMPs shall retire as per the applicable provisions of the Act and the policy of the Company. While determining remuneration of the Directors, KMPs, SMPs and other employees, the Nomination and Remuneration Committee ensures that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate them and ensure the quality required to run the Company successfully and such remuneration comprises a balance between fixed and variable pay reflecting performance objectives appropriate to the working of the Company and its goals. Annual increments are also decided by the Nomination and Remuneration Committee. Remuneration to Directors is paid within the limits as prescribed under the Act and the limits as approved by the Members of the Company, from time to time. The remuneration policy of the Company is uploaded on its website at www.irco.com

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

Pursuant to the provisions of the Act, SEBI Listing Regulations and the Remuneration Policy of the Company, your Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors individually by seeking responses/inputs from all the Directors to an assessment questionnaire.

27. 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.

28. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act.

Your Company has formulated a policy on Related Party Transactions which has been uploaded on website of the Company at www.irco.com

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions, formulated and adopted by the Company. 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 Related Party Transactions is placed before the Audit Committee for their review 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.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 35 to the Financial Statements of the Company. The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its financial results, disclosures of material related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges.

Particulars of contracts or arrangements with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in 'Annexure - F' in Form AOC-2 and forms part of this report

29. CORPORATE GOVERNANCE

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

A separate report on Corporate Governance along with the compliance certificate from Mr. Natesh K, Company Secretary confirming compliance with the requirements of Corporate Governance is set out in Annexure - E forming part of this report.

30. RISK MANAGEMENT POLICY

Your Company has constituted a Risk Management Committee, the details pertaining to the Committee are included in the Corporate Governance Report, which is a part of this report.

The Company has laid down procedures regarding the framework for identification of risks, risk assessment and minimization, loss prevention measures and other risk management procedures. These procedures are periodically reviewed to ensure that executive management controls risk through a properly defined framework. The Risk Management Committee monitors the risks and its mitigation actions.

31. 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 (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act. The Company had mandated all employees to undergo online training on Prevention of Sexual Harassment (POSH) and also conducted the workshops during the year.

During the year under review, no complaint relating to sexual harassment was received.

32. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (b) that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as March 31, 2020 and of the profit and loss of the Company for the year ended March 31, 2020;
- (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.

33. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Place: Gurugram
Date: 30 June 2020

Annexure - A

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

A. CONSERVATION OF ENERGY

(i) The following energy conservation measures were taken:

1. Demand flow measurement was performed at Ingersoll -Rand (India) Limited (GIDC Naroda- Gujarat) to establish compressed air flow measurement and actions were implemented which resulted in reduction in electricity consumption by 15% in this category.
 - i. Replacement of 1 of the air compressors with high efficiency compressor
 - ii. Review and optimize pressure setting to avoid loss and establish efficient compressed air system.
 - iii. Inspection of all points of use to ensure no loss due to pressure drop by leakages and deployed standard work to sustain through internal audits.
 - iv. Established captive compressors at sub-line of production to avoid usage of main compressor whenever other line of productions are not operational. This saves the energy wherever possible by not using central compressor at all times.
2. The Company has adopted the HVAC guidelines for efficient usage of air conditioning systems. Awareness of such guidelines have been timely update to the employees and practices are put in place to optimize the usage of the conditioning systems with frequent switching of systems at appropriate intervals. This resulted into saving of 10% of energy.
3. Focus on Kaizen Initiatives as below which empowered team to explore ideas for continuous improvements:
 - i. Installation of VFD in water circulation pump in wash zone in paint system
 - ii. Efficient HVAC system in CMM and valve plate sub-assembly areas.
 - iii. Expanded DC tools installation to one more assembly line in Small Reciprocating compressor assembly line.
 - iv. Changeover to battery tightening tools for flexible operation.
 - v. Paint booth process temperature interlock to optimize consumption of fuel gas.
4. MCC panels have been replaced with upgraded switch gear with LOTO provision and Individual Energy Meter to have better energy monitoring & control of consumption in R&D Lab.
5. Encouraging customers for remote inspection through video conferencing resulted in load balancing carried out to manage spikes of demand, particularly for Centrifugal compressor machines.
6. Sustained implementation of wastewater management with a systematic approach to identify, control and reduce waste water produced by operations. Routine monitoring of the performance of the waste water treatment system. Reused 6,696 KL of treated wastewater and reduced fresh water consumption by 18 % for the manufacturing facility.
7. Installation of Zero Liquid discharge system for Industrial wastewater, which will be in operation from June 2020. This will reducing the fresh water consumption by 500kL per year.

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

1. Installation of 800kWp solar rooftop project as part of sustainability initiative.
2. Installation of VFD drive for chillers in HVAC and 75 KW plant compressor
3. Application of special coating on Roof top for reducing heat load on the building
4. Replacement of existing Paint Booth Conveyor with efficient and robust conveyor.

-
5. Continued focus on Kaizen through:
 - i. Occupancy sensor for LRBU paint booth for exhaust blower
 - ii. Automatic control of illumination in shop floor area
 - iii. Automation of cooling tower water top up
 - iv. HVLS Fan in shop floor area to optimize use of HVAC

(iii) Impact of (i) and (ii) above has resulted in reduction of energy consumption and consequent impact on reducing 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.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) We, being a part of global entity, are constantly working with global SMEs in the field of new product design and development. Efforts in brief, made towards technology absorption, adaptation and innovation are as follows:

1. Developing export oriented product strategy
2. Utilization of advanced modules in new product development process and enhancement of existing products
3. Development of advanced series of compressor and dryers with set up of production base at Naroda
4. R&D lab set up is in line with global test standards
5. Part of global Network of excellence for product development

Specific areas in which R & D is carried out by the Company:

COMPRESSORS & DRYERS

Types:

1. Small and Large Reciprocating air-cooled and Water-Cooled – Single and Multi-stage
2. Contact Cooled Rotary Screw & Oil Free Rotary Screw – Single and Multi-stage
3. Centrifugal
4. Cycling and Non Cycling Refrigerated Dryers

Areas:

1. Energy Efficiency
2. Mathematical Modelling
3. Computational fluid dynamics
4. RMS : Remote Monitoring System
5. Finite Element Analysis
6. Prime Movers with advance technology for compressors
7. Digital pulsation analysis for acoustic and mechanical vibrations
8. Industry 4.0
9. Torsional Vibration Analysis

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

1. Development of next generation technology to support new product development projects.
2. Enhancement of existing product performance by introducing new technology.
3. Improvement and addition of new features to meet current industrial requirements.
4. Product development with environmental friendly technology.
5. Products are compliant to global standards and having acceptance globally.
6. Highly reliable products

Future Plan of Action:

1. Center of Excellence to be established for developing next generation higher efficiency air compressor, dryers and packages.
2. Introduction of breakthrough technological advancement in our new series of products.
3. Introduce new products to bridge current offering gaps and develop new market verticals for organic growth of business.

(ii) Benefits derived as a result of the above efforts:

1. Time to respond to market and customer requirements has been reduced
2. Blending new technological advancement into existing products
3. Connectivity of the products with Online Monitoring system (Industry 4.0)
4. Highly reliable product offering to customer
5. Leveraging global expertise and learnings for product development
6. Competency development at region level have been improved

(iii) In case of imported technology [imported during the last 3 years reckoned from the beginning of the financial year], following information is furnished:

Technology Imported	Year	Status
Next Gen. Refrigerated compressed air dryers	2018	In production
Highly efficient Centrifugal compressor (200-250 kW)	2019	In production
Next Gen. Compressor modules of Contact cooled rotary	2019	In production
High flow range of advance technology refrigerated dryer	2019	In development

(iv) Expenditure of R & D:

(i) Capital	Rs. 75.24 Lakhs
(ii) Recurring	Rs. 188.57 Lakhs
(iii) Total	Rs. 263.81 Lakhs
(iv) Total R & D expenditure as a percentage of total turnovers	0.37%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:

		(Rs. Lakhs)
(i) Earnings in foreign exchange on account of exports, deemed exports Income from services rendered and recovery of expenses and engineering fees.		18,599.50
(ii) Value of imports calculated on c.i.f. basis	14,277.75	
(iii) Expenditure in foreign currency on account of travelling, cost contribution and others	1,867.52	
(iv) Less: Remittance in foreign exchange on account of dividend	<u>7,241.60</u>	<u>23,386.87</u>
Net Earnings / (Outgo) in Foreign Exchange		<u>(4,787.37)</u>

On behalf of the Board of Directors of
Ingersoll – Rand (India) Limited

Amar Kaul
Chairman and Managing Director

Curugram, June 30, 2020

Annexure - B

CORPORATE SOCIAL RESPONSIBILITY REPORT

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

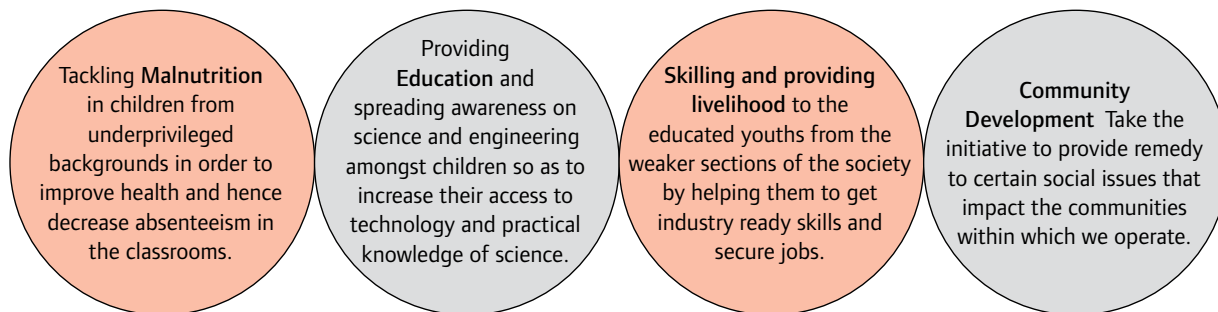
At Ingersoll Rand, we are committed to good corporate citizenship and believe that advancing the quality of life requires taking an active role in addressing the social issues impacting our company and communities. We, at Ingersoll Rand are committed to innovation, building superior technology and dedication to corporate citizenship and sustainability.

Our CSR Policy

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

The Company's detailed CSR Policy has been uploaded on the website of the Company - <https://www.irco.com/en-in/invest>

Our CSR Philosophy



Details of CSR projects undertaken during the year 2019-20

Skilling and Providing Livelihood

Supporting Government's Skill India Mission

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

Through our three year partnership with National Skill Development Corporation (NSDC), we have committed to train 1,100 youth by making a contribution of approximately INR 2.2 crores. Over 820 candidates have been trained till date with 79% of them are successfully placed. Additionally, the partnership has provided to over 435 women till date with a focus to make them economically independent by molding them as a skilled personnel. Through the lifecycle of this program, an ambitious placement rate of over 70%, with job offers ranging from INR 10,000- 15,000 per month in the automotive and healthcare sectors has been achieved.

By conducting certain courses under the Healthcare and Automotive Sectors with 46% women participation till date, the project has brought together numerous stakeholders and created a productive synergy between them. Training will continue to be provided according to the National Skills Qualification Framework (NSQF) with a optimum combination

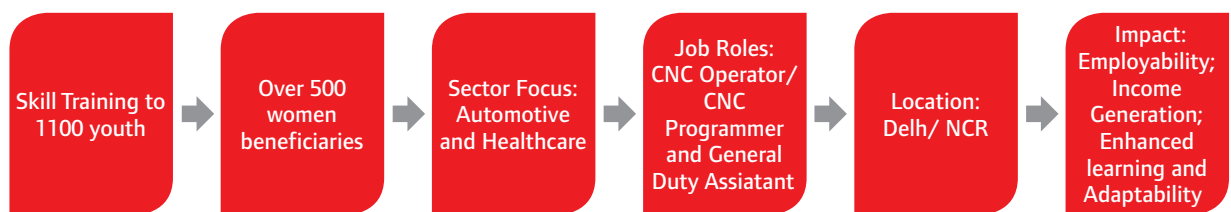
of theory teaching (manuals) and practical training (labs).

Highlights of partnership

- 46% of the candidates trained were women.
- 79% of the students have successfully been certified for having technical skills.
- More than 30% of the candidates placed belonged to the SC, ST& OBC categories.
- The average salary offered to such candidates is INR 10,968.25.

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

Program overview:



STEM Interventions

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

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

Our science centre in Gurgaon is in its seventh year of inception and within the year has benefited over 2400 students and trained 50 teachers across 10 schools.

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

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

Sponsorship program for Engineering Students

This year Ingersoll Rand took a step further and supporting 30 students for sponsorship program. These students have secured admission basis merit in engineering colleges in Gujarat but are unable to pursue due to lack of funds. Candidates chosen from network of 35 engineering colleges and AICTE (All India Council for Technical Education) approved

With the mission of sponsorship program for engineering students, Ingersoll Rand is to transform the lives of academically brilliant but financially needy students in India by awarding merit cum means scholarships.

Providing Healthcare, Nutrition and Eradicating Hunger

Supporting Mid-Day Meal Scheme to Provide Multi-Dimensional Impact on Health and Education.

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

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

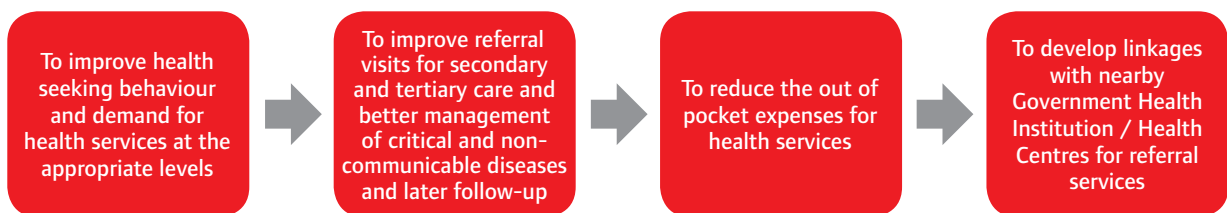
This academic year, the organization has supported Mid-day meal and provided stainless steel plates to 4162 children covering 31 schools in Ahmedabad, Gujarat. The food served is well complied with the norms prescribed by Mid-Day Meal scheme – i.e. 12 g of Protein and 450 Kcal of Energy.

Increasing Access to Primary Healthcare Services

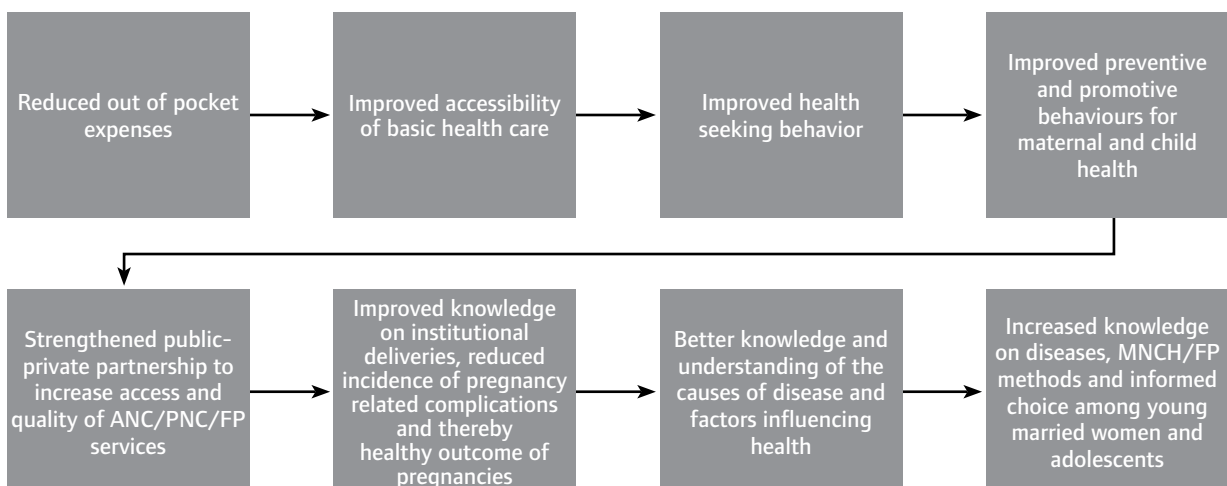
Strengthening Primary Health Care would be a major step that the company took this year towards achieving the goal of mitigating the burden of diseases at advanced stage. To address the primary health care needs of the underprivileged population in the identified location of Naroda- Ahmedabad area through preventive, promotive & curative services at their doorstep.

The recently released new National Health Policy (NHP – 2017) is a welcome move that presents a clear vision of how India's sluggish healthcare system can be stimulated to deliver health and well-being to all by 2030, in order to meet the Sustainable Development Goals (SDG) on health.

Program Objectives:



Outcome of the Intervention:



The Smile on Wheels will treat a population of 15,000, including men, women and children (women and children comprise 60 per cent of the population covered).

Community Development

Increasing Green Cover through Tree Plantation

Ingersoll Rand took a step towards adopting multiple patches of land in Gurgaon, Haryana in a drive towards reforestation, increasing the green cover and reducing the pollution in the region. We adopted four high traffic zones in prominent locations within Gurgaon and worked with our implementation partner for tree plantation, fencing and maintaining these respective patches of land.

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

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

Disaster Relief for Karnataka Floods

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

The massive floods in Karnataka caused immense loss to human lives, household and infrastructure with greater impact on the poor and the marginalized living in poor vulnerable pockets.

In response to the devastating floods in Karnataka, Ingersoll Rand pledged support and disaster relief through its partner United Way of Bengaluru. With the project, we supported restoration and refurbishment of two Government Schools at Chikodi Taluk in Belagavi District, Karnataka

The intervention has led to a positive impact for 460 students and their families providing them with an avenue to continue education and build a better future.

Employee Volunteering

Ingersoll Rand, its leadership and employees, are committed and actively engaged in giving to the less fortunate and participating in community relations activities in the country. Through the year, the employees come together for multiple volunteering events for creating a positive impact in the communities in the areas of our presence.

With the formation of an extended CSR employee team across our offices, there are multiple engagement activities organized through the year with greater involvement in our CSR projects. This year, over 12 employee volunteering activities were organized including 1250 hours of employee volunteering time.

Activities included Smile project launch, serving mid-day meals, handover stainless steel plates to Student beneficiary, soft skills sessions for NSDC project beneficiaries, tree plantation, fence painting etc.

Our employees continue to carry forward our spirit of volunteerism by working with communities across the country helping the disadvantaged, marginalized and those in distress.

2. Composition of the CSR Committee:

As of March 31, 2020, the CSR Committee comprises of Mr. Amar Kaul, Chairman, Ms. Jayantika Dave, Mr. Sekhar Natarajan and Mr. Naveen Samant.

3. Average net profit of the company for last three financial years : Rs. 12,397.56 lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : Rs. 247.95 lakhs
5. Details of CSR spend during the financial year:
 - (a) Total amount spent for the financial year : Rs. 250.77 lakhs
 - (b) Amount unspent, if any : NIL

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

(INR in Lakhs)

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the District and State where the project was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period	Amount spent through implementing agency - NGO Partners
1.	Skilling women - General Duty Assistant	Promotion of education	Delhi Delhi	36.39	36.39	36.39	National Skill Development Corporation
2.	Lab Setup for CNC Operator and CNC Programing	Promotion of education	Gurgaon Haryana	80.12	80.12	80.12	National Skill Development Corporation
3.	OPEX for Science Centre	Promotion of education	Gurgaon Haryana	21.36	21.36	21.36	Agastya
4.	Sponsorship for Engineering Students	Promotion of education	Ahmedabad Gujarat	13.20	13.20	13.20	Foundation for Excellence
5.	IR Branded Healthcare van	Healthcare	Naroda Gujarat	25.03	25.03	25.03	Smile Foundation
6.	Mid-day meal program for children	Eradication of hunger/ Promotion of education	Ahmedabad Gujarat	45.78	45.78	45.78	Akshaya Patra Foundation
7.	Stainless Steel Plates supporting mid-day meal program	Eradication of hunger/ Promotion of education	Ahmedabad Gujarat	4.37	4.37	4.37	Akshaya Patra Foundation
8.	Maintenance of patches of land for environment sustainability	Environment Sustainability	Gurgaon Haryana	12.02	12.02	12.02	Uthaan
9.	Restoring Schools in flood affected areas	Promotion of Education, Healthcare and sanitation	Belgavi Karnataka	12.50	12.50	12.50	United Way of Bengaluru
			TOTAL	250.77	250.77	250.77	

6. Reasons for not spending the prescribed amount : Not applicable

7. Responsibility Statement

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

Amar Kaul

Chairman
CSR Committee

Conclusion

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

Annexure - C

INFORMATION PURSUANT TO RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl. No	Name and designation of Director/KMP	Remuneration for FY 19-20 (INR Lakhs)	% increase in remuneration in FY 19-20	Ratio of remuneration of each director to median remuneration of employees for FY 19-20	Comparison of remuneration of KMP against the performance of the Company
1.	Mr. Amar Kaul – Chairman & Managing Director	251.13	17.30%	Not Applicable	Refer Note No.2
2.	Ms. Jayantika Dave, Non-Executive Director	12.00	-	Not Applicable	Not Applicable
3.	Mr. Sekhar Natarajan, Independent Director	12.00	-	Not Applicable	Not Applicable
4.	Ms. Vijaya Sampath, Independent Director	12.00	-	Not Applicable	Not Applicable
5.	Mr. Naveen Samant, Non-Executive Director	Nil	-	Not Applicable	Not Applicable
6.	Ms. Preeti Mohanty, Whole Time Director and Chief Financial Officer	57.58	Not Applicable	Not Applicable	Refer Note No.2
7.	Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary	107.45	10.30%	Not Applicable	Refer Note No.2

Notes:

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

(ii)	The percentage increase in the median remuneration of employees in the financial year.	8.54%
(iii)	The number of permanent employees on the rolls of company.	522
(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 9.9 % as against average percentage increase in salaries of managerial personnel is 14.5%
(v)	The key parameters for any variable component of remuneration availed by the directors.	The key parameter for variable remuneration availed by directors include financial performance, time spent in attending meetings, time spent participating in strategy development, advice given to management on strategic matters etc.

On behalf of the Board of Directors of
Ingersoll – Rand (India) Limited

Amar Kaul
Chairman and Managing Director

Gurugram, June 30, 2020

Annexure - D1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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

First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Main Road,
Bangalore - 560029, Karnataka, India

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

Based on my verification of the Company's books, papers, minutes 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 2020, 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 2020 according to the provisions of:

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

Secretarial Audit Report (Contd.)

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

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

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

Sl. No	Acts
1	Air (Prevention and Control of Pollution) Act, 1981
2	Apprentices Act, 1961
3	Collection of Statistics Act, 1953
4	Competition Act, 2002
5	Contract Labour (Regulation and Abolition) Act, 1970
6	Customs Act, 1962
7	Employees' Provident Funds & Miscellaneous Provisions Act, 1952
8	Employees' State Insurance Act, 1948
9	Environment Protection Act, 1986
10	Factories Act, 1948
11	Foreign Exchange Management Act, 1999
12	Income Tax Act, 1961
13	Indian Contract Act, 1872
14	Industrial Disputes Act, 1947
15	Industrial Employment (Standing Orders) Act, 1946
16	Industries (Development & Regulation) Act, 1951
17	Labour Welfare Fund Act of various States
18	Minimum Wages Act, 1948
19	Payment of Bonus Act, 1965
20	Payment of Gratuity Act, 1972
21	Payment of Wages Act, 1936
22	Sale of Goods Act, 1930
23	The Central Goods and Services Tax Act, 2017
24	The Integrated Goods and Services Tax Act, 2017
25	Shops and Establishments Acts of various States
26	Water (Prevention and Control of Pollution) Act, 1974
27	The Employees Compensation Act, 1923
28	Registration Act, 1908
29	Applicable Stamp Act(s) and the rules made there under
30	The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
31	Respective State GST Act

Secretarial Audit Report (Contd.)

I further report that:

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

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

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

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

I further report that, the Company has filed Forms IEPF-1 and IEPF-2 for intimating details of unpaid and unclaimed dividend, beyond the due date along with the payment of additional fee.

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

Place: Bangalore
Date: June 22, 2020

Natesh K
Practicing Company Secretary
UDIN: F006835B000363653
FCS No. 6835; CP No. 7277

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

Secretarial Audit Report (Contd.)

Annexure A

The Members

INGERSOLL-RAND (INDIA) LIMITED

First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Main Road,
Bangalore - 560029, Karnataka, India

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

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

Place: Bangalore
Date: June 22, 2020

Natesh K
Practicing Company Secretary
UDIN: F006835B000363653
FCS No. 6835; CP No. 7277

Annexure - D2

SECRETARIAL COMPLIANCE REPORT OF INGERSOLL-RAND (INDIA) LIMITED

I have examined:

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

for the year ended 31st March 2020 ("Review Period") in respect of compliance with the provisions of :

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

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

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

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

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

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

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

Secretarial Compliance Report (Contd.)

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

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

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	The Company had received notice for default of Section 159/220 of the Companies Act, 1956 for non-filing of financial statements and Annual Return for the FY 2005-06	31.03.2019	The Company has filed forms 23AC and 23ACA.	The Company has rectified the non-filing and replied to the notice received.

Place: Bangalore
Date: June 22, 2020

Natesh K
Practicing Company Secretary
UDIN: F006835B000363653
FCS No. 6835; CP No. 7277

Annexure - E

REPORT ON CORPORATE GOVERNANCE

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

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

MANDATORY REQUIREMENTS

A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

B. BOARD OF DIRECTORS

Composition and category of directors:

As at March 31, 2020, the Company has Six (6) Directors headed by Mr. Amar Kaul as the Chairman of the Board. Of the six Directors, two are Executive Directors, one Non-Executive Non-Independent Director and three are Independent Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations.

Number of Board Meetings:

Six Board Meetings were held during the financial year 2019-20 and the gap between two meetings did not exceed 120 days. The meetings were held on May 16, 2019, August 7, 2019, November 5, 2019, December 17, 2019, February 10, 2020 and March 26, 2020. Necessary quorum was present during all the meetings.

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

Name of Director	Status i.e. Executive and Non-Executive & Independent	Number of Board Meetings		Attended at the last AGM (August 29, 2019)
		Held during the year	Attended during the year	
Mr. Amar Kaul (Chairman & Managing Director)	Executive	6	6	Yes
Mr. Darius C. Shroff*	Non - Executive & Independent	2	-	NA
Ms. Jayantika Dave	Non-Executive & Independent	6	4	Yes
Mr. Sekhar Natarajan	Non - Executive & Independent	6	5	Yes
Mr. Kumar St Clair Paul #	Non - Executive	5	5	Yes
Mr. Anil Gopinathan #	Non - Executive	5	5	Yes
Ms. Vijaya Sampath	Non - Executive & Independent	6	6	Yes
Mr. Naveen Samant^	Non - Executive & Non-Independent	1	1	NA
Ms. Preeti Mohanty^	Executive	1	1	NA

* Ceased to be Director w.e.f. August 8, 2019

ceased to be Directors w.e.f. February 10, 2020

^ appointed as Directors w.e.f. February 10, 2020

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

None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company. None of the independent directors of the Company is a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent 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
Ms. Jayantika Dave	1	1
Mr. Sekhar Natarajan	2	4
Ms. Vijaya Sampath	5	7
Mr. Naveen Samant	NIL	NIL
Ms. Preeti Mohanty	NIL	NIL

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

The Board of Directors at their meeting held on April 24, 2020 confirmed

- the names of the listed entities in which he/she is a director and the category of directorship held
- that Independent directors fulfill the conditions specified in these regulations and are independent of the management.

Sl. No.	Name	Name of the listed entities where the person is a director as on March 31, 2020	Category of Directorship	Original date of appointment
1	Mr. Amar Kaul	Ingersoll-Rand (India) Limited	Chairman and Managing Director	August 5, 2016
2	Ms. Jayantika Dave	Ingersoll-Rand (India) Limited	Independent Director	March 28, 2019
		MPS Limited	Independent Director	October 30, 2019
3	Mr. Sekhar Natarajan	Ingersoll-Rand (India) Limited	Independent Director	July 27, 2016
		Bayer Cropscience Limited	Independent Director	October 01, 2019
		Accelya Solutions India Limited	Independent Director	July 07, 2011
4	Ms. Vijaya Sampath	Ingersoll-Rand (India) Limited	Independent Director	March 27, 2019
		Eris Lifescience Limited	Independent Director	February 03, 2017
		Safari Industries (India) Limited	Independent Director	September 22, 2014
		Varroc Engineering Limited	Independent Director	July 20, 2017
		Intellect Design Arena Limited	Independent Director	October 25, 2018
5	Mr. Naveen Samant	XPro India Limited	Independent Director	November 6, 2019
		Ingersoll-Rand (India) Limited	Non-Executive Director	February 10, 2020
6	Ms. Preeti Mohanty	Ingersoll-Rand (India) Limited	Executive Director	February 10, 2020

During the year 2019-20, information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its review.

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other laws applicable to the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

New independent directors were not appointed during the previous financial year. Hence, there was no requirement of imparting any familiarization programs to independent directors during the reporting year.

Skills of Directors

Your Board aims to be comprised of Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desirable by Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction:
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director appointments.

The Board has identified the following skill set with reference to its business and industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Amar Kaul	Leadership, Organization and Business Management
Ms. Jayantika Dave	Human Resources, Personality Development
Mr. Sekhar Natarajan	Leadership, Business Development, Corporate Strategy, Financial Planning & Reporting, Controls and Compliance
Ms. Vijaya Sampath	Legal, Secretarial, Corporate and Regulatory Compliances, Cross Border Acquisitions, PE Investments and International Commercial Arrangements.
Mr. Naveen Samant	Corporate and Commercial Laws, Litigations, Mergers & Acquisitions, Commercial Contracts, Intellectual Property and allied legislations.
Ms. Preeti Mohanty	General and Financial Management, Controllership, Commercial and Supply Chain Finance, Financial Planning & Reporting, Controls and Compliance and Mergers & Acquisitions

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience set out above.

None of the independent director has resigned before the expiry of his or her tenure during the year under review and till the date of this report.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company www.irco.com

The number of equity shares held by the Directors as on March 31, 2020 are given below:

Name of Director	Category	No. of shares held as on March 31, 2020
Mr. Amar Kaul (Chairman and Managing Director)	Executive	NIL
Ms. Jayantika Dave	Non - Executive & Independent	NIL
Mr. Sekhar Natarajan	Non - Executive & Independent	NIL
Ms. Vijaya Sampath	Non - Executive & Independent	NIL
Mr. Naveen Samant	Non – Executive & Non-Independent	NIL
Ms. Preeti Mohanty	Executive	NIL

Meeting of independent directors:

In the light of social distancing measures recommended by the Indian Government, the independent directors were not be able to hold a meetings among themselves in the absence of non-independent directors before 31 March 2020.

C. COMMITTEES OF THE BOARD

As on March 31, 2020, there are five committees of the Board viz. Audit Committee, Corporate Social Responsibility (CSR) Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee.

1. AUDIT COMMITTEE

The Audit Committee held four meetings during the year on May 16, 2019, August 7, 2019, November 5, 2019 and February 10, 2020. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Sekhar Natarajan, Chairman	4	3
Mr. Darius C. Shroff*	2	Nil
Mr. Amar Kaul	4	4
Ms. Vijaya Sampath	4	4
Mr. Kumar St Clair Paul#	4	4
Ms. Jayantika Dave	4	3

* Ceased to be Director w.e.f. August 8, 2019

ceased to be Director w.e.f. February 10, 2020

The previous AGM of the Company was held on August 29, 2019 and was attended by Mr. Sekhar Natarajan, Chairman of the Audit Committee.

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

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

The terms of reference of the Audit Committee are set out in accordance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, inter alia consists of

- Overseeing of the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;

- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, primarily focusing, inter alia, on
 - ◆ 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 tax compliance, GST compliance, receivables, and compliances in general. The minutes of the Audit Committee Meetings are placed before the Board for their review.

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

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprised of Ms. Jayantika Dave, Chairperson, Mr. Sekhar Natarajan and Mr. Amar Kaul during the year under review. The Nomination and Remuneration Committee met 4 times during the year on May 16, 2019, November 5, 2019, February 10, 2020 and March 26, 2020.

Name of the Director	No. of meetings held	No. of meetings attended
Ms. Jayantika Dave	4	3
Mr. Darius C. Shroff*	1	Nil
Mr. Amar Kaul	4	4
Mr. Sekhar Natarajan	4	3

* ceased to be member effective August 8, 2019.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Formulate and recommend to the Board a policy for payment of remuneration to Managing Director, Executive 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, Executive Director, and Key Managerial Personnel under the provisions of Companies Act.
- Decide the actual salary, allowances, perquisites, retivals and increments of Managing Director, Executive Director under the Companies Act.
- Decide the amount of commission/bonus payable to Managing Director, Executive Director under the provisions of Companies Act.

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

The performance evaluation criteria for Non-Executive 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.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee functions in accordance with Section 178(5) of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations. As of March 31, 2020, the Stakeholders Relationship Committee comprise of

Name of the Director	Designation
Ms. Vijaya Sampath	Chairperson
Mr. Amar Kaul	Member
Mr. Naveen Samant*	Member

* Appointed as members of the Committee effective February 10, 2020

During the year, Mr. Darius Shroff and Mr. Kumar St Clair Paul ceased to be members of the Committee.

The Committee meetings are held as and when required. 7 meetings of the Committee were held during the year.

The terms of reference of the Stakeholders Relationship Committee, inter alia, consists of

- Monitor redressal of investors/shareholders grievances;
- Approve transfer and transmission of shares;
- Issue of duplicate share certificates;
- Approving of split and consolidation requests;
- Review of shares dematerialized;
- Oversee the performance of the Company's Registrars and Share Transfer Agents;
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends and issue of new/duplicate certificates;

- Review of measures taken for effective exercise of voting rights by the shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company;
- All other matters related to shares

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

Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary is the Compliance Officer.

The Registrar and Share Transfer Agents of the Company - TSR Darashaw Consultants Private 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, 834 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 complaints from statutory authorities have been resolved to the satisfaction of the complainants before the end of the financial year. There was no outstanding complaint at the end of the year or on date of this report.

All valid requests for share transfers received during the year have been acted upon and there are no share transfer requests pending as on March 31, 2020.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As of March 31, 2020, the CSR Committee comprised of Mr. Amar Kaul, Chairman, Mr. Sekhar Natarajan, Ms. Jayantika Dave and Mr. Naveen Samant. The Committee met once during the year under review i.e. on May 16, 2019. At the meeting of the Board held on February 10, 2020, Mr. Naveen Samant was appointed as a Member of the Committee in place of Mr. Anil Gopinathan.

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

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

5. RISK MANAGEMENT COMMITTEE

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

As of March 31, 2020, the Committee comprised of Mr. Amar Kaul, Chairman, Ms. Jayantika Dave, Mr. Naveen Samant and Ms. Preeti Mohanty, Director and Chief Financial Officer. At the meeting of the Board held on February 10, 2020, Mr. Naveen Samant was inducted as Member to the Committee and Mr. Anil Gopinathan and Mr. Kumar St Clair Paul ceased to be members.

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

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

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

Non – Executive Directors are paid remuneration by way of fixed commission. The commission is decided by the Board of Directors in terms of the ordinary resolution passed by the shareholders at the Annual General Meeting held on August 29, 2019 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 company's Nomination and Remuneration policy has been uploaded on the website of the company www.irco.com

The details of remuneration for the year 2019-20 are given below:

Non-Executive Directors:

(Rs. In Lakhs)

Name of the Director	Sitting fees	Commission
Ms. Jayantika Dave	NIL	12.00
Mr. Sekhar Natarajan	NIL	12.00
Ms. Vijaya Sampath	NIL	12.00
Mr. Anil Gopinathan	NIL	NIL
Mr. Kumar St Clair Paul	NIL	NIL
Mr. Naveen Samant	NIL	NIL

Executive Directors:

(Rs. In Lakhs)

Name of the Director	Salary	Benefits, Perquisites and Allowances	Commission/ Bonus
Mr. Amar Kaul	71.75	136.98	42.40
Ms. Preeti Mohanty	19.70	34.84	3.04

E. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue	Time	No. of special Resolutions passed
AGM	August 29, 2019	Vivanta By Taj, 41/3, Mahatma Gandhi Bengaluru - 560 001	12.00 Noon	NIL
AGM	August 10, 2018			
AGM	August 3, 2017			

During the year under review, the Company has passed three (3) Special Resolutions through postal ballot on January 27, 2020. Mr. Natesh K, Practicing Company Secretary, the Scrutinizer had issued the Report on postal ballot/e-voting which was filed with the Stock Exchanges and also uploaded on Company's website www.irco.com

F. DISCLOSURES

Related Party Transactions:

All the transactions with related parties were in the ordinary course of business and on arms' length basis. In terms of Regulation 23 of SEBI Listing Regulations the Company has obtained prior approval of the audit committee for entering into any transaction with related parties. The audit committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. All material related party transactions have been approved by the shareholders through ordinary resolution, valid upto December 31, 2020 and the related parties abstained from voting on such resolutions. There are no related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed in Note No. 35 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.irco.com)

Reconciliation of Share Capital Audit Report:

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

Whistle Blower Policy and Vigil Mechanism:

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

Policy on determination of materiality for disclosures:

The Company has adopted a policy on determination of materiality on disclosures and the same has been uploaded on the website of the Company www.irco.com

Dividend Distribution Policy:

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

The company's dividend distribution policy has been uploaded on the website of the company www.irco.com

G. COMPLIANCES

The Company has complied with all the requirements of regulations and guidelines of the Securities and Exchange Board of India (SEBI) and there were no cases of non-compliance during the last three years viz. 2017-18, 2018-19 and 2019-20. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or statutory authorities. The Company has complied with and adopted the mandatory requirements of the Corporate Governance Code.

H. ADOPTION OF DISCRETIONARY REQUIREMENTS

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

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

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

The statutory auditors of the Company have issued audit report with unmodified opinion on the financial statements for the financial year ended March 31, 2020.

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

I. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Directors and Senior Management and all its employees. The Code of Conduct is posted on the Company's website www.irco.com. All Directors and Senior Management personnel of the Company have affirmed compliance with the Code. A declaration signed by the Chairman and Managing Director to this effect is appended at the end of this Report.

J. CEO/CFO CERTIFICATION

A certificate from Managing Director and Chief Financial Officer on the integrity of the financial statements and other matters of the Company for the financial year ended March 31, 2020 was placed before the Board at its meeting held on June 30, 2020.

K. RISK MANAGEMENT

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

L. MEANS OF COMMUNICATION

The last year's audited accounts were announced by the Company within 60 days of closure of the financial year. The quarterly results during the year were announced within the last date as specified under SEBI Listing Regulations. The results were published in leading newspapers. The financial results, press releases and other major events/developments concerning the Company were also posted on the Company's website (www.irco.com)

Half yearly report sent to each of the shareholders	No
Quarterly Results	Displayed in the below mentioned news papers i. The Financial Express ii. Kannada Prabha
Any web site, where displayed	The quarterly results are displayed on Company's website www.irco.com
Whether company also displays official news releases	No
Presentation made to Institutional Investors or to Analyst	No
Whether Management Discussion and Analysis Report is a part of annual report or not	Yes

M. GENERAL SHAREHOLDER INFORMATION

AGM	- Date	September 24, 2020
	- Time	12.00 Noon
	- Venue [#]	Through Video Conference

[#]The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company at First Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bengaluru 560 029 which shall be the deemed venue of the AGM.

Financial Calendar	April 2020 to March 2021
(a) First Quarter Results	Second week of August 2020
(b) Second Quarter Results	Second week of November 2020
(c) Third Quarter Results	Second week of February 2021
(d) Results for the year ending March 2021	Second week of May 2021
Date of Book Closure	The Company's Register of Members and Share Transfer Books will remain closed for the purpose of 98th Annual General Meeting- from September 8, 2020 to September 11, 2020 (Both days inclusive).
Dividend payment date	NA
Listing on Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra – Kurla Complex Bandra (East), Mumbai – 400 051 Listing fees for the period 2020 - 21 has been paid to the stock exchanges
Names of the Stock Exchange where securities are listed	Stock Code
BSE Limited	500210
National Stock Exchange of India Limited	INGERRAND EQ
Demat ISIN No. for NSDL and CDS	INE177A01018

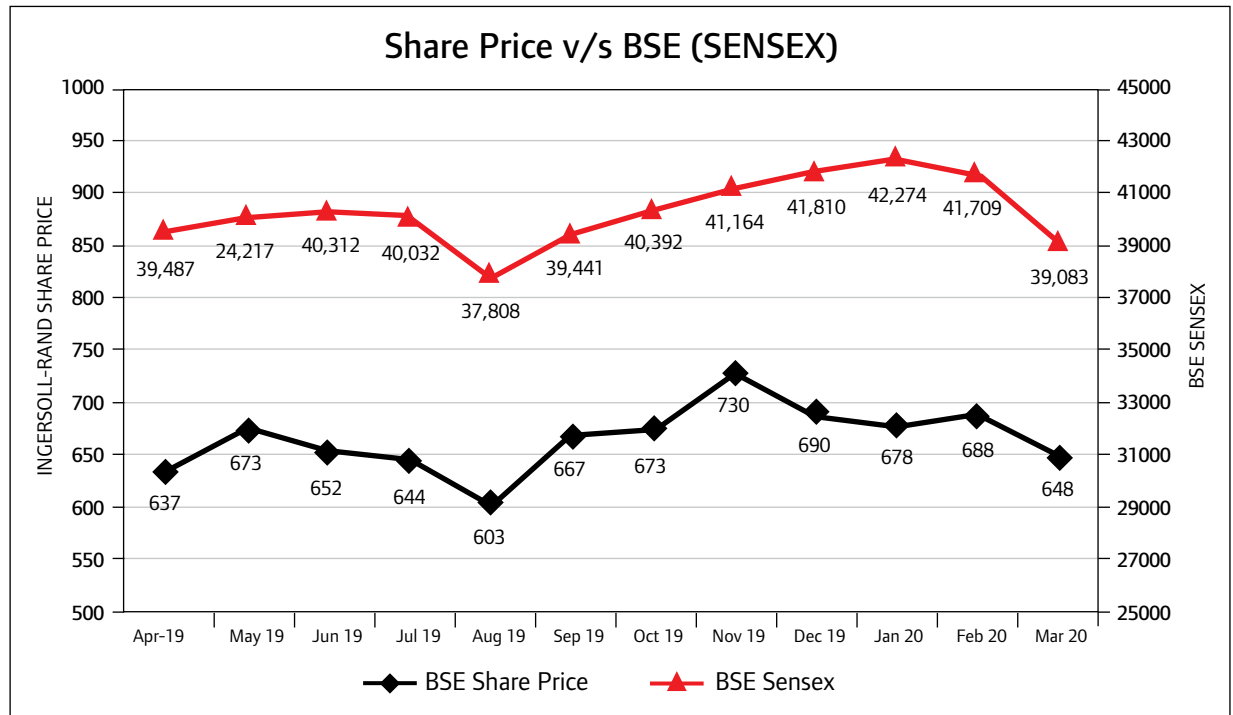
Monthly Highs and Lows for the period April 2019 to March 2020

(in Rupees)

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
Apr-19	637	595	639	592
May-19	673	571	671	569
Jun-19	652	594	658	596
Jul-19	644	581	644	583
Aug-19	603	580	600	576
Sep-19	667	587	670	586
Oct-19	673	604	672	600
Nov-19	730	608	729	606
Dec-19	690	615	687	616
Jan-20	678	635	677	635
Feb-20	688	636	687	636
Mar-20	648	595	649	595

Securities of the Company listed on any stock exchanges have never been suspended from trading during the previous financial year 2019-20 under review.

Stock Performance in comparison to BSE Sensex:



Registrars & Share Transfer Agents

Name and Address

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

Telephone

+91 22 6656 8484

Fax

+91 22 6656 8494

E-mail

csg-unit@tsrdarashaw.com

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

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

a. Branches offices:

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

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

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

b. Agents:

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

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

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

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

The total number of shares transferred in the physical form during the year under review was 6,858

Distribution of shares as on March 31, 2020

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 5000	27,090	92.46%	2,280,408	7.22%
5001 – 10000	1,456	4.97%	1,121,028	3.55%
10001 – 20,000	420	1.44%	611,148	1.94%
20,001 – 30,000	113	0.39%	283,669	0.90%
30,001 – 40,000	54	0.18%	191,016	0.60%
40,001 – 50,000	37	0.13%	169,711	0.54%
50,001 – 100,000	54	0.18%	393,656	1.25%
100,001 and above	74	0.25%	26,517,364	84.00%
Total	29,298	100.00%	3,15,68,000	100.00%
No. of shareholders in physical mode	1,065	0.72%	2,26,356	3.64%
No. of shareholders in electronic mode	28,233	99.28%	3,13,41,644	96.36%

Shareholding pattern as on March 31, 2020 is as follows:

Category	No. of shares	%
Ingersoll-Rand Industrial U S Inc	23,360,000	74.00%
Foreign Porftolio Investors	224,040	0.71%
Non Resident Indians	135,667	0.43%
Insurance Companies	1,300,794	4.12%
Nationalised Banks and other Banks	13,869	0.04%
Mutual Funds	566,218	1.79%
Domestic Companies	953,095	3.02%
Bodies Corp – NBFC	1,050	0.00%
Trusts	1,730	0.01%
Directors and their Relatives	0	0.00%
IEPF Account	37,347	0.12%
General Public	4,974,190	15.76%
Total	3,15,68,000	100.00%

Top ten equity shareholders of the Company as on March 31, 2020:

Serial No.	Name of Shareholder	No. of equity shares held	% holding
1	Ingersoll-Rand Industrial U S Inc.	23,360,000	74.00%
2	Bajaj Allianz Life Insurance Company Ltd.	571,443	1.81%
3	General Insurance Corporation Of India	388,630	1.23%
4	United India Insurance Company Limited	291,523	0.92%
5	Rajasthan Global Securities Private Limited	273,838	0.87%
6	Sundaram Mutual Fund A/C Sundaram Small Cap Fund	126,000	0.40%
7	Emerging markets core equity portfolio (the portfolio) of dfa investment dimensions group inc. (DFAIDG)	75,325	0.24%
8	The Emerging Markets Small Cap Series of The DFA Investment Trust Company	72,735	0.23%
9	Edelweiss Multi Strategy Investment Trust-Edelweiss Catalyst Opportunities Fund	63,971	0.20%
10	Edelweiss Multi Strategy Investment Trust - Edelweiss Alternative Equity Scheme	62,371	0.20%

Dematerialization of shares and liquidity

The equity shares of the Company are in compulsory demat list and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of March 31, 2020, 99.28 % of the paid-up capital has been dematerialized. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE177A01018

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity

Not issued

Plant Location

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

Address for correspondence

Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents at the address provided in an earlier section of this report or to the Compliance Officer at the following address:

The Company Secretary
Ingersoll-Rand (India) Limited
First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Road,
Bengaluru – 560029
E-mail: p_r_shubhakar@irco.com Telephone: +91 80 4685 5100
Fax: +91 80 4169 4399

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

There were no credit ratings obtained by the entity along with any revisions thereto during the previous financial year 2019-20 either for any debt instruments, fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

N. OTHER DISCLOSURES

Details of total fees paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as follows:

Name of the Company	Name of the Statutory Auditor/ Network entity	Fees paid during FY 2019-20 (in INR)		
		For Statutory Audit	For providing other services	Total
Ingersoll – Rand (India) Limited	B S R & Co. LLP Chartered Accountants	26,50,000	36,50,000	63,00,000
Ingersoll – Rand (India) Limited	KPMG	–	200,000	200,000

Disclosure in relation with sexual harassment at workplace:

The Company had mandated all employees to undergo online training on Prevention of Sexual Harassment (POSH) and also conducted the workshops during the year.

During the year under review, no complaint relating to sexual harassment has been received.

There were no complaints disposed of during the previous financial year or are pending as on the end of financial year.

The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:

Reporting of the Internal Auditor: The internal auditor of the company reports directly to the audit committee.

There are no Shares lying in Demat Suspense Account. Hence, disclosure with this regard has not been provided.

For and on behalf of the Board of Directors

Place: Gurugram
Date: June 30, 2020

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, 2020.

For and on behalf of the Board of Directors

Place: Gurugram
Date: June 30, 2020

Amar Kaul
Chairman and Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity Number: L05190KA1921PLC036321

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

To

The Members of Ingersoll-Rand (India) Limited,

I have examined all the relevant records of Ingersoll-Rand (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 01, 2019 to March 31, 2020. 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: June 22, 2020

Natesh K
Practicing Company Secretary
UDIN: F006835B000363653
FCS No. 6835; CP No. 7277

Annexure - F

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arms length basis for the year ended March 31, 2020 are as follows:

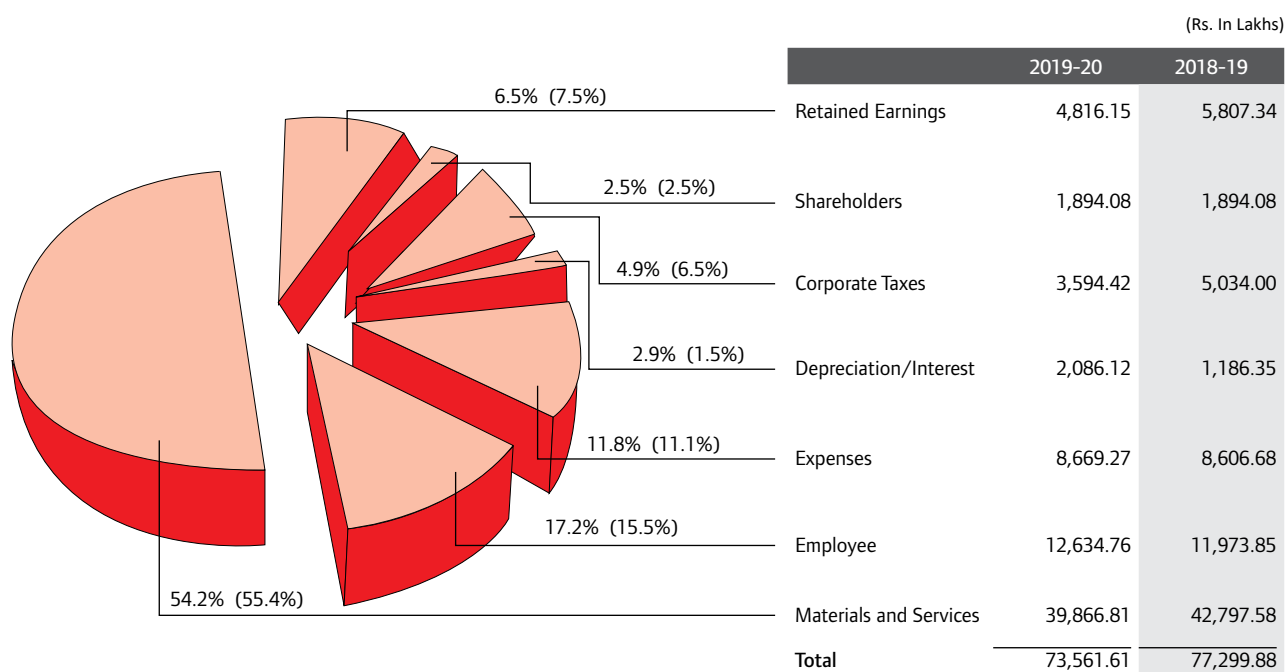
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Transaction Value (Rs. in Lakhs)	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances (Rs. in Lakhs)
Ingersoll-Rand Company, USA (Immediate holding company upto 19-Nov-2019 and Promoter group company thereafter upto 29-Feb-2020)	Sale of finished goods	8,162.09	1 st April 2019 to 29 th February 2020	The Related Party Transactions (RPTs) entered into during the year were in the ordinary course of business, on arms length basis and repetitive in nature	Shareholders had vide postal ballot approved the RPTs for a period upto 31st December 2020. Necessary approvals were granted by the Audit Committee from time to time.	Nil
	Cost Contribution (Management Fees)	984.46				
	Recharge of expenses	83.52				
Ingersoll-Rand International Limited, Ireland (Promoter group company upto 29-Feb-2020)	Purchase of raw materials, components and traded goods	6,500.92	1 st April 2019 to 29 th February 2020	The Related Party Transactions (RPTs) entered into during the year were in the ordinary course of business, on arms length basis and repetitive in nature	Shareholders had vide postal ballot approved the RPTs for a period upto 31st December 2020. Necessary approvals were granted by the Audit Committee from time to time.	Nil
	Sale of finished goods	1,277.44				
	Recovery of freight, insurance and packing charges	9.75				
	Business Support and auxiliary services	50.32				
	Expenses recharged by other companies	5.15				

On behalf of the Board of Directors of
Ingersoll – Rand (India) Limited

Amar Kaul
Chairman and Managing Director

Gurugram, June 30, 2020

Distribution of Income

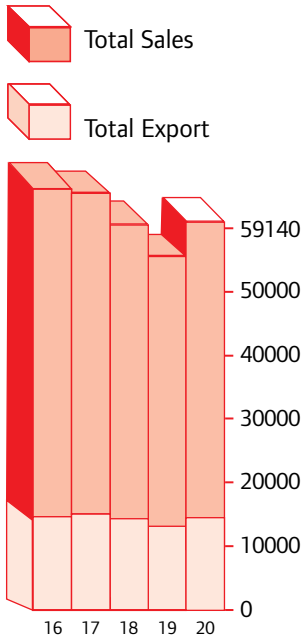


Ten years at a glance

	(Rs. in Lakhs)	2019-20	2018-19	2017-18
1.	Sales	59,140.28	64,429.70	54,869.52
2.	Other Income	15,035.16	12,870.18	14,797.54
3.	Total Income	74,175.44	77,299.88	69,667.06
4.	CAGR For Total Income (%)	2.87%	-	-
5.	Manufacturing and Other Expenses	60,684.97	63,368.74	55,450.84
6.	Depreciation	1,826.11	1,137.34	1,259.71
7.	Interest	260.01	49.01	(208.02)
8.	Profit Before Depreciation & Income Tax	12,744.59	13,872.76	14,450.29
9.	Profit Before Tax	10,918.48	12,735.42	13,190.58
10.	Tax	2,945.53	4,648.40	4,284.73
11.	Profit After Tax	7,972.95	8,087.02	8,905.85
12.	CAGR For Profit After Tax (%)	1.68%	-	-
13.	Dividend	9,786.08	1,894.08	65,661.44
14.	Dividend - Rs. per share	31.00	6.00	208.00
15.	Fixed Assets (Net)	11,085.19	11,910.63	12,196.16
16.	Current Assets, Financial Assets etc.	44,135.74	48,034.04	116,684.38
17.	Total Assets	55,220.93	59,944.67	128,880.54
18.	Share Capital	3,156.80	3,156.80	3,156.80
19.	Market Price Per Share (in Rs.): 52 Weeks High & Low	H 729.85 L 569.00	H 914.90 L 472.35	H 940.00 L 651.90
20.	Reserves and Surplus	34,956.11	38,698.97	109,691.46
21.	Net Worth	38,112.91	41,855.77	112,848.26
22.	Loans (Secured and Unsecured)	-	-	-

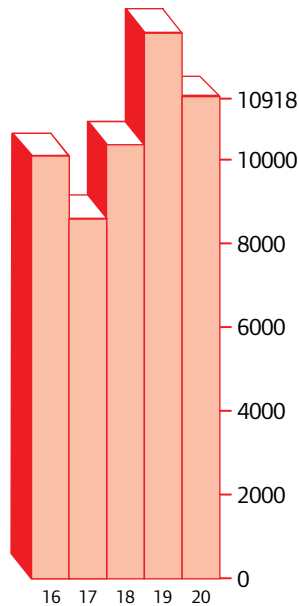
GROSS SALES

(in Rs. Lakhs)



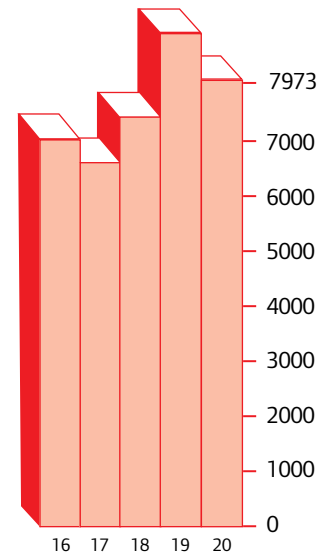
PROFIT BEFORE TAX

(in Rs. Lakhs)



PROFIT AFTER TAX

(in Rs. Lakhs)



2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	
59,010.20	58,998.61	65,264.50	58,778.51	58,983.71	59,971.41	49,705.26	1.
14,473.90	12,366.60	12,886.70	10,744.60	10,374.80	10,058.80	7,789.91	2.
73,484.10	71,365.21	78,151.20	69,523.11	69,358.51	70,030.21	57,495.17	3.
-	-	-	-	-	-	-	4.
60,786.60	62,101.30	61,099.20	53,342.40	53,182.50	53,228.00	43,520.41	5.
1,180.00	977.60	1,155.90	810.60	517.60	503.60	475.30	6.
78.80	46.70	207.80	118.70	109.00	47.10	53.40	7.
12,435.30	9,217.21	11,250.50	10,654.11	11,632.50	12,828.00	10,590.51	8.
11,255.30	8,239.61	10,094.60	9,843.51	11,114.90	12,324.40	10,115.21	9.
3,647.90	2,128.00	3,480.00	3,147.80	3,320.60	4,048.10	3,253.00	10.
7,607.40	6,111.61	6,614.60	6,695.71	7,794.30	8,276.30	6,862.21	11.
-	-	-	-	-	-	-	12.
1,894.08	1,894.08	1,894.08	1,894.08	1,894.08	7,576.32	1,894.08	13.
6.00	6.00	6.00	6.00	6.00	24.00	6.00	14.
12,804.40	7,754.90	15,494.90	11,632.41	10,202.81	4,537.61	2,536.21	15.
108,432.01	108,328.40	97,620.30	97,705.61	91,756.40	89,990.40	93,757.98	16.
121,236.41	116,083.30	113,115.20	109,338.02	101,959.21	94,528.01	96,294.19	17.
3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	18.
H 789.00	H 1,125.00	H 1,107.80	H 473.95	H 543.70	H 558.50	H 518.40	19.
L 621.50	L 583.00	L 420.00	L 301.00	L 383.05	L 355.20	L 337.00	20.
102,999.30	97,609.20	92,565.10	88,303.61	83,823.94	78,238.29	78,767.49	21.
106,156.10	100,766.00	95,721.90	91,460.41	86,980.74	81,395.09	81,924.29	21.
-	-	-	-	-	-	-	22.

Independent Auditors' Report

To the Members of Ingersoll-Rand (India) Limited

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

Opinion

We have audited the Ind AS Financial Statements ("Financial Statements") of Ingersoll-Rand (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Tax litigations – provisions and contingencies

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

The Key audit matter

The Company has direct and indirect tax litigations on various matters. The Company periodically reviews its tax positions, which include reviews by the external tax consultant and tax counsels appointed by the Company. Based on the advice received, in cases where the amount of tax liability is uncertain, the Company creates a provision or makes a contingent liability disclosure that reflects Management's best estimate of the probable outcome based on the facts. Thus, there is a risk that accruals for tax litigation / disclosure for contingent liability on tax litigation is not accounted properly.

How the matter was addressed in our audit

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

Impact on adoption of new lease standard - Ind AS 116 Leases ("Ind AS 116")

[Refer Note 32B to the Ind AS Financial Statements]

The Key Audit Matter

Ind AS 116 introduces a new lease accounting model, where the lessees are required to recognize a Right-of-Use (ROU) asset and a lease liability arising from a lease on its balance sheet. The Company has adopted Ind AS 116 with effect from

1 April 2019 using the modified retrospective approach. There is no impact of transition to Ind AS 116 on retained earnings as on 1 April 2019 as the Company has adopted modified retrospective approach method with exemption.

Lease arrangements in the Company which were previously classified as operating leases under Ind AS 17 'Leases' and held off balance sheet are now required to be recognised as assets and liabilities under Ind AS 116. Significant judgements are required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, amongst others.

As at 31 March 2020, the carrying amount of ROU asset is INR 777.67 lacs and lease liability is INR 793.19 lacs.

Additionally, there is a risk that the underlying lease data for Ind AS 116 computations is incomplete or inaccurate.

How the matter was addressed in our audit

To obtain sufficient and appropriate audit evidence our principal audit procedures included, amongst others:

Assessing the selection of accounting policies and practical expedients applied by the Company to test compliance to the requirements of Ind AS 116. We evaluated the design and implementation of key controls and operating effectiveness of the relevant key controls with respect to identification of the leases and ensuring that all the leases are captured for quantification of the Ind AS 116 impact on the Financial Statements for the year ended 31 March 2020.

On transition to Ind AS 116 with effect from 1 April 2019, we have evaluated the method of transition. We tested the completeness of the lease data by reconciling the Company's existing lease commitments to the lease data underpinning the Ind AS 116 computations. We obtained the Company's quantification of ROU assets and leases liabilities and assessed the accuracy of the lease data captured by the Company for a sample of leases through inspection of lease contracts and challenged the key estimates such as discount rates and the lease terms.

We assessed the accounting policy and disclosures provided under the new lease standard and also assessed the completeness and mathematical accuracy of the relevant disclosures, including those related to transition.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting

principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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 information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its Financial Statements - Refer Note 12 and 25 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Financial Statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 20063980AAAADI3196
Place: Bengaluru
Date: 30 June 2020

Annexure - A to the Independent Auditor's Report

With reference to the "Annexure A" referred to in the Independent Auditor's Report to the members of Ingersoll-Rand (India) Limited ("the Company") on the Financial Statements for the year ended 31 March 2020, we report the following:

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of Excise and Value Added Tax.

Annexure - A to the Independent Auditor's Report

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

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	186.56 (173.34)*	AY 2003-04 and AY 2005-06	High Court of Karnataka
Income Tax Act, 1961	Tax and interest	1,571.85 (772.32)*	AY 2011-12 to AY 2014-15	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	687.46	AY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Tax and interest	359.17 (345.83)*	AY 2004-05 AY 2006-07 AY 2007-08 AY 2009-10 and AY 2010-11	Assessing Officer- Income tax
The Central Excise Act, 1944	Excise duty Including interest and penalty	67.06	2007-08	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore
The Central Excise Act, 1944	Excise duty including interest and penalty	1,643.11	2008-2013	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad
The Finance Act, 1994	Service tax including interest and penalty	794.54 (39.55)*	2008-2016	CESTAT, Ahmedabad
The Finance Act, 1994	Service tax including interest and penalty	62.60 (2.09)*	2012-2016	The Commissioner (Appeals) of Central Excise, Ahmedabad
The Finance Act, 1994	Service tax including interest and penalty	717.10	2011-2016	The Commissioner of Central Excise, Ahmedabad
The Central Sales Tax, 1956	Sales Tax including interest and penalty	275.77 (175.34)*	2010-11 and 2011-12	The Gujarat Value Added Tax Tribunal, Ahmedabad
The Central Sales Tax Act, 1956	Sales Tax including interest and penalty	301.23 (262.56)*	2015-16 and 2016-17	The Deputy Commissioner (Appeals), Sales Tax, Ahmedabad

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

- (viii) According to the information and explanation given to us, the Company did not have any outstanding loans or borrowings from any financial institutions, banks, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

Annexure - A to the Independent Auditor's Report

- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 20063980AAAAD13196

Place: Bengaluru
Date: 30 June 2020

Annexure B to the Independent Auditors' report on the Financial Statements of Ingersoll-Rand (India) Limited for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid Financial Statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to Financial Statements of Ingersoll-Rand (India) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

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

Annexure - B to the Independent Auditor's Report

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Financial Statements.

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 20063980AAAAD13196

Place: Bengaluru
Date: 30 June 2020

Balance Sheet

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	As at	
		March 31, 2020	March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	4	10,930.53	11,746.61
Capital work-in-progress		113.52	164.02
Right-of-use assets	32B(b)	777.67	-
Intangible assets	4	41.14	-
Financial assets			
(i) Loans receivables	5.1	96.73	600.41
(ii) Other financial assets	5.5	114.29	103.34
Deferred tax assets (net)	6	-	141.63
Income tax assets (net)	9	2,181.96	2,051.60
Other non-current assets	7	503.88	327.16
Total non-current assets		14,759.72	15,134.77
Current assets			
Inventories	8	7,886.04	9,041.93
Financial assets			
(i) Loans receivables	5.1	378.08	5,338.45
(ii) Trade receivables	5.2	14,224.72	16,764.37
(iii) Cash and cash equivalents	5.3	15,844.87	11,509.70
(iv) Bank balances other than above	5.4	207.50	231.69
(v) Other financial assets	5.5	519.89	501.49
Other current assets	7	1,400.11	1,422.27
Total current assets		40,461.21	44,809.90
Total assets		55,220.93	59,944.67
Equity and Liabilities			
Equity			
Equity share capital	10.1	3,156.80	3,156.80
Other equity	10.2	34,956.11	38,698.97
Total equity		38,112.91	41,855.77
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings - lease liability	11.2	431.10	-
(ii) Other financial liabilities	11.1	-	-
Provisions			
Employee benefit obligations	12	12.72	14.99
Deferred tax liabilities (net)	13	467.73	-
Other non-current liabilities	6	36.44	-
Other non-current liabilities	15	-	114.18
Total non-current liabilities		947.99	129.17
Current liabilities			
Financial liabilities			
(i) Borrowings - lease liability	11.2	362.09	-
(ii) Trade payables	14	-	-
Total outstanding dues to micro enterprises and small enterprises		595.61	1,003.68
Total outstanding dues to creditors other than micro enterprises and small enterprises		10,782.31	11,782.04
(iii) Other financial liabilities	11.1	891.60	835.81
Provisions			
Employee benefit obligations	12	575.10	701.96
Income tax liabilities (net)	13	434.71	406.18
Other current liabilities	15	-	342.96
Other current liabilities	15	2,518.61	2,887.10
Total current liabilities		16,160.03	17,959.73
Total liabilities		17,108.02	18,088.90
Total equity and liabilities		55,220.93	59,944.67

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

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

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: June 30, 2020

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Gurugram
Date: June 30, 2020

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: June 30, 2020

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: June 30, 2020

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: June 30, 2020

Statement of Profit and Loss

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	Year ended	
		March 31, 2020	March 31, 2019
Income			
Revenue from operations	16	70,562.26	73,907.47
Other income	17	3,613.18	3,392.41
Total income		74,175.44	77,299.88
Expenses			
Cost of materials consumed	18	38,521.66	41,897.66
Purchases of stock-in-trade		1,311.56	1,306.99
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	33.59	(407.07)
Employee benefits expense	20	12,634.76	11,973.85
Finance costs	23	260.01	49.01
Depreciation and amortisation expense	21	1,826.11	1,137.34
Other expenses	22	8,183.40	8,597.31
Total expenses		62,771.09	64,555.09
Profit before tax		11,404.35	12,744.79
Tax expenses	24		
Current tax		2,875.75	4,311.27
Deferred tax		178.07	388.71
Current tax relating to prior years (net)		(109.54)	(48.31)
Total tax expenses		2,944.28	4,651.67
Profit for the year		8,460.07	8,093.12
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
Gain/ (Loss) on remeasurements of defined benefit obligations		(485.87)	(9.37)
Income tax relating to this item credit/ (charge)		(1.25)	3.27
		(487.12)	(6.10)
Other comprehensive income, net of income tax		(487.12)	(6.10)
Total comprehensive income for the year		7,972.95	8,087.02
Earnings per equity share			
[Nominal value per share Rs. 10 (March 31, 2019: Rs. 10)]			
Basic and Diluted	26	26.80	25.64

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

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

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: June 30, 2020

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

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Director
DIN: 01031445
Place: Mumbai
Date: June 30, 2020

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: June 30, 2020

Statement of Changes in Equity

(All amounts in Rupees Lakhs, unless otherwise stated)

	Amount				
A. Equity share capital					
As at April 1, 2018					3,156.80
Changes in equity share capital					-
As at March 31, 2019					3,156.80
Changes in equity share capital					-
As at March 31, 2020					3,156.80
		Reserves and surplus		Items of OCI	Total other equity
		General reserve	Retained earnings	Other reserves	Remeasurements of the net defined benefit plan
B. Other equity					
Balance at April 1, 2018	30,301.90	79,257.24	206.99	(74.67)	109,691.46
Profit for the year	-	8,093.12	-	-	8,093.12
Other comprehensive income	-	-	-	(6.10)	(6.10)
Total comprehensive income for the year	-	8,093.12	-	(6.10)	8,087.02
Dividends paid and tax thereon	-	(79,158.34)	-	-	(79,158.34)
Employee stock option compensation	-	-	78.83	-	78.83
	-	(79,158.34)	78.83	-	(79,079.51)
Balance at March 31, 2019	30,301.90	8,192.02	285.82	(80.77)	38,698.97
Profit for the year	-	8,460.07	-	-	8,460.07
Other comprehensive income	-	-	-	(487.12)	(487.12)
Total comprehensive income for the year	-	8,460.07	-	(487.12)	7,972.95
Dividends paid and tax thereon	-	(11,797.64)	-	-	(11,797.64)
Employee stock option compensation	-	-	81.83	-	81.83
	-	(11,797.64)	81.83	-	(11,715.81)
Balance at March 31, 2020	30,301.90	4,854.45	367.65	(567.89)	34,956.11

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

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

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

Chartered Accountants

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

Sanjay Sharma

Partner

Membership Number: 063980

Place: Bengaluru

Date: June 30, 2020

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

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Chairman and Managing Director

DIN: 07574081

Place: Gurugram

Date: June 30, 2020

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Chief Financial Officer

Place: Gurugram

Date: June 30, 2020

Sekhar Natarajan

Director

DIN: 01031445

Place: Mumbai

Date: June 30, 2020

P. R. Shubhakar

Gen. Manager-Corp. Finance and Company Secretary

Place: Bengaluru

Date: June 30, 2020

Statement of Cash Flows

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
A. Cash flow from operating activities		
Profit before income tax	11,404.35	12,744.79
Adjustments for:		
Depreciation and amortisation expense	1,826.11	1,137.34
Interest expense (net)	260.01	49.01
Interest income	(893.71)	(1,620.94)
Unwinding of discount on interest on loans to fellow subsidiaries	-	(25.31)
Net (gain)/ loss on disposal of property, plant and equipment	(174.29)	12.93
Employee share based payments expense	81.83	78.83
Unrealised foreign exchange (gain)/ loss	(129.84)	80.64
Change in operating assets and liabilities		
Changes in trade receivables	2,613.51	(5,806.57)
Changes in inventories	1,155.89	(1,263.04)
Changes in other financial assets	199.99	(161.18)
Changes in other non-current assets	(173.72)	88.29
Changes in other current assets	22.16	768.12
Changes in trade payables	(1,350.47)	2,359.44
Changes in provisions	(129.13)	51.32
Changes in employee benefit obligations	10.39	(138.26)
Changes in other financial liabilities	14.54	(638.00)
Changes in other current liabilities	(437.69)	41.31
Changes in other non-current liabilities	(114.18)	27.23
Cash generated from operations	14,185.75	7,785.95
Income taxes paid (net of refunds)	(3,240.77)	(4,123.23)
Net cash inflow from operating activities	10,944.98	3,662.72
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(635.96)	(892.43)
Proceeds from sale of property, plant and equipment	404.06	0.23
Changes in financial asset - loans to fellow subsidiaries	5,206.25	8,750.00
Interest received	922.17	2,137.16
Net cash inflow from investing activities	5,896.52	9,994.96

Statement of Cash Flows (Contd.)

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
C. Cash flows from financing activities		
Dividends paid	(9,786.11)	(65,660.50)
Dividend distribution tax	(2,011.56)	(13,496.90)
Repayment of borrowings - lease liability	(516.50)	-
Interest paid	(192.16)	9.22
Net cash outflow from financing activities	(12,506.33)	(79,148.18)
Net Increase/ (decrease) in cash and cash equivalents	4,335.17	(65,490.50)
Cash and Cash equivalents at the beginning of the year	11,509.70	77,000.20
Cash and Cash equivalents at the end of the year	15,844.87	11,509.70
Cash and cash equivalents comprise of:		
Cheques on hand	12.29	-
Balances with banks (including demand deposits)	15,941.32	11,525.77
Effect of exchange differences on balances with banks in foreign currency	(108.74)	(16.07)
Total	15,844.87	11,509.70

Notes:

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended on that date.
- The above Cash Flow Statement has been prepared under the indirect method in consonance with the requirements of Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows and the reallocations required for the purpose are as made by the Company.
- Prior year's figures have been regrouped/ reclassified wherever necessary in order to conform with current year's classification.

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

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: June 30, 2020

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Gurugram
Date: June 30, 2020

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: June 30, 2020

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: June 30, 2020

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: June 30, 2020

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

1 General information

Ingersoll-Rand (India) Limited (the 'Company') is a public limited company incorporated in 1921 under provisions of the Companies Act, 1913 and existing under the provisions of the Companies Act, 1956/ 2013. The Company's registered office is at Bengaluru and its principal place of business and manufacturing plant is located at Naroda, Ahmedabad. It is primarily engaged in the business of manufacturing and selling of industrial air compressors of various capacities and providing related services. The Company sells air compressors primarily in India and also exports the products to American, Asian and European countries. The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2 Basis of preparation

(i) Compliance with Ind AS

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

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

The financial statements were authorised for issue by the Company's Board of Directors on June 30, 2020.

(ii) Basis of measurement

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

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

(iii) Use of estimates and judgements

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

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

The area involving critical estimates or judgements is:

- Estimation of defined benefit obligation and fair value of plan assets — Note 20
- Useful life of fixed assets — Note 3.11
- Recognition and measurement of provisions and contingencies — Note 12 and 25
- Provision for tax — Note 24
- Deferred tax assets — Note 6
- Leases and lease classification — Note 3.5 and 32B
- Financial instrument — Note 28 and 30

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

(iv) Functional and presentation currency

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

(v) Rounding of amounts

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

3 Significant accounting policies

3.1 Segment reporting

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

3.2 Foreign exchange transactions and translations

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

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

3.3 Revenue recognition

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

(a) Sale of goods:

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

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

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(b) Sale of services:

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

Revenue from services are disclosed exclusive of tax.

(c) Business support and auxiliary services:

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

(d) Government grants - Export incentives:

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

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

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

(f) Use of significant judgements in revenue recognition

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

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

3.4 Income tax

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

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

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

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

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

3.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee:

The Company accounts for each lease component within the contract as a lease separately from nonlease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, the modified retrospective approach method with exemption. The Company has made use of the following practical expedient available on transition to Ind AS 116, (a) not to reassess whether a contract is or contains a lease, accordingly the definition of lease in accordance with Ind AS 116 will continue to be applied to those leases entered or modified before April 1, 2019 (b) the Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment, consequently, the Company has recorded the lease liability at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right to use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS (c) excluded the initial direct costs from measurement of the RoU asset (d) not to recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

Refer note 3.5 - Significant accounting policies - Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

For transition, the Company has elected not to apply the requirements of Ind AS 116 leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

As a lessor:

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

3.6 Impairment of assets

Assessment is done whenever there is an event or change in circumstances as to where there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of asset, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.7 Cash and cash equivalents

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

3.8 Inventories

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

3.9 Other financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(iv) Derecognition of financial assets

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

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

3.10 Offsetting financial instruments

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

3.11 Property, plant and equipment

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

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

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

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, 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 intangible asset and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred during the research phase is expensed as incurred.

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

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

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

3.12 Intangible assets

Operating software is capitalised along with the related fixed assets. Other computer software is stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any, and are amortised on a straight line basis over their estimated useful life. Costs associated with maintaining software programmes are recognised as an expense as incurred.

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

3.13 Trade and other payables

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

3.14 Borrowings

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

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

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

3.15 Borrowing costs

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

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

3.16 Provisions and contingent liabilities

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

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

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

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

3.17 Employee benefits

Short term obligations:

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, 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 end are treated as other long term employee benefits. The Company's liability is determined by an independent actuary (using the projected unit credit method) at the end of each year.
- (ii) The Company operates the following post-employment schemes:
 - (a) defined benefit plans such as gratuity and provident fund, which are managed by trusts.
 - (b) defined contribution plans - provident fund contributions to employees' provident fund organisation.

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

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

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

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

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

Contribution towards provident fund for certain employees is made to the regulatory authorities. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In respect of other employees, provident fund contributions are made to a Trust administered by the Company. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

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

3.18 Share based payments

Share-based compensation benefits are provided to certain employees of the Company by the ultimate holding company (Ingersoll Rand plc upto 29 February 2020 and Ingersoll Rand Inc from 1 March 2020) 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 to five years and expire at the end of ten years, subject to conditions related to termination of employment. The RSU will vest in equally over three to five years. Once they vest, each unit is converted into a share of stock at current value.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

The fair value of options granted by the ultimate holding company's (Ingersoll Rand plc upto 29 February 2020 and Ingersoll Rand Inc from 1 March 2020) share based compensation plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

3.19 Dividends

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

3.20 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

3.21 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

4 Property, plant and equipment and Intangible assets

	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, 2019												
Gross carrying amount												
Opening gross carrying amount	61.30	6,214.24	334.80	5,079.72	1,360.98	1,657.83	325.57	31.32	202.93	170.07	15,438.76	-
Additions	-	10.84	133.99	161.76	256.20	58.48	35.97	-	28.27	83.63	769.14	-
Disposals / adjustments	-	-	-	(12.29)	-	-	(1.11)	-	(9.62)	-	(23.02)	-
Closing gross carrying amount	<u>61.30</u>	<u>6,225.08</u>	<u>468.79</u>	<u>5,229.19</u>	<u>1,617.18</u>	<u>1,716.31</u>	<u>360.43</u>	<u>31.32</u>	<u>221.58</u>	<u>253.70</u>	<u>16,184.88</u>	-
Accumulated depreciation												
Opening accumulated depreciation	-	513.00	334.80	1,058.36	654.52	468.53	101.01	11.75	30.60	138.22	3,310.79	-
Depreciation charge during the year	-	215.14	15.42	365.65	296.11	168.81	41.46	6.07	7.91	20.77	1,137.34	-
Disposals / adjustments	-	-	-	(3.76)	-	-	(0.97)	-	(5.13)	-	(9.86)	-
Closing accumulated depreciation	<u>-</u>	<u>728.14</u>	<u>350.22</u>	<u>1,420.25</u>	<u>950.63</u>	<u>637.34</u>	<u>141.50</u>	<u>17.82</u>	<u>33.38</u>	<u>158.99</u>	<u>4,438.27</u>	-
Net carrying amount as at March 31, 2019	<u>61.30</u>	<u>5,496.94</u>	<u>118.57</u>	<u>3,808.94</u>	<u>666.55</u>	<u>1,078.97</u>	<u>218.93</u>	<u>13.50</u>	<u>188.20</u>	<u>94.71</u>	<u>11,746.61</u>	-
Year ended March 31, 2020												
Gross carrying amount												
Opening gross carrying amount	61.30	6,225.08	468.79	5,229.19	1,617.18	1,716.31	360.43	31.32	221.58	253.70	16,184.88	-
Additions	-	-	-	279.41	155.80	14.29	17.67	-	96.53	138.19	701.89	47.03
Disposals / adjustments	-	-	-	(285.30)	(655.13)	(6.80)	(5.96)	(20.80)	-	(71.57)	(1,045.56)	-
Closing gross carrying amount	<u>61.30</u>	<u>6,225.08</u>	<u>468.79</u>	<u>5,223.30</u>	<u>1,117.85</u>	<u>1,723.80</u>	<u>372.14</u>	<u>10.52</u>	<u>318.11</u>	<u>320.32</u>	<u>15,841.21</u>	<u>47.03</u>
Accumulated depreciation												
Opening accumulated depreciation	-	728.14	350.22	1,420.25	950.63	637.34	141.50	17.82	33.38	158.99	4,438.27	-
Depreciation charge during the year	-	215.05	26.80	371.69	273.76	172.50	43.93	4.27	19.57	37.50	1,165.07	5.89
Disposals / adjustments	-	-	-	(247.45)	(412.30)	(6.80)	(5.74)	(11.85)	-	(8.52)	(692.66)	-
Closing accumulated depreciation	<u>-</u>	<u>943.19</u>	<u>377.02</u>	<u>1,544.49</u>	<u>812.09</u>	<u>803.04</u>	<u>179.69</u>	<u>10.24</u>	<u>52.95</u>	<u>187.97</u>	<u>4,910.68</u>	<u>5.89</u>
Net carrying amount as at March 31, 2020	<u>61.30</u>	<u>5,281.89</u>	<u>91.77</u>	<u>3,678.81</u>	<u>305.76</u>	<u>920.76</u>	<u>192.45</u>	<u>0.28</u>	<u>265.16</u>	<u>132.35</u>	<u>10,930.53</u>	<u>41.14</u>

Notes:

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

	Plant and machinery	
	Year ended	Year ended
	31-Mar-20	31-Mar-19
Gross carrying amount	253.78	237.00
Opening gross carrying amount	-	16.78
Additions	(3.39)	-
Disposals / adjustments	250.39	253.78
Closing gross carrying amount	192.19	176.80
Accumulated depreciation	7.22	15.39
Opening accumulated depreciation	(1.53)	-
Depreciation charge during the year	197.88	192.19
Disposals / adjustments	52.51	61.59
Closing accumulated depreciation		
Net carrying amount		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

5 Financial assets

5.1 Loans receivable

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
Loans to fellow subsidiaries (refer note 35)	-	-	5,206.25	-
Security and other deposits	378.08	96.73	132.20	600.41
Total loans and advances	378.08	96.73	5,338.45	600.41

5.2 Trade receivables

	As at	
	March 31, 2020	March 31, 2019
(Unsecured)		
Considered good		
Receivables from related parties (refer note 35)	3,120.39	5,197.41
Others	11,104.33	11,566.96
Considered doubtful		
Others	437.51	322.43
(Less): Allowance for doubtful receivables	(437.51)	(322.43)
Total receivables	14,224.72	16,764.37
Current portion	14,224.72	16,764.37

Note: The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 30.

5.3 Cash and cash equivalents

	As at	
	March 31, 2020	March 31, 2019
Balances with banks		
- in current accounts	449.24	465.72
- in Export Earners' Foreign Currency (EEFC) accounts	2,200.34	536.98
Deposits with original maturity of less than three months	13,183.00	10,507.00
Cheques on hand	12.29	-
Total cash and cash equivalents	15,844.87	11,509.70

5.4 Bank balances other than above

	As at	
	March 31, 2020	March 31, 2019
Unpaid dividend accounts	207.50	231.69
Total other bank balances	207.50	231.69

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

5.5 Other financial assets

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
From related parties (refer note 35)				
Unbilled revenues	-	-	103.77	-
Other receivables	112.30	-	282.56	-
From others				
Unbilled revenues	155.77	-	56.82	-
Interest accrued on deposits with banks	22.75	-	51.21	-
Security and other deposits	229.07	114.29	7.13	103.34
Total other financial assets	519.89	114.29	501.49	103.34

6 Deferred tax assets / (liabilities) - (net)

	As at	
	March 31, 2020	March 31, 2019
The balance comprises temporary differences attributable to:		
(A) Deferred tax assets arising from:		
Allowance for doubtful debts: trade receivables, advances and other receivables	139.98	162.75
Provisions: Warranties, employee benefits expenses and other provisions	209.41	438.58
Others	29.58	40.80
Total deferred tax assets	378.97	642.13
(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	(415.41)	(500.50)
Total deferred tax (liabilities)	(415.41)	(500.50)
Net deferred tax assets / (liabilities)	(36.44)	141.63

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

Movement in net deferred tax assets/ (liabilities)

	Depreciation	Provisions	Allowance for doubtful debts	Others	Total
As at March 31, 2018	(343.01)	488.95	301.23	83.17	530.34
(Charged)/ credited to profit or loss	(157.49)	(50.37)	(138.48)	(42.37)	(388.71)
As at March 31, 2019	(500.50)	438.58	162.75	40.80	141.63
(Charged)/ credited to profit or loss	85.09	(229.17)	(22.77)	(11.22)	(178.07)
As at March 31, 2020	(415.41)	209.41	139.98	29.58	(36.44)

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

7 Other current and non-current assets

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Capital advances	-	24.34	-	21.34
Balance with government authorities	494.96	-	591.31	-
Indirect taxes paid under protest (refer note 25(i))	-	479.54	-	237.36
Prepaid expenses	297.20	-	304.78	68.46
Advances to suppliers				
Considered good	382.15	-	233.15	-
Considered doubtful	26.23	-	37.72	-
(Less): Provision for doubtful advances	(26.23)	-	(37.72)	-
Export incentives receivable				
Considered good	225.80	-	293.03	-
Considered doubtful	92.44	-	105.59	-
(Less): Provision for doubtful export incentives receivable	(92.44)	-	(105.59)	-
Other receivables				
Considered doubtful	99.98	-	99.98	-
(Less): Provision for doubtful other receivables	(99.98)	-	(99.98)	-
Total other current and non-current assets	1,400.11	503.88	1,422.27	327.16

8 Inventories

	As at	
	March 31, 2020	March 31, 2019
Raw materials	4,932.03	6,054.33
Work-in-progress	1,084.18	471.52
Finished goods	1,860.66	2,503.92
Traded goods	9.17	12.16
Total inventories	7,886.04	9,041.93
(a) Stock in transit (included above)		
Raw materials	997.52	1,371.14
Finished goods	81.22	361.59
Total stock in transit	1,078.74	1,732.73
(b) Details of inventories		
Work-in progress		
Air compressors	1,084.18	471.52
Total work-in progress	1,084.18	471.52
Finished goods		
Air compressors	1,860.66	2,503.92
Total finished goods	1,860.66	2,503.92

The total inventories are net of provision for obsolescence amounting to Rs. 1,844.02 (March 31, 2019: Rs. 1,505.65).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

9 Income tax assets (net)

	As at	
	March 31, 2020	March 31, 2019
Advance income tax and tax deducted at source, net	890.47	416.42
Income-tax paid under protest (refer note 25(i)(e))	1,291.49	1,635.18
	<u>2,181.96</u>	<u>2,051.60</u>

Transfer pricing:

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

For the year ended March 31, 2019, 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, 2020, 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, 2020, the transactions with the said enterprises are on an arm's length basis.

10 Equity share capital and other equity

	Number of shares (in Lakhs)	Amount
10.1 Equity share capital		
Authorised equity share capital		
As at April 1, 2018	320.00	3,200.00
Change during the year	-	-
As at March 31, 2019	320.00	3,200.00
Change during the year	-	-
As at March 31, 2020	<u>320.00</u>	<u>3,200.00</u>
(i) Movements in equity share capital		
As at April 1, 2018	315.68	3,156.80
Change during the year	-	-
As at March 31, 2019	315.68	3,156.80
Change during the year	-	-
As at March 31, 2020	<u>315.68</u>	<u>3,156.80</u>

The above includes 31,301,500 (March 31, 2019: 31,301,500) shares allotted as fully paid-up by way of bonus shares by capitalisation of share premium and general reserves during the financial year ended March 31, 1992.

(ii) Terms and rights attached to equity shares

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

	Amount as at	
	March 31, 2020	March 31, 2019
(iii) Equity shares held by holding company		
Ingersoll-Rand Company, USA, the immediate holding company (Upto November 19, 2019)	-	2,336.00
Ingersoll-Rand Industrial US Inc., USA, the immediate holding company (w.e.f. November 20, 2019)	2,336.00	-
Total	2,336.00	2,336.00

	As at	
	March 31, 2020	March 31, 2019
(iv) Details of shareholders holding more than 5% shares in the Company		
Number of Equity Shares:		
Ingersoll-Rand Company, USA, the immediate holding company (Upto November 19, 2019)	-	23,360,000
Percentage of holding	0%	74%
Ingersoll-Rand Industrial US Inc., USA, the immediate holding company (w.e.f. November 20, 2019)	23,360,000	-
Percentage of holding	74%	0%
(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, 2020, 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 Other equity

	As at	
	March 31, 2020	March 31, 2019
General reserve	30,301.90	30,301.90
Retained earnings	4,286.56	8,111.25
Other reserves	367.65	285.82
Total other equity	34,956.11	38,698.97
(i) General reserve		
Opening balance	30,301.90	30,301.90
Add: Change during the year	-	-
Closing balance	30,301.90	30,301.90
(ii) Retained earnings		
Opening balance	8,111.25	79,182.57
Net profit for the year	8,460.07	8,093.12
Items of other comprehensive income recognised directly in retained earnings - remeasurements of post-employment benefit obligations, net of tax	(487.12)	(6.10)
Dividends and tax thereon	(11,797.64)	(79,158.34)
Closing balance	4,286.56	8,111.25

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
(iii) Other reserves		
Opening balance	285.82	206.99
Employee stock option compensation	81.83	78.83
Closing balance	<u>367.65</u>	<u>285.82</u>

Nature and purpose of other reserves

Notes:

General reserve

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

Other reserve

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

11.1 Other financial liabilities

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unpaid dividends (refer note below)	213.29	-	237.50	-
Employee benefits payable	557.29	-	542.75	-
Creditors for capital goods:				
- payable to related parties (refer note 35)	2.28	-	22.45	-
- payable to others	118.74	-	33.11	-
Total other financial liabilities	<u>891.60</u>	<u>-</u>	<u>835.81</u>	<u>-</u>

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

11.2 Borrowings - lease liability

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Borrowings - lease liability (refer note 32B(c))	362.09	431.10	-	-
	<u>362.09</u>	<u>431.10</u>	<u>-</u>	<u>-</u>

12 Provisions

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Litigations/ disputes	53.48	-	66.22	-
Warranties	260.89	12.72	221.14	14.99
Provision for sales tax	260.73	-	414.60	-
Total provisions	<u>575.10</u>	<u>12.72</u>	<u>701.96</u>	<u>14.99</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	Litigations/ disputes	Warranties	Provision for sales tax
As at March 31, 2019	66.22	236.13	414.60
Charged/ (credited) to profit or loss:			
- additional provisions recognised / (written back)	-	293.69	(255.87)
- amounts utilised	(12.74)	(256.21)	102.00
As at March 31, 2020	<u>53.48</u>	<u>273.61</u>	<u>260.73</u>

Provision for Litigations/ disputes

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

Provision for Warranties

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

Provision for sales tax

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

13 Employee benefit obligations

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Compensated absences	335.03	-	309.35	-
Gratuity [refer note 20(a)]	76.56	-	96.83	-
PF trust [refer note 20(a)]	23.12	467.73	-	-
Total employee benefit obligations	<u>434.71</u>	<u>467.73</u>	<u>406.18</u>	<u>-</u>

14 Trade payables

	As at	
	March 31, 2020	March 31, 2019
Current:		
Total outstanding dues of micro enterprises and small enterprises (refer Note 29)	595.61	1,003.68
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	1,591.45	1,899.21
- Trade payables	6,992.89	6,660.28
- Trade payables to related parties (refer note 35)	2,197.97	3,222.55
Total trade payables	<u>11,377.92</u>	<u>12,785.72</u>

Note: The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 30.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

15 Other current and non-current liabilities

	As at			
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Contract liabilities				
Income received in advance	1,075.31	-	1,333.13	-
Advance from customers	1,001.45	-	705.48	-
Statutory dues including provident fund and tax deducted at source	216.07	-	691.91	-
Others - Interest payable to MSMED (refer note 29)	225.78	-	156.58	-
Lease equalisation reserve	-	-	-	114.18
Total other current liabilities	2,518.61	-	2,887.10	114.18

16 Revenue from operations

	Year ended	
	March 31, 2020	March 31, 2019
Sale of finished goods	59,140.28	64,429.70
Sale of services		
Installation, commissioning and maintenance	4,396.14	3,712.76
Business support and auxiliary services	5,995.52	4,572.00
Other operating revenue		
Recovery of freight, insurance and packing expenses	424.07	530.64
Export incentives	459.52	499.85
Sale of scrap	71.68	82.58
Lease rentals - equipment	75.05	79.94
Total revenue from operations	70,562.26	73,907.47

Notes:

(a) As per the requirements of Ind AS 115, the Company disaggregates revenue based on line of business and geography (Refer Note 33).

(b) Information about major customers:

Revenue from one customer i.e Ingersoll-Rand Company, USA are Rs. 8,162.08 for the year ended 31 March 2020 (2018-19: Rs. 11,046.43) which contributes more than 10% of the Company total revenue

(c) Contract balances:

	As at	
	March 31, 2020	March 31, 2019
Trade receivables	14,224.72	16,764.37
Contract liabilities		
Income received in advance	1,075.31	1,333.13
Advance from customers	1,001.45	705.48

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	Income received in advance	
	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	1,333.13	1,247.59
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,201.72)	(1,126.45)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	943.90	1,211.99
Balance at the end of the year	<u>1,075.31</u>	<u>1,333.13</u>

	Advance from customers	
	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	705.48	892.43
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(705.48)	(868.10)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	1,001.45	681.15
Balance at the end of the year	<u>1,001.45</u>	<u>705.48</u>

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

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis and no information is provided about remaining performance obligations at March 31, 2020 that have an original expected duration of one year or less, as allowed by Ind AS 115.

17 Other income

	Year ended	
	March 31, 2020	March 31, 2019
Interest Income on:		
Deposits with banks	814.84	964.37
Loans to fellow subsidiaries	78.87	656.57
Recharge of expenses to fellow subsidiaries	1,280.28	1,350.31
Recharge of expenses to others	6.90	-
Sub lease rentals from office facilities	353.35	340.06
Net gain/ (loss) on disposal of property, plant and equipment	174.29	-
Unwinding of discount on interest on loans to fellow subsidiaries	-	25.31
Unwinding of discount on security deposits	76.62	43.66
Consideration received for transfer of employees to fellow subsidiary	828.00	-
Miscellaneous	0.03	12.13
Total other income	<u>3,613.18</u>	<u>3,392.41</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

18 Cost of materials consumed

	Year ended	
	March 31, 2020	March 31, 2019
Raw materials at the beginning of the year	6,054.33	5,198.36
Add: Purchases of raw materials	36,968.13	42,148.84
(Less): Raw materials at the end of the year	<u>(4,932.03)</u>	<u>(6,054.33)</u>
Cost of raw materials consumed during the year	38,090.43	41,292.87
Packing materials consumed	431.23	604.79
Total cost of materials consumed	<u>38,521.66</u>	<u>41,897.66</u>

Notes:

(i) Includes provision for inventory obsolescence Rs. 338.37 (March 31, 2019: Rs. 108.65).

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

	Year ended	
	March 31, 2020	March 31, 2019
(a) Opening inventories		
Work-in progress	471.52	478.65
Finished goods	2,503.92	2,094.58
Traded goods	12.16	7.30
Total opening balance	<u>2,987.60</u>	<u>2,580.53</u>
(b) Closing inventories		
Work-in progress	1,084.18	471.52
Finished goods	1,860.66	2,503.92
Traded goods	9.17	12.16
Total closing balance	<u>2,954.01</u>	<u>2,987.60</u>
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	<u>33.59</u>	<u>(407.07)</u>

20 Employee benefits expense

	Year ended	
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	11,332.12	10,758.71
Post-employment benefits:		
Contribution to provident fund and other funds (refer notes below)		
Defined benefit plan	334.04	291.30
Defined contribution	157.00	146.76
Gratuity (refer notes below)	156.93	157.06
Compensated absences	190.10	98.51
Employee share based payments expense	81.83	78.83
Staff welfare expenses	382.74	442.68
Total employee benefits expense	<u>12,634.76</u>	<u>11,973.85</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(a) Defined benefit plan:

Gratuity: The Company operates a gratuity plan, which is a defined benefit plan, through the "Ingersoll-Rand Employees Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 subject to a maximum of Rs. 20. It is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. In case of employees who joined the Company prior to April 1, 2006, the benefits given by the Company are more favourable to the employees than the Payment of Gratuity Act, 1972 depending upon the length of service. The board of trustees is responsible for the administration of the plan assets and investment strategy.

Provident Fund: Provident fund for certain eligible employees is managed by the Company through the "Ingersoll-Rand Employees Provident Fund Trust". In line with the Provident Fund and Miscellaneous Provisions Act, 1952, the plan guarantees interest at the rate notified by the Provident Fund authorities. The contribution are made to the fund at the rate of 12% of basic salary by the employer and employee, and this amount together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

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, 2020	March 31, 2019	March 31, 2020			March 31, 2019
			Interest Guarantee	PF Corpus	Total	Interest Guarantee
Balance at the beginning of the year	2,029.86	1,949.44	18.26	7,743.10	7,761.36	7.85
Add: Current service cost	160.71	153.37	0.69	334.04	334.73	1.45
Add: Interest cost	146.99	137.20	1.37	679.96	681.33	0.59
Add: Actuarial (gain)/ loss - experience	(94.83)	(2.21)	2.81	1.19	4.00	(1.38)
Add: Actuarial (gain)/ loss - financial assumptions	70.96	22.23	192.97	-	192.97	9.75
Add: Transfer in / (out)	(225.51)	10.17	-	-	-	-
Add: Employee contribution	-	-	-	1,487.15	1,487.15	-
(Less): Benefits paid directly by the Company	(4.82)	-	-	-	-	-
(Less): Benefits paid from plan assets	(135.29)	(240.34)	-	(1,215.26)	(1,215.26)	-
Balance at the end of the year	<u>1,948.07</u>	<u>2,029.86</u>	<u>216.10</u>	<u>9,030.18</u>	<u>9,246.28</u>	<u>18.26</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(ii) Change in plan assets

	Gratuity		Provident Fund			March 31, 2019 Interest Guarantee
	March 31, 2020	March 31, 2019	March 31, 2020		March 31, 2019	
			Interest Guarantee	PF Corpus	Total	
Fair value of plan assets at the beginning of the year	1,933.03	1,771.13	150.14	7,743.10	7,893.24	130.23
Add: Interest income	150.76	133.50	11.26	679.96	691.22	9.77
Add: Contributions	150.00	250.00	-	334.04	334.04	-
Add: Return on plan assets greater/ (lesser) than discount rate	(18.89)	10.64	(161.41)	1.19	(160.22)	10.14
Add: Transfer in / (out)	(208.10)	8.10	-	(274.76)	(274.76)	-
Add: Employee contribution			-	1,487.15	1,487.15	-
(Less): Benefits paid	(135.29)	(240.34)	-	(1,215.26)	(1,215.26)	-
Balance at the end of the year	<u>1,871.51</u>	<u>1,933.03</u>	<u>(0.01)</u>	<u>8,755.42</u>	<u>8,755.41</u>	<u>150.14</u>
Actual return on plan assets (%)	6.50	7.50	8.50			9.00

(iii) Assets and Liabilities recognised in the Balance Sheet

	Gratuity (#)		Provident Fund (#) (*)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	1,948.07	2,029.86	9,246.28	18.26
Less: Fair value of plan assets	<u>1,871.51</u>	<u>1,933.03</u>	<u>8,755.41</u>	<u>150.14</u>
Amounts recognised as liability/ (asset)	<u>76.56</u>	<u>96.83</u>	<u>490.87</u>	<u>-</u>
Recognised/ Disclosed under:				
Short term provision (refer note 13)	76.56	96.83	23.14	-
Long term provision (refer note 13)	-	-	467.73	-
Total	<u>76.56</u>	<u>96.83</u>	<u>490.87</u>	<u>-</u>

(*) 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Reconciliation of Net Balance Sheet Position

	Gratuity		Provident Fund (*)			March 31, 2019 Interest Guarantee
	March 31, 2020	March 31, 2019	March 31, 2020			
			Interest Guarantee	PF Corpus	Total	
Net defined benefit asset/ (liability) at end of prior period	(96.83)	(178.31)	131.90	-	131.90	122.40
Less: Current service cost	(160.71)	(153.37)	(0.69)	(334.04)	(334.73)	(1.45)
Add: Net interest on net defined benefit (liability)/ asset	3.78	(3.69)	9.89	-	9.89	9.18
Add: Amount recognised in other comprehensive income	4.98	(9.37)	(357.20)	(274.76)	(631.96)	-
Add: Acquisition (cost)/ credit	17.41	(2.09)	-	-	-	1.76
Add: Contributions	150.00	250.00	-	334.04	334.04	-
Add: Benefits paid directly by the Company	4.82	-	-	-	-	-
Net defined benefit asset/ (liability) at end of the year	<u>(76.55)</u>	<u>(96.83)</u>	<u>(216.10)</u>	<u>(274.76)</u>	<u>(490.86)</u>	<u>-</u>

(*) 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, 2019 Interest Guarantee
	March 31, 2020	March 31, 2019	March 31, 2020			
			Interest Guarantee	PF Corpus	Total	
Current service cost	160.71	153.37	0.69	1,821.19	1,821.88	1.45
Add: Net interest on net defined benefit liability/ (asset)	(3.78)	3.69	(9.89)	-	(9.89)	(9.18)
Add: Immediate recognition of (gains)/ losses - other long term employee benefit plans	-	-	-	-	-	(1.76)
(Less): Employee Contribution	-	-	-	(1,487.15)	(1,487.15)	-
Total expense/ (surplus) recognised in statement of profit or loss	<u>156.93</u>	<u>157.06</u>	<u>(9.20)</u>	<u>334.04</u>	<u>324.84</u>	<u>-</u>

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Remeasurements

	Gratuity		Provident Fund			March 31, 2019 Interest Guarantee
	March 31, 2020	March 31, 2019	March 31, 2020		March 31, 2019	
			Interest Guarantee	PF Corpus	Total	
(Gains)/ losses from experience assumptions	(94.83)	(2.22)	2.81	1.19	4.00	(1.38)
(Gains)/ losses from demographic and financial assumptions	70.96	22.23	192.97	-	192.97	9.75
Return on plan assets (greater)/less than discount rate	18.89	(10.64)	161.41	(1.19)	160.22	(10.14)
Other adjustment - difference between the market value and the book value of the Investment	-	-	-	274.76	274.76	-
Total Expense/ (Income) recognised in other comprehensive income	(4.98)	9.37	357.19	274.76	631.95	-

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

	Gratuity		Provident Fund	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash (including Special Deposits)	1.49%	2.83%	6.21%	6.99%
Government Securities	35.92%	43.87%	50.80%	47.44%
Corporate bonds	62.59%	53.30%	42.99%	45.57%
Others	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

(vi) The weighted average duration of the defined benefit obligation is 8 years old (2019:9 years). The expected maturity analysis of undiscounted gratuity and provident fund benefits is as follows:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
Gratuity					
March 31, 2020	280.81	288.67	814.88	1,234.85	2,619.21
March 31, 2019	308.25	280.82	794.64	1,445.85	2,829.56
Provident Fund					
March 31, 2020	2.23	2.06	5.99	12.33	22.61
March 31, 2019	2.23	2.06	5.99	12.33	22.61

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(vii) Significant Actuarial Assumptions

	Gratuity		Provident Fund	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate per annum	6.50%	7.50%	6.50%	7.50%
Expected rate of Return on Plan Assets	6.50%	7.50%	8.50%	9.00%
Expected salary increase per annum	(#)	(#)	(#)	(#)
Attrition rate	12.50%	10.00%	12.50%	10.00%

(#) Hourly employees: 6% for three years and 5% thereafter, Others: 7.50% (2019: 10% for next two years and 8% thereafter).

Notes:

- The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.
- The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.
- The discount rate is based on the prevailing market yield on Government securities as at the Balance Sheet date for the estimated term of obligation.
- Provident Fund Trust set-up by the Company guarantees the interest rate earning and any shortfall thereof, would be met by the Company. The above plan assets, defined benefit obligations and benefit for future period is relating to the interest rate guarantee only.

(viii) Sensitivity analysis

	Gratuity		Provident fund	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Effect on DBO due to 1% increase in discount rate	(96.28)	(109.99)	-	-
Effect on DBO due to 1% decrease in discount rate	106.37	122.98	-	-
Effect on DBO due to 1% increase in salary escalation rate	100.64	116.51	-	-
Effect on DBO due to 1% decrease in salary escalation rate	(94.71)	(108.33)	-	-
Effect on DBO due to 1% increase in withdrawal rate	0.73	(77.28)	-	-
Effect on DBO due to 1% decrease in withdrawal rate	(0.88)	(84.02)	-	-
Effect on DBO due to 0.5% increase in Expected Return on Exempt Fund	-	-	(157.16)	NA
Effect on DBO due to 0.5% decrease in Expected Return on Exempt Fund	-	-	255.39	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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

	Year ended	
	March 31, 2020	March 31, 2019
Gratuity	100.00	100.00
Provident fund (including employees' contribution)	900.00	1,100.00
(b) Defined contribution plans		
Amount recognised in the Statement of profit and loss		
(i) Provident fund paid to the authorities	40.64	37.14
(ii) Pension fund paid to the authorities	106.96	100.89
(iii) Others	9.40	8.73
	<u>157.00</u>	<u>146.76</u>

Risk Exposure

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

(a) Gratuity

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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.

Incentive Stock Option Plan of 2018 (“2018 plan”)

On June 7, 2018, the shareholders of the ultimate holding company approved the Incentive Stock Plan of 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.

2017 Omnibus Incentive Plan (“2017 plan”)

In May 2017, the Board of the ultimate holding company approved the 2017 Plan, which authorises the ultimate holding company to grant stock-based compensation awards to employees, directors and advisers. All the share based incentives vests over a period of four or five years and expire ten years from the date of grant.

A Employee option plan

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

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

Particulars	As at	
	March 31, 2020 Number of options	March 31, 2019 Number of options
Opening balance	15,599	14,565
Granted during the year	-	2,123
Exercised during the year (Note 1)	-	(1,090)
Related to employees of Climate ETC Technologies and Services Pvt Ltd	(5,803)	-
Related to New IR employees which are already vested as on 29 Feb 2020	(8,210)	-
Redeemed in Feb 2020	(1,586)	-
Reissued during March 2020 under 2017 plan	6,190	-
Fresh issue during March 2020 under 2017 plan	2,771	-
Closing balance	8,961	15,599

Note 1: There were no options exercised during the year 2019-2020.

Note 2: No options expired or were forfeited during the periods covered in the above table.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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, 2020	Share options As at March 31, 2019
2007 plan	22-Feb-13	22-Feb-16	41.91	-	167
2013 plan	25-Feb-14	25-Feb-17	59.83	-	1,439
2013 plan	03-Feb-15	03-Feb-18	67.06	-	2,332
2013 plan	10-Feb-16	10-Feb-19	50.00	-	3,205
2013 plan	07-Feb-17	07-Feb-20	80.21	-	3,215
2013 plan	06-Feb-18	05-Feb-21	90.07	-	3,118
2018 plan	05-Feb-19	04-Feb-22	101.29	-	2,123
2017 plan	01-Mar-20		24.87	6,190	-
2017 plan	25-Mar-20		24.87	2,771	-
				8,961	15,599
Weighted average remaining contractual life of options outstanding at the end of period				10 years	7.5 years

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2020 was USD 10.16 per option (March 31, 2019: USD 15.51). The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of options have been translated to Rupees at the year end closing rate.

The model inputs for options granted during the year ended March 31, 2020 are listed below.

Particulars	As at	
	March 31, 2020	March 31, 2019
Grant date	01/25-Mar-20	05-Feb-19
Expiry date	01/25-Mar-23	04-Feb-22
Share price at grant date (USD)	32.80	100.86
Expected price volatility of the company's shares	24.8% - 31.8%	21.64%
Expected dividend yield	0.00%	2.00%
Risk-free interest rate	1.7% - 2.6%	2.48%

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	31.78	2,211	67.09	1,638
Granted during the year	27.82	-	90.07	1,453
Exercised during the year (Note 1)	-	-	64.88	(880)
Related to employees of Climate ETC Technologies and Services Pvt Ltd	-	(500)	-	-
Related to New IR employees which are already vested as on 29 Feb 2020	-	(355)	-	-
Redeemed during Feb 2020	-	(1,356)	-	-
Reissued during March 2020	29.31	5,300	-	-
Fresh issue in March 2020 under 2017 plan	-	1,073	-	-
Closing balance	-	6,373	-	2,211

Note 1: The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was USD 140.81 (March 31, 2019: USD 100.28).

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, 2020	As at March 31, 2019
2013 plan	10-Feb-16	10-Feb-19	49.49	-	-
2013 plan	07-Feb-17	07-Feb-20	78.70	-	259
2013 plan	06-Feb-18	05-Feb-21	95.24	-	499
2018 plan	02-Jan-19	01-Jan-22	100.98	-	91
2018 plan	05-Feb-19	04-Feb-22	100.98	-	303
2017 plan	01-Mar-20		29.31	5,300	
2017 plan	25-Mar-20		29.31	1,073	
				6,373	1,151
Weighted average remaining contractual life of RSUs outstanding at the end of period				10 years	9.35 years

C Expenses arising from share-based payment transactions

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

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Employee option plan	21.08	27.76
Restricted stock units	60.75	51.07
Total	81.83	78.83

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

21 Depreciation and amortisation expense

	Year ended	
	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment	1,165.07	1,137.34
Amortisation of right-of-use assets [refer note 32B(b)]	655.15	-
Amortisation on intangible assets	5.89	-
Total depreciation and amortisation expense	1,826.11	1,137.34

22 Other expenses

	Year ended	
	March 31, 2020	March 31, 2019
Rent (refer note 32)	143.19	934.55
Rates and taxes	210.00	137.07
Insurance	182.45	154.50
Power and fuel	448.51	451.19
Repairs and maintenance:		
Buildings	142.09	183.94
Plant and machinery	184.77	210.21
Others	2.34	1.23
Engineering services - product design, development, etc.	83.89	7.57
Information technology infrastructure	433.01	393.47
Cost contribution (Management fees) (refer note 35)	984.46	724.31
Directors commission	42.00	48.00
Communication	254.81	250.40
Travel and conveyance	1,147.71	1,279.97
Freight, insurance and handling	586.32	637.62
Dealer commission	105.06	112.83
Advertising	5.55	61.79
Warranty	293.69	185.88
Legal and professional fees	930.09	871.34
Contractor charges	826.85	792.57
Net foreign exchange (gain)/ loss	(256.84)	(1.87)
Net (gain) / loss on disposal of property, plant and equipment	-	12.93
Provision/ (write back) for doubtful debts (net)	115.08	(192.22)
Provision for doubtful advances (net)	(24.64)	23.29
Bad debts written off	168.95	104.99
Payments to auditors:		
Statutory audit fees	26.50	26.50
Tax audit fees	2.50	2.50
Limited reviews	33.00	33.00
Certification fees	1.00	1.00
Out of pocket expenses	3.00	3.00
Expenditure towards Corporate Social Responsibility (CSR) activities [refer note (a) below]	250.77	218.48
Miscellaneous expenses	857.29	927.27
Total other expenses	8,183.40	8,597.31

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses (Contd.)

	Year ended	
	March 31, 2020	March 31, 2019
Notes:		
(a) CSR expenditure:		
Gross amount required to be spent by the Company during the year	250.77	218.48
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	250.77	218.48
Yet to be paid in cash	-	-
	<u>250.77</u>	<u>218.48</u>
(b) Expenses capitalised as a part of Capital Work-in-Progress		
Salaries and wages (specifically attributable to construction / installation of fixed assets)	-	-
Total	<u>-</u>	<u>-</u>

23 Finance costs

	Year ended	
	March 31, 2020	March 31, 2019
Unwinding of discount on provisions	-	6.68
Interest expense on lease liability [refer note 32B(c)]	192.16	-
Others (Including writeback of provision for Interest on MSMED)	67.85	42.33
Total finance costs	<u>260.01</u>	<u>49.01</u>

24 Tax expenses

	Year ended	
	March 31, 2020	March 31, 2019
(a) Tax expenses		
Current tax		
Current tax on profits for the year	2,875.75	4,311.27
Adjustments for current tax of prior periods	(109.54)	(48.31)
Total current tax expense	<u>2,766.21</u>	<u>4,262.96</u>
Deferred tax		
Decrease/ (increase) in deferred tax assets	263.16	231.22
(Decrease)/ increase in deferred tax liabilities	(85.09)	157.49
Total deferred tax expense/(benefit)	<u>178.07</u>	<u>388.71</u>
Tax expenses	<u>2,944.28</u>	<u>4,651.67</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

24 Tax expenses (Contd.)

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

	Year ended	
	March 31, 2020	March 31, 2019
Profit before tax expense	11,404.35	12,744.79
Tax at the Indian tax rate of 25.17% (2018-19: 34.944%)	2,870.25	4,453.54
Tax effect of amounts which are not deductible (taxable) in calculating taxable Income:		
Expenditure towards Corporate Social Responsibility (CSR) activities	31.56	38.17
Employee share-based payments expense	20.59	27.55
Finance costs	65.78	14.79
Effect of change in tax rate on closing balance of net deferred tax asset	39.62	-
Reversal of earlier year Sales tax provision	-	92.31
Adjustments for tax of prior periods	(109.54)	(48.31)
Expenses allowable on payment basis as per Income Tax Act	-	44.90
Other items	26.02	28.72
Tax expenses	2,944.28	4,651.67

Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company exercised the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. Accordingly the Company had recognised provision for income tax and remeasured its deferred tax assets (net) basis the tax rate prescribed in the aforesaid section.

25 Contingent liabilities and commitments

(to the extent not provided for)

	As at	
	March 31, 2020	March 31, 2019
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts	154.49	74.21
(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)		
(b) Value added tax/ Sales tax matters in dispute	558.38	268.92
[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. 372.30 (March 31, 2019: Rs. 252.15)]. The Company has paid Rs. 437.90 (March 31, 2019: Rs. 175.34) 'under protest' to the relevant statutory authorities this regard].		
(c) Central excise matters in dispute	1,863.07	2,386.47
(Relates to adjustment on account of levy of additional duty and related demands made by the Excise department / Service tax department, which is disputed by the Company and are lying under appeal with various forums). The Company has paid Rs. Nil (March 31, 2019: Rs. 20.37) 'under protest' to the relevant statutory authorities in this regard].		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

25 Contingent liabilities and commitments (Contd.)

	As at	
	March 31, 2020	March 31, 2019
(d) Service tax matters in dispute	1,711.17	1,461.20
(Relates to demand on account of input credits denied by the Service tax department, which is disputed by the Company and the matter is lying under appeal with the Custom Excise and Service Tax Appellate Tribunal). The Company has paid Rs. 41.64 (March 31, 2019: Rs. 41.64) 'under protest' to the relevant statutory authorities in this regard].		
(e) Income tax matters	2,805.03	2,474.30
[Relates to transfer pricing and other adjustments (including interest thereon) made by the Income Tax Department for the assessment years 2003-04 to 2007-08, 2009-10 to 2014-15 and 2017-18, which is disputed by the Company and the matters are lying under appeal with various forums and certain final orders are awaited. The Company has paid Rs. 1,291.49 (March 31, 2019: Rs. 1,635.18) 'under protest' to the relevant statutory authorities in this regard].		
(f) Provident fund matters	-	-
In light of judgment of Honorable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.		
Note: Considering the very nature of the disputes and the dependency on decisions pending with various forums, it is not practicable for the Company to estimate the timing of the cash outflows at this stage with respect to the above contingent liabilities. In all the above cases interest has been included till the date of order.		
(ii) Guarantees		
Guarantees given by banks on behalf of the Company for contractual obligations of the Company. The necessary terms and conditions have been complied with and no liabilities have arisen.	4,981.51	3,225.50
(iii) Commitments		
Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	171.76	111.33

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

26 Earnings per share

	Year ended	
	March 31, 2020	March 31, 2019
(a) Basic and Diluted earnings per share		
Attributable to the equity shareholders of the Company		
Total basic and diluted earnings per share attributable to the equity shareholders of the Company	26.80	25.64
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	8,460.07	8,093.12
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity 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, 2020 and March 31, 2019. 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, 2020			
Financial assets			
Trade receivables	14,616.64	(391.92)	14,224.72
Total	14,616.64	(391.92)	14,224.72
Financial liabilities			
Trade payables	11,769.84	(391.92)	11,377.92
Total	11,769.84	(391.92)	11,377.92
March 31, 2019			
Financial assets			
Trade receivables	17,157.02	(392.65)	16,764.37
Total	17,157.02	(392.65)	16,764.37
Financial liabilities			
Trade payables	13,178.37	(392.65)	12,785.72
Total	13,178.37	(392.65)	12,785.72

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

28 Fair value measurements

Financial instruments by category

	As at	
	March 31, 2020 Amortised cost	March 31, 2019 Amortised cost
Financial assets		
Loans - Non current	96.73	600.41
Trade receivables	14,224.72	16,764.37
Cash and cash equivalents	15,844.87	11,509.70
Other bank balances	207.50	231.69
Loans - Current	378.08	5,338.45
Other financial assets - Current	519.89	501.49
Other financial assets - Non Current	114.29	103.34
Total financial assets	31,386.08	35,049.45
Financial liabilities		
Borrowings - lease liability	793.19	-
Other financial liabilities	891.60	835.81
Trade payables	11,377.92	12,785.72
Total financial liabilities	13,062.71	13,621.53

29 Dues to micro and small enterprises

The Ministry of Micro, Small, and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable of such enterprises as at 31 March 2020 and 31 March 2019 has been made in the financial statement based on information received and available with the Company. The dues to such enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 is stated as under:

	Year ended	
	March 31, 2020 Current	March 31, 2019 Current
The Company has certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent such enterprises are identified by the Company:		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	595.61	1,003.68
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end for the year	3.18	6.49
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	7,353.81	3,248.33

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

29 Dues to micro and small enterprises (Contd.)

	Year ended	
	March 31, 2020 Current	March 31, 2019 Current
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	101.14	67.43
Further interest remaining due and payable for earlier years	121.46	82.66
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.		

30 Financial Risk Management

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

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

A Credit risk

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

(i) Credit risk management

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

A : High quality assets, negligible credit risk.

B : Low quality assets, high credit risk.

C : Doubtful assets, credit-impaired.

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 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, 2020							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	474.81	0%	-	474.81
Year ended March 31, 2019							
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	5,938.86	0%	-	5,938.86

Expected credit loss for trade receivables under simplified approach.

Customer category	Public sector undertaking	Direct customers	Distributors	Total
Year ended As at March 31, 2020				
Gross carrying amount	2,455.30	9,303.89	2,903.04	14,662.23
Expected loss rate	11.95%	1.53%	0.08%	2.98%
Expected credit loss (loss allowance provision)	293.30	142.03	2.18	437.51
Carrying amount of trade receivables (net of impairment)	2,162.00	9,161.86	2,900.86	14,224.72
Year ended As at March 31, 2019				
Gross carrying amount	2,336.57	11,740.11	3,010.12	17,086.80
Expected loss rate	10.42%	0.67%	0.02%	1.89%
Expected credit loss (loss allowance provision)	243.50	78.36	0.57	322.43
Carrying amount of trade receivables (net of impairment)	2,093.07	11,661.75	3,009.55	16,764.37

Reconciliation of loss allowance provision - Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Opening provision for loss allowance	322.43	514.65
Add: Additional provision	284.03	(87.23)
Less: Utilisation/ (reversal)	(168.95)	(104.99)
Closing provision	437.51	322.43

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

Maturities of financial liabilities:

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2020			
Borrowings - lease liability (refer note 32B(c))	362.09	431.10	793.19
Trade payables	11,377.92	-	11,377.92
Other financial liabilities	891.60	-	891.60
Total	12,631.61	431.10	13,062.71
As at March 31, 2019			
Borrowings - lease liability (refer note 32B(c))	-	-	-
Trade payables	12,785.72	-	12,785.72
Other financial liabilities	835.81	-	835.81
Total	13,621.53	-	13,621.53

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, 2020		As at March 31, 2019	
		Foreign currency	Indian rupees	Foreign currency	Indian rupees
Financial assets					
Trade receivables	USD	41.98	3,162.67	73.32	5,070.50
Trade receivables	EUR	-	0.09	2.60	202.25
Bank balance (EEFC)	USD	29.21	2,200.35	7.77	536.98
Financial liabilities					
Trade payables	USD	35.77	2,694.78	54.48	3,767.66
Trade payables	EUR	1.83	151.73	3.13	242.90
Trade payables	JPY	54.00	37.83	12.72	7.95
Trade payables	GBP	0.08	7.93	0.26	23.17

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 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, 2020	March 31, 2019
Sensitivity on profit after tax		
USD sensitivity		
INR/ USD - Increase by 1% (March 31, 2019: 1%)	3.50	8.48
INR/ USD - Decrease by 1% (March 31, 2019: 1%)	(3.50)	(8.48)
EUR sensitivity		
INR/ EUR - Increase by 1% (March 31, 2019: 1%)	(1.13)	(0.26)
INR/ EUR - Decrease by 1% (March 31, 2019: 1%)	1.13	0.26

31 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 except lease liability. 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, 2020	March 31, 2019
(i) Equity shares		
(a) Interim dividend for the financial year 2019-20 of Rs. 3.00 (March 31, 2019: Rs. 3.00) per fully paid equity share	947.04	947.04
(b) The directors have declared a special dividend of Rs. 25 (March 31, 2019: Rs. Nil) as second interim dividend	7,892.00	-
(ii) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of Rs. Nil per fully paid equity share (March 31, 2019: Rs. 3.00). This dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	947.04

32 Operating leases and Ind AS 116

A Operating leases

The Company has certain operating leases for office facilities (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

32 Operating leases and Ind AS 116 (Contd.)

Rental expenses relating to operating leases:

	Year ended	
	March 31, 2020	March 31, 2019
Total rental expense relating to short term operating leases	143.19	934.55
Minimum lease payments in relation to short term operating lease	54.46	804.98

	As at	
	March 31, 2020	March 31, 2019
Commitments for minimum lease payments in relation to short term operating leases are payable as follows:		
Within one year	105.74	650.12
Later than one but not later than five years	12.90	1,399.58
Later than five years	-	-
	<u>118.64</u>	<u>2,049.70</u>

B Ind AS 116

(a) Impact on transition to Ind AS 116

On transition to Ind AS 116, the Company recognized right-of-use assets and lease liabilities. The impact on transition is summarized below:

Particulars	Amount
Right of use assets – property, plant and equipment	2,079.46
Deferred tax asset	2.56
Lease liabilities	2,086.78

- (b) The Company leases office premises facilities. The leases typically run for a period of 1 to 5 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to lease hold properties.

	Buildings
i. Balance as at 1 April 2019	-
ii. Addition on adoption of Ind AS 116	2,079.46
iii. Additions to right of use asset	867.41
iv. Amortisation for the year	(655.15)
v. De-recognition of right of use assets	(1,802.54)
vi. Accumulated depreciation on "v" above	288.49
vii. Balance as at 31 March 2020	<u>777.67</u>

(c) Lease liabilities

Maturity analysis – contractual discounted cash flows

	Carrying amount	Contractual cash flows			
		Total	Total 0-1 years	1-5 years	5 years and above
Lease liabilities - current	362.09	429.39	429.39	-	-
Lease liabilities - non current	431.10	468.28	-	468.28	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

32 Operating leases and Ind AS 116 (Contd.)

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Buildings
i. Balance as at 1 April 2019	-
ii. Addition on adoption of Ind AS 116	2,086.78
iii. Additions	867.41
iv. Finance cost accrued during the period	192.16
v. De-recognition	(1,644.50)
vi. Payment of lease liabilities	(708.66)
vii. Balance as at 31 March 2020	793.19

33 Segment Information:

Description of segments and principal activities

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

Geographical information

Particulars	Total	
	March 31, 2020	March 31, 2019
Revenue		
India	51,962.76	54,382.61
Outside India		
United States	15,499.17	15,138.54
Ireland	1,395.78	1,527.64
Bangladesh	630.37	1,349.70
Srilanka	647.02	499.22
Singapore	292.68	751.15
Others	134.48	258.61
	70,562.26	73,907.47
Non-Current assets (excluding deferred tax assets)		
India	14,759.72	14,993.14
Outside India	-	-
	14,759.72	14,993.14

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

34 Events occurring after the reporting period

- (a) Gardner Denver Holdings Inc. completed the merger of Industrial Segment of Ingersoll Rand plc at the end of the day on 29 February 2020. The combined group globally is now named Ingersoll Rand.
- (b) Ingersoll Rand Inc. along with Ingersoll Rand U.S. Holdco Inc. and Ingersoll Rand Industrial U.S. Inc. has made an offer of INR 642.63 per fully paid-up equity share to the public shareholders of the Company to acquire upto 8,207,680 fully paid-up equity shares, constituting 26% of the fully diluted voting equity share capital of the Company. This Offer is mandatory in compliance with Regulations 3(1), 4 and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Letter of Offer has been electronically dispatched to all the public shareholders of the Company holding equity shares as on identified date and who have registered their mail ids with the Depositories/Company. There would be no physical dispatch of the Letter of Offer in accordance with Relaxation Circular issued by SEBI. The period for tendering of equity shares has commenced on 22 June 2020 and will close on 3 July 2020.
- (c) The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Company, as at the date of approval of these Annual Financial Statements has used available internal and external sources of information. The Company believes that the pandemic is not likely to have a significant impact on the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimise the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Annual Financial Statements.

35 Related party transactions

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest	
			March 31, 2020	March 31, 2019
Ingersoll-Rand plc.	Ultimate holding company (upto 29-Feb-2020)	Ireland	-	-
Ingersoll-Rand Company	Immediate holding company (upto 19-Nov-2019)	USA	-	74%
Ingersoll-Rand Inc.	Ultimate holding company (from 01-Mar-2020)	USA	-	-
Ingersoll-Rand Industrial US Inc.	Immediate holding company (from 20-Nov-2019)	USA	74%	-

(b) Key management personnel compensation

	Year ended	
	March 31, 2020	March 31, 2019
Salaries and other employee benefits	303.96	395.75
Contribution to provident fund	11.16	11.04
Employee share-based payment	30.90	28.83
Total compensation	346.02	435.62

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions (Contd.)

(c) Transactions with related parties

	Year ended				
	March 31, 2020			March 31, 2019	
	Holding company (Upto 19 Nov 2019)	Holding company (From 20 Nov 2019)	Fellow subsidiaries	Holding company	Fellow subsidiaries
Sales and purchases of goods and services					
Sale of finished goods	6,239.10	1,392.31	3,674.34	10,951.03	1,923.71
Business support and auxiliary services	-	169.42	5,826.10	95.40	4,476.60
Recovery of freight, insurance and packing expenses	-	-	11.58	2.89	6.98
Purchase of raw materials, components and traded goods	-	-	9,390.09	-	10,235.21
Other transactions					
Recharge of expenses to fellow subsidiaries	-	-	1,280.28	-	1,350.31
Sale of property, plant and equipment	-	-	402.00	-	-
Consideration received for transfer of employees to fellow subsidiary	-	-	828.00	-	-
Recharge of salary	-	-	9.40	-	6.10
Rent received	-	-	336.85	-	340.06
Purchase of property, plant and equipment	-	-	16.68	-	135.64
Expenses recharged by other companies:					
(i) Cost contribution (Management fees)	626.72	-	357.74	724.31	-
(ii) Professional fees	-	-	448.28	-	417.05
(iii) Travel	-	-	4.51	-	3.35
(iv) IT infrastructure	47.78	-	10.28	49.41	-
(v) Salary	-	-	4.60	-	-
(vi) Staff welfare	13.66	-	2.24	11.18	-
(vii) Repairs and maintenance - plant & machinery	-	-	18.26	-	16.56
(viii) Contractor charges	-	-	1.08	-	-
(ix) R&D expenses	-	-	7.04	-	-
(x) Other miscellaneous expenses	9.56	-	110.25	15.41	132.93
Interest income on intercorporate loans given	-	-	78.87	-	656.57
Contributions made to gratuity fund	-	-	150.00	-	250.00
Contributions made to provident fund	-	-	334.04	-	291.30
Dividend paid	1,401.60	5,840.00	-	48,588.80	-
Repayment of loan given	-	-	5,206.25	-	8,750.00

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions (Contd.)

(d) Balances with related parties

	As at	
	March 31, 2020	March 31, 2019
The following balances are outstanding at the end of the reporting period in relation with transactions with related parties:		
Holding company (From 20 Nov 2019)		
Trade receivables	2,988.34	3,649.62
Trade payables	7.89	233.85
Fellow subsidiaries		
Trade receivables	132.05	1,547.79
Other receivables	112.30	282.56
Unbilled revenues	-	103.77
Intercorporate Loans receivable	-	5,206.25
Trade payables	2,190.08	2,988.69
Creditors for capital goods	2.28	22.45

(e) Remuneration paid to key management personnel

	Year ended	
	March 31, 2020	March 31, 2019
Remuneration Paid:		
Amar Kaul, Chairman and Managing Director		
Salaries and other employee benefits	212.54	256.76
Contribution to provident fund	7.69	6.51
Employee share-based payment	30.90	25.97
Vikas Goel, CFO (Upto 19-July-2019)		
Salaries and other employee benefits	35.95	138.99
Contribution to provident fund	1.36	4.53
Employee share-based payment	-	2.86
Preeti Mohanty, CFO (From 01-October-2019)		
Salaries and other employee benefits	55.47	-
Contribution to provident fund	2.11	-
Employee share-based payment	-	-

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

35 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, 2020	March 31, 2019
Sales and purchases of goods and services		
(a) Sale of finished goods		
- Ingersoll-Rand Company, USA (from 20-Nov-2019 to 29-Feb-2020)	1,922.99	-
- Ingersoll-Rand International Limited, Ireland (upto 29-Feb-2020)	1,277.44	1,444.70
- Ingersoll-Rand Industrial Ireland Limited, Ireland	106.92	-
- Ingersoll Rand Air Solutions Hibon SARL, France	55.85	128.34
- Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	196.63	307.28
(b) Business support and auxiliary services		
- Trane U.S. Inc, USA (upto 29-Feb-2020)	5,775.35	4,089.23
(c) Recovery of freight, insurance and packing expenses		
- Ingersoll-Rand International Limited, Ireland (upto 29-Feb-2020)	9.75	6.63
- Ingersoll-Rand Industrial Ireland Limited, Ireland	1.67	-
(d) Purchase of raw materials, components and traded goods		
- Ingersoll-Rand International Limited, Ireland (upto 29-Feb-2020)	6,500.92	7,851.22
- Ingersoll-Rand Industrial Ireland Limited, Ireland	930.39	-
- Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	1,592.18	1,960.92
Other transactions		
(a) Recharge of expenses to fellow subsidiaries		
- Ingersoll-Rand Technologies and Services Private Limited, India	663.09	749.36
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	1,423.95	583.48
- Climate ETC Technology Services Pvt Ltd, India (Upto 29-Feb-2020)	75.55	-
- Ingersoll-Rand International (India) Private Limited, India	30.67	17.48
(b) Sale of property, plant and equipment		
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	402.00	-
(c) Consideration received for transfer of employees		
- Climate ETC Technology Services Pvt Ltd, India (Upto 29-Feb-2020)	828.00	-
(d) Recharge of salary		
- Ingersoll-Rand Technologies and Services Private Limited, India	9.40	6.10
(e) Rent received		
- Ingersoll-Rand Technologies and Services Private Limited, India	55.45	43.15
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	280.17	296.91
(f) Purchase of property, plant and equipment		
- Ingersoll-Rand Technologies and Services Private Limited, India	16.06	131.72

35 Related party transactions (Contd.)

	As at	
	March 31, 2020	March 31, 2019
(g) Expenses recharged by other companies		
- Ingersoll-Rand Company, USA (from 20-Nov-2019 to 29-Feb-2020)	370.26	-
- Ingersoll-Rand Technologies and Services Private Limited, India	160.37	184.77
- Ingersoll-Rand International (India) Private Limited, India	390.75	373.75
(h) Interest income on intercorporate loans given		
- Ingersoll-Rand Technologies and Services Private Limited, India	-	104.27
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	78.87	552.30
(i) Contributions made to gratuity fund		
- Ingersoll-Rand Employees Gratuity Trust, India	150.00	250.00
(j) Contributions made to provident fund		
- Ingersoll-Rand Employees Provident Fund Trust, India	334.04	291.30
(k) Repayment of loan given		
- Ingersoll-Rand Technologies and Services Private Limited, India	-	8,750.00
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	5,206.25	-
Balances with related parties:		
(a) Trade receivables		
- Ingersoll-Rand Industrial Ireland Limited, Ireland	109.04	214.15
- Trane U.S. Inc, USA (Upto 29-Feb-2020)	-	1,093.38
- Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	11.40	165.41
(b) Other receivables		
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	131.70
- Ingersoll-Rand Technologies and Services Private Limited, India	104.96	145.44
(c) Unbilled revenues		
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	103.77
(d) Intercorporate Loans receivable		
- Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	5,206.25
(e) Trade payables		
- Ingersoll-Rand Industrial Ireland Limited, Ireland	1,515.33	2,075.94
- Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	490.99	487.79
(f) Creditors for capital goods		
- Ingersoll-Rand Technologies and Services Private Limited, India	2.28	22.45

35 Related party transactions (Contd.)

(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 were for periods of 5 years repayable at the end of the term at interest rate of 1% above bank interest rate. The average interest rate on the loans to fellow subsidiaries during the year was 10.70% (March 31, 2019: 10.70%).
- (3) Management services were bought from the immediate holding company and fellow subsidiaries on a cost to cost basis.
- (4) Export of IT services to immediate holding company and fellow subsidiaries company is on cost-plus basis.
- (5) All transactions including sale of goods were made on normal commercial terms and conditions and at arm's length price.
- (6) All outstanding balances are unsecured and are repayable in cash.

36 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

37 Prior year figures

Prior year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classifications which also include Ind AS requirements.

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: June 30, 2020

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Gurugram
Date: June 30, 2020

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: June 30, 2020

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: June 30, 2020

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: June 30, 2020

NOTES

A series of horizontal dotted lines for writing notes.



Ingersoll Rand (India) Limited
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