



2020-21 Annual Report

**Entrepreneurial spirit.
Ownership mindset.
Sustainability focus.**

Ingersoll – Rand (India) Limited

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
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083.

Our Purpose and Values



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 Stockholders,

A year ago, our newly combined company committed to a purpose – Lean On Us to Help You Make Life Better – and a set of values that were quickly tested by the global pandemic. We all adapted and learned new skills to provide mission critical products and services to serve the frontline of the COVID-19 pandemic while ensuring safety of our employees. We tapped into our innovation and creativity to discover new ways to connect with each other, our customers, and our partners.

As we close another year of pursuing excellence while driving sustainable innovation, I would like to express my gratitude to our employees who, in these extraordinary and aggressive market conditions, embraced our value to think and act like owners. Delivering on our commitments quickly became a cultural norm and a competitive advantage. With our trust in employees and commitment to live by Ingersoll Rand Execution Excellence (IRX) daily, we delivered strong results and stand ready to grow in 2021-22 and beyond. Together, we are confident of achieving new milestones while being committed to reduce the world's carbon footprint.

Delivered beyond what we committed

We accelerated our transformation during 2020-21, which enabled us to move more quickly than anticipated to growth and portfolio optimization. In India, we are ahead of our plan on integration and synergize efforts as we enter year two.

On product and services side, we have launched more than 15 products post integration such as small reciprocating, oil-lubricated compressors especially 23-29KW by filling the product GAP, CompAir's L-series, oil free rotary screw compressors and system solutions for after-market etc. which play an important role in contributing towards our sustainability goal and green credentials. Overall, we are strengthening our capabilities to help drive long term success for our customers.

Helping Hand during Covid 19 pandemic

During Covid-19 outbreak, we continued servicing mission-critical products that support essential sectors that are engaged in containing the impact of COVID-19 pandemic in India, including the healthcare and public health, food, transportation and logistics, critical manufacturing, energy, and defense industrial sectors.

We have supplied over 450 India made compressors to meet the nation's need for oxygen. The compressors have been given to private and government hospitals, oxygen manufacturers and other players in the healthcare segment. We also worked closely with the government and defense authorities in the deployment of air compressors and other critical equipment for oxygen generation plants in different states across India.

Our 'Happiness Kits' with Akshaya Patra distributed in different schools in Naroda helped the student beneficiaries receive dry ration alongside educational and hygiene items. A small step from our team to ensure continued nutrition, education, and wellbeing for the local communities.

Ingersoll Rand has also extended its support to the Government of India in its ongoing fight against COVID-19 by donating a sum of INR 1 crore towards the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM Cares) fund. As a voluntary drive, Ingersoll Rand employees have also contributed a part of their salaries, adding up to a total of INR 6 lakhs, for this novel initiative.



We continue to support our employees through these challenging times with several programs. These initiatives are helping employees affected by Covid-19 either mentally/physically or financially.

2030 and 2050 Environmental Goals

Our pursuit of sustainability continues to be bold and transparent. Our products and services provide a unique opportunity and contribute to solving many of the environmental issues. We are proud to share our 2030 and 2050 environmental goals, focused on improvements in water, air and land quality.

To achieve our goals, we took further steps under our India CSR journey and partnered with the NGO 'I am Gurgaon' towards a forest rejuvenation project in Gurugram.

Many companies are focusing on Sustainability in an environmentally and socially conscious manner, but we are focusing on addressing climate change, assess climate risk and other sustainability related issues and determine ways to find solutions as a business. In our efforts to make this happen, our company's goals underscore strategic priority to operate sustainably across key areas of our business where we can make a powerful and lasting impact. The commitments further unite our employees through a shared sense of responsibility and purpose, bring value to our customers through product innovation and stewardship and make a positive difference toward protecting our communities and the world.

We prioritize the integration of sustainability principles into every product and innovation we design, including a robust governance model and a focus on fostering social and environmental improvement in our communities.

Looking Ahead: 2021 and Beyond

In the pages of this report, you'll witness the pride of our progress and our excitement for the future—thank you for your contribution in our journey. We truly take our role as a sustainability-minded industry leader. We continue to strengthen our differentiated culture and business performance for the benefit of our customers, employees, and shareholders alike.

Sincerely,

Amar Kaul
Chairman and Managing Director



MANUFACTURING FACILITY AT NARODA, AHMEDABAD

Highlights of the Year

	2020-21		2019-20	
Domestic Sales	Rs.	42,587.67 lakhs	Rs.	46,457.14 lakhs
Export Sales	Rs.	13,298.06 lakhs	Rs.	12,683.14 lakhs
Sale of Services	Rs.	4,890.34 lakhs	Rs.	10,391.66 lakhs
Other Revenue from Operations	Rs.	996.39 lakhs	Rs.	1,030.32 lakhs
Total Revenue from Operations	Rs.	61,772.46 lakhs	Rs.	70,562.26 lakhs
Profit before tax	Rs.	10,330.19 lakhs	Rs.	10,918.48 lakhs
As a % of revenue from operations		16.72		15.47
Profit after tax	Rs.	6,854.28 lakhs	Rs.	7,972.95 lakhs
As a % of revenue from operations		11.10		11.30
Return on total resources (%)		10.20		14.44
Net worth per share	Rs.	142.76	Rs.	120.73
Earnings per share	Rs.	22.92	Rs.	26.80
Price earnings ratio		39.75 times		27.20 times
Dividend per share (excl. special dividend)	Rs.	3.00	Rs.	6.00
Cover		7.6 times		4.5 times
Net revenue from operations/total assets		0.9 times		1.3 times
Profit after tax/gross fixed assets (%)		42.64		49.83
No. of employees		517		522
No. of shareholders		28,750		29,298

Distribution Schedule Of Shareholdings

	Number of Shares	Percentage(%)
Promoter & Promoter Group	2,36,76,000	75.00%
Institutional Investors (Includes Govt. sponsored Financial Institutions/ FII/Nationalized & other Banks/Mutual Funds)	19,80,910	6.28%
Bodies Corporate & Trusts	9,59,584	3.04%
Directors and their relatives	-	0.00%
Others	49,51,506	15.68%
Total	3,15,68,000	100.00%

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Notice

Notice is hereby given that the 99th Annual General Meeting of Ingersoll – Rand (India) Limited (the “Company”) will be held on Thursday, September 2, 2021 at 12.00 noon (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) facility without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars), to transact the businesses mentioned below.

The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company situated 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, 2021 and Statement of Profit and Loss for the financial year ended on March 31, 2021 together with the reports of the Directors and the Auditors.
2. To declare dividend of Rs.3 per equity share for the financial year ended on March 31, 2021.
3. To appoint a Director in place of Mr. Naveen Samant (DIN: 05127077), who retires by rotation and, being eligible, offers himself for reappointment and to consider, and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT Mr. Naveen Samant (DIN: 05127077), who retires by rotation, pursuant to Article 131 of the Articles of Association of the Company and Section 152 of the Companies Act, 2013, and being eligible for reappointment, be and is hereby reappointed as a Non-Executive Director of the Company.

SPECIAL BUSINESS

4. To re-appoint Mr. Amar Kaul (DIN: 07574081) as Managing 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 Sections 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) and applicable Regulations of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to other sanctions/approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for the re-appointment Mr. Amar Kaul (DIN: 07574081), who was appointed as Managing Director on August 5, 2016 for 5 (five) years and whose term ends on August 4, 2021, as the Managing Director of the Company, liable to retire by rotation, for a term of 5 (five) consecutive years with effect from August 5, 2021 up to August 4, 2026 (both days inclusive) as per the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of re-appointment, Mr. Amar Kaul shall be entitled to be paid remuneration according to terms and conditions as recorded in the explanatory statement as minimum remuneration in terms of Section II of Part II of Schedule V to the Act without seeking any further approvals, if any.

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

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

5. To re-appoint Mr. Sekhar Natarajan (DIN: 01031445) as an Independent Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Sekhar Natarajan (DIN: 01031445), who was appointed as an Independent Director of the Company for a term of 5 years at the 94th Annual General Meeting for a term up to July 26, 2021 by the Members and who has submitted a declaration under Section 149 (6) of the Act and being eligible for reappointment, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from July 27, 2021 to July 26, 2026 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are 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 and things as may be necessary, expedient or necessary for the purpose of giving effect to this resolution.

6. To approve entering into Related Party Transactions with Gardner - Denver Engineered Products India Private Limited.

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 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors of the Company to execute or authorize executing Agreement(s)/Contract(s)/Work Order(s)/Purchase Order(s), for (i) purchase of components from, (ii) sale of finished goods/components to, (iii) purchase of fixed assets from (iv) sub-leasing of premises to and (v) rendering services to and availing services from Gardner Denver Engineered Products India Private Limited and to carry out transactions under those or existing Agreement(s)/Contract(s)/Work Order(s)/Purchase Order(s) for an amount up to (i) INR 1,000 million, (ii) INR 2,500 million (iii) INR 50 million (iv) INR 10 million and (v) INR 50 million respectively in each of the five financial

years commencing from the financial year 2021 - 2022 up to the financial year 2025 - 2026 principal terms whereof are mentioned in the Explanatory Statement annexed hereto and ancillary terms whereof are to be approved by the Audit Committee.

RESOLVED FURTHER THAT each of the Board of Directors, Audit Committee and the Management of the Company, that is, key managerial personnel be and is hereby authorized, as may be appropriate or relevant, to implement and to give effect to the above resolution and from time to time, to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, and to take all decisions, finalize and settle all matters arising out of and incidental thereto, and to authorize Company officials to sign and execute deeds, applications, documents and writings that may be considered necessary or expedient, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, relevant, usual, customary and expedient or incidental thereto including finalizing the ancillary and incidental terms in relation to each transaction and to sign deeds, applications, documents and writings in relation thereto.

7. To ratify the remuneration to the Cost Auditors of the Company for Financial Year 2021 - 22

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, 2022 be paid Rs.250,000/- (Rupees Two lakh fifty thousand only) plus applicable taxes and reimbursement of out of pocket expenses actually incurred during the course of audit.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and are 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. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively issued by the Ministry of Corporate Affairs ("MCA") (together referred to as "MCA Circulars"), in view of the continuing Covid-19 pandemic, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the SEBI (hereinafter collectively referred to as "SEBI Circulars"), companies are permitted to hold Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. Keeping the convenience of the Members positioned in different time zones, the Meeting has been scheduled at 12.00 noon IST.
3. Pursuant to MCA Circulars mentioned above, the Members will not be allowed to attend the AGM in person, and attendance of Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 ("Act").
4. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULARS, 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 99TH 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/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

5. Since the AGM will be held through VC/OAVM, no Route Map is being provided with the Notice.
6. 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.
7. 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. 4 to 7 above and the relevant details of the Directors seeking reappointment under Item Nos. 3, 4 and 5 above as required under Regulation 26 and Regulation 36 of the SEBI Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.
8. Dispatch of Annual Report through E-mail:
In compliance with the MCA Circulars and SEBI circulars and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached with the Annual Report of the Company for the financial year ended March 31, 2021, the Notice alongwith the Annual Report of the Company 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). Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company or RTA in case the shares are held by them in physical form. The Notice and the Annual Report for the financial year ended March 31, 2021 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 Depository Limited (NSDL) viz. <https://www.evoting.nsdl.com>
9. National Securities Depository Limited (NSDL) shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the AGM through VC/OAVM is explained in Note 25 and 26 below. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis.

10. 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 instructions are given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place during the 99th AGM being held through VC/OAVM.
11. Members joining the meeting through VC/OAVM, 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/OAVM but shall not be entitled to cast their vote again.
12. 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.
13. The Register of Members and the Share Transfer Books of the Company will remain closed from August 10, 2021 to August 12, 2021, both days inclusive, for the purpose of payment of dividend, if declared at this AGM.
14. The Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended on March 31, 2021, if declared at this AGM, will be paid :
- in respect of shares held in electronic form on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL), as at the end of business on August 9, 2021;
 - in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrars and Share Transfer Agents on or before August 9, 2021. The said dividend will be paid on or after September 7, 2021
15. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Bank account details given by Members to their Depository Participant(s) (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned Members. Members who hold shares in dematerialized form must, therefore, give instructions regarding their bank account details to their DPs. The Company will not act on any request received directly from Members for changes in their bank account details. Further, instructions, if any, given by Members for shares held in physical form will not be applicable to the dividend paid on shares held in electronic form.
16. 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.
17. Transfer of Unclaimed or Unpaid dividend to the Investor Education and Protection Fund (IEPF)
- 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 as below:

Particulars	Due Date of Transfer to IEPF Account	Last Date for payment to investors
Final Dividend for the financial year 2013-14	October 11, 2021	September 15, 2021
Interim Dividend for the financial year 2014-15	December 10, 2021	November 15, 2021

- 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 2020-21, 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 2012-13	279,774	3,561
Interim dividend for the financial year 2013-14	283,977	1,211

The dividend and 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.

18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/TSR Darashaw Consultants Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to pramod.hegde@irco.com by 11:59 p.m. IST on September 1, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Shareholders should consult their tax advisors for the applicable tax provisions.
19. For withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs at the earliest.
20. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to pramod.hegde@irco.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 1st day of September, 2021
21. If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the aforementioned details/documents, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities, if eligible. No claim shall lie against the Company for such taxes deducted. The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>
22. 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.
23. 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.
24. 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.
25. **PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM**
- Members will be able to attend the AGM through VC/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.

26. 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):

i. Open e-mail and open PDF file viz. "Ingersoll Rand India e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

iii. Click on Shareholder – Login.

iv. Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.

User - ID for Members holding shares in Demat Form:

- For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
- For CDSL: 16 digits beneficiary ID.

Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.

vi. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

vii. Select "EVEN" of Ingersoll-Rand (India) Limited i.e. 116548

viii. Now you are ready for e-Voting as Cast Vote Page opens.

ix. On the voting page, you will see Resolution description and against the same the option

FOR/AGAINST/ABSTAIN for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member do not want to cast, select 'ABSTAIN' After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

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

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

xii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

xiii. Members can cast their vote online from 9.00 A.M. (IST) on August 30, 2021 to 5.00 P.M. (IST) on September 1, 2021.

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

xv. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of evoting@nsdl.com of NSDL or can be addressed to Ms. Sarita Mote, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. E-mail: evoting@nsdl.co.in, Toll Free No. 1800222990

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.nsdl.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. 116548 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.
 - iii. 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.
 - iv. Members are encouraged to join the Meeting through Laptops for better experience
 - v. 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.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at Downloads section of www.evoting@nsdl.com
 - III. If you are already registered with NSDL for e-Voting, then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-Voting period commences on Monday, August 30, 2021 (9.00 am IST) and ends on Wednesday, September 1, 2021 (5.00 pm IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 26, 2021, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting after September 1, 2021 (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/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. August 26, 2021 may obtain a User ID and Password by sending a request at evoting@nsdl.co.in
 - VII. A person whose name is recorded in the Register of Members or in the beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through polling paper.
 - VIII. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
 - IX. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of August 26, 2021.

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.

27. Procedure to raise Questions / seek Clarifications

- (i) As the AGM is being conducted through VC/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) August 27, 2021 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, August 23, 2021 (9.00 AM IST) to Monday, August 30, 2021 (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.

28. 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 deemed venue of the AGM for the duration of this AGM.

29. 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, May 31, 2021

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

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

Item No. 4

Mr. Amar Kaul (DIN: 07574081) was, at the meeting of the Board of Directors held on August 4, 2016, appointed as Managing Director of the Company pursuant to Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 for a period of 5 years from August 5, 2016 to August 4, 2021.

The members of the Company at Ninety Fifth Annual General Meeting held on August 3, 2017 had consented the appointment of Mr. Amar Kaul as Managing Director of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, approved re-appointment of Mr. Amar Kaul (DIN: 07574081) as Managing Director of the Company, liable to retire by rotation, for a consecutive period of 5 (five) years with effect from August 5, 2021 to August 4, 2026 (both days inclusive), subject to approval of the members in the Annual General Meeting.

Mr. Amar Kaul, aged about 52 years, joined the Company on May 10, 2011 as Vice President & General Manager – Air Solutions. He holds B. Tech (Mech. Engineering) degree from G.B. Pant University, New Delhi and has completed his Master’s in Engineering Business Management from University of Warwick, U.K. He has also completed Advanced Leadership Program at Stanford Business School, USA.

Prior to his appointment as Managing Director, Mr. Amar Kaul held the office of Manager under the provisions of the Companies Act, 1956 from July 22, 2011 to August 4, 2016.

Mr. Amar Kaul has experience of more than 25 years in various capacities in engineering and business management in national and international environment with strong focus on Business Excellence. He started his career at Lumax Industries Limited as Manufacturing Engineer in 1992. He was working with Bharat Forge Limited prior to joining the Company where he was Senior Vice President.

Mr. Amar Kaul is the Chairman of the Board. He is also a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee apart from being the Chairman of Corporate Social Responsibility Committee and Risk Management Committee.

Part III of Schedule V of the Companies Act, 2013 and Secretarial Standard -2 on General Meetings provides that the appointment and remuneration of Managing Director, in

accordance with Part I and II of Schedule V, shall be subject to the approval by resolution of the Members in a General Meeting.

The Company will enter into an Agreement with Mr. Amar Kaul re-appointing him as the Managing Director for the period from August 5, 2021 upto and including August 4, 2026. The main terms and conditions of appointment of Mr. Amar Kaul (hereinafter referred to as “MD”) are given below

1. Tenure of Appointment:

The appointment of MD is for a period of five consecutive years from August 5, 2021 upto and including August 4, 2026.

2. Nature of Duties:

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

3. The Company shall pay to MD with effect from August 5, 2021 in consideration of the performance of his duties:

I. (a) Basic Salary:

Basic salary of Rs. 73,67,190/- (Rupees Seventy Three lakh sixty seven thousand one hundred ninety only) per annum;

The annual increments each year will be decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and will be based on individual performance as well as Company’s performance.

(b) Allowances:

Allowances of Rs. 1,10,50,800/- (Rupees One crore ten lakh fifty thousand eight hundred only) per annum comprising of housing, leave travel allowance, special allowance etc. as per Company’s policies subject to provisions of Income Tax Act/Rules.

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The annual increments each year will be decided the Board of Directors based on the recommendation of Nomination and Remuneration Committee and will be based on individual performance as well as Company's Performance.

- (c) Monetary equivalent of stock options offered by Ingersoll Rand Inc. as and when exercised by the MD shall be paid to him by the Company. The value of stock options will be determined at prevailing rates.
- (d) **Annual Bonus/Commission:**

Annual Bonus/Commission at such rate of the net profits of the Company/such amount as the Board may decide from time to time, without any maximum limit.
- II. In addition to monthly compensation and commission as per (I) above, the MD shall be entitled to the following perquisites/benefits: -
 - 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 MD and his family.
 - b) **Personal Accident Insurance:** Personal Accident Insurance for a maximum sum assured of Rs. 5,52,54,000/- (rupees five crores fifty two lakhs fifty four thousand only).
 - c) **Car Allowance:** Payment towards expenses incurred by the MD for running and maintenance of his personal motor car subject to a maximum of Rs. 7,90,000/- (rupees seven lakhs ninety thousand only) per year.
 - d) **Provident Fund:** The Company shall contribute to Provident Fund as per the Company's rules.
 - e) **Gratuity:** The contribution to gratuity shall be made 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. 20,00,000/- (rupees twenty lakhs only).
- III. The Company shall pay or reimburse to the MD, the actual travelling, entertainment and other expenses reasonably incurred by him in or about the business of the Company.
- IV. Earned/privilege/sick leave and encashment of unavailed leave in accordance with the Rules of the Company.
- V. **Minimum Remuneration:** In any financial year commencing from April 01, 2021 during the tenure of MD, if the Company has no profits or its profits

are inadequate, the Company will pay the aforesaid remuneration to him without seeking any further approvals.

4. OTHER CONDITIONS OF APPOINTMENT OF MD:

- i. He shall not engage himself directly or indirectly in any other business, occupation or employment which competes with the business of the Company.
- ii. He shall not divulge or disclose any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company.
- iii. He shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the shareholders of the Company.
- iv. His employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with his 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 his appointment with immediate effect, if he be guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties or any breach of the Agreement as in the opinion of the Board renders his retirement desirable.

In the resolution placed before the Members at Item No. 4 it is also proposed to authorise the Board to pay to Mr. Amar Kaul the same remuneration in the event of loss or inadequacy of profits in any financial year commencing from April 1, 2021 during the tenure of his appointment, without any seeking any further approvals, if any. It is also proposed to authorise the Board to alter, modify or vary the terms and conditions of the said appointment of Mr. Amar Kaul as also to alter, enhance or increase the remuneration payable to him subject to the provisions of Sections 196 and 197 of the Companies Act, 2013.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, the terms of appointment and remuneration of the MD as specified above are now being placed before the Members for their approval. Your Directors consider that the remuneration and perquisites proposed to be paid to MD are commensurate with his duties and responsibilities. The Board commends the resolution at Item No. 4 for approval by the Members.

Annexure to the Notice

The Agreement being entered into with Mr. Amar Kaul will be open for inspection at the Registered Office of the Company up to the date of the Annual General Meeting.

Mr. Amar Kaul is interested in the resolution set out at Item No. 4 of this Notice as it relates to his appointment.

None of the other Directors or Key Managerial Personnel of the Company and/or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice.

Item No. 5

Mr. Sekhar Natarajan (DIN: 01031445) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 by the shareholders of the company at Ninety-Fourth Annual General Meeting of the Company held on July 27, 2016 for a period of five years from July 27, 2016. He holds office as an Independent Director of the Company up to July 26, 2021 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Board of Directors ("the Board") upon recommendation of the Nomination and Remuneration Committee, based on his skills, experience, knowledge and report of his performance appraisal and subject to the approval of the members on passing a special resolution at this general meeting, has reappointed Mr. Sekhar Natarajan (DIN: 01031445) as an Independent Director of the Company for a second and final term of five years effective July 27, 2021.

Mr. Sekhar Natarajan ("Mr. Sekhar") is a Chartered Accountant and a Cost Accountant by qualification, has served more than 30 years in Monsanto India Limited in various capacities. He was a Non-Executive Chairman of Monsanto India Limited providing strategic counsel, business guidance and representing that company on industry platforms till merger of Monsanto India Limited into Bayer CropScience India Limited in September 2019.

During his long career with Monsanto, Mr. Sekhar held several leadership positions across functions including that of Chief Financial Officer, Business Development Head, Sales and Marketing Head, Managing Director for South Asia Business, Global Corporate Strategy Lead at Monsanto's headquarters in St. Louis, USA and finally, prior to retirement, as the CEO and the India Region Lead.

Since his retirement in 2010, Mr. Sekhar is the Managing Partner of S N Consultants – a firm providing strategic advice to Indian and Multinational companies. He is also active in advising on M&A matters.

Mr. Sekhar is also an Independent Director on the Board of Bayer CropScience India Limited, Accelya Solutions Limited and Colgate Palmolive (India) Limited

He is the Chairman of Audit Committee and also a member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Mr. Sekhar has completed one term of five years as an independent director and is eligible for reappointment. The Company has received a declaration from Mr. Sekhar that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Sekhar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. In the opinion of the Board, Mr. Sekhar fulfills the conditions for reappointment as an Independent Director specified in the Act and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149 (6) of the Act. Section 149 (10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

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

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Sekhar as an Independent Director. Accordingly, the Board recommends the resolution at Item No. 5 of the Notice in relation to reappointment of Mr. Sekhar as an Independent Director for the approval by the Members of the Company.

A copy of the letter for re-appointment of Mr. Sekhar as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company upto the date of the Annual General Meeting.

Except Mr. Sekhar Natarajan, none of the other Directors / Key Managerial Personnel of the Company / their relatives

Annexure to the Notice

are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No.6

Section 188 of the Companies Act, 2013 (the 'Act') read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides that all transactions involving inter alia sale, purchase or supply of goods or materials with a related party other than transactions entered into by a company in the ordinary course of business which are on an arm's length basis as defined in explanation (b) to Section 188 (1) shall require the prior approval of the Members by way of an ordinary resolution where the sale or supply of such goods or materials exceeds 10 per cent of the annual turnover of a company.

Your Company carries on the business inter alia of manufacturing and selling air compressors, spare parts and components. The transactions entered into and to be entered into between the Company and Gardner Denver Engineered Products India Private Limited ("GD India"), being related party within the meaning of Section 188 read with Section 2 (76) of the Act, for the financial year ending March 31, 2022 pertaining to purchasing of finished goods, selling of components, purchase of fixed assets, sub-lease of premises and rendering and availing services, have been entered into and will be entered into by the Company on an arm's length basis. Accordingly, in terms of the third proviso to sub-section (1) of Section 188 of the Act, the prior approval of the Members of the Company is not required for the transactions entered into and proposed to be entered into by the Company with GD India.

However, in terms of Regulation 23 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") read with other applicable laws (including any statutory modifications or re-enactments thereof for the time being in force) all material related party transactions, that is to say, transactions with GD India, which are likely to exceed 10 per cent of the annual consolidated turnover of the Company as per its last audited financial statements require the approval of the Members of the Company by an ordinary resolution.

Presently, GD India is operating from its plant at Block No 878, Opposite Gallops Industrials Park, Sarkhej-Bavla Road, Village-Rajoda, Ahmedabad-382220. In order to integrate operations into one manufacturing facility, the Air compressor manufacturing process of GD India is being transferred to the Company's Naroda Plant. The Company will grant a suitable area for the use of GD India in a portion

of its Plant IV premises at Naroda through sub-lease arrangement to enable GD India house their sales and admin staff.

The manufacturing process, lines, machinery and IT assets, and employees of GD India engaged in the manufacturing of air compressors products will be transferred to the Company and will be integrated within the Company's manufacturing lines/process. The Company will simultaneously enter into a Contract Manufacturing Agreement with GD India for manufacture and supply of air compressor (i.e., T30, Simplair, Comp Air, Dryers etc.). The Company will manufacture these products and sell to GD India on arm's length basis at full manufacturing cost + mark up. End customer sales and aftermarket will continue to be handled by GD India.

For the current financial year, the Company has not yet exceeded the 10 per cent threshold limit referred to above but it is likely to do so before the financial year of the Company ends on March 31, 2022.

The resolution at Item No. 6 seeks approval of the Members for each of the five financial years commencing from the financial year 2021 - 2022 up to the financial year 2025 - 2026 for transactions

relating to:

1. purchase of components from GD India;
2. sale of finished goods/components to GD India;
3. purchase of fixed assets from GD India (one-time at the time of transfer of manufacturing process during financial year 2021-22)
4. sub-leasing of premises to GD India in Company's Plant IV at Naroda
5. rendering services to and availing services from GD India

The business of your Company would be significantly impacted if the transactions of the nature stated hereinabove are not carried on by the Company or are restricted. It is in the interest of the Company, therefore, to continue to engage in the said transactions as they contribute to the business growth, industrial productivity and efficiency of the Company.

The estimated value of transactions entered into and to be entered into by the Company in each of the five financial years commencing from the financial year 2021 - 2022 up to the financial year 2025 - 2026 with GD India, all of which have been and will be in the ordinary course of business of the Company and on an arm's length basis, is likely to amount to INR 3,610 million, of which purchase of

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components is likely to amount to INR 1,000 million, sale of finished goods/components is likely to amount to INR 2,500 million, purchase of fixed assets (one-time) is likely to be INR 50 million, sub-leasing of premises is likely to be INR 10 million and services availed or rendered are likely to amount to INR 50 million in each financial year.

The Audit Committee of the Board of Directors has, subject to approval from the Members of the Company, approved the transactions entered into and to be entered into during the financial year 2021-22 with GD India .

The particulars of the transactions proposed to be entered into between your Company and Gardner-Denver Engineered Products India Private Limited (“GD India”), are as follows:

Name of the related party	Gardner-Denver Engineered Products India Private Limited				
Nature of relationship	Associate Company				
Nature of material terms, monetary value and particulars of the contract or arrangement.	<p>Purchase:</p> <p>A. Products: Components for manufacture of air compressors, dryers, blowers etc.</p> <p>B. Price: The prices paid by the Company on purchase of components from GD India are on an arm’s length basis.</p> <p>C. Payment Terms: Payment to be made within 60 days from date of invoice</p> <p>D. Quantity: Varies by component and as per purchase order issued by the Company from time to time.</p> <p>E. Period: Five financial years commencing from the financial year 2021 - 2022 up to the financial year 2025 - 2026.</p>	<p>Sale:</p> <p>A. Products: Air Compressors, Dryers, Blowers, Spare parts & components etc.</p> <p>B. Price: The price shall be determined on prevailing market conditions, demand for the Product generally, utilization of the Company’s manufacturing capacity. To be determined on an arm’s length basis.</p> <p>All sales of the Company to GD India and other fellow subsidiaries are being carried on an arm’s length basis and the Company earns a minimum mark-up of 10% on total manufacturing cost incurred by the Company.</p> <p>C. Payment Terms: (i) Payment to be made by the Purchaser within 60 days of dispatch or delivery of the Product.</p>	<p>Purchase of fixed assets:</p> <p>A. Products: Plant & Machinery, Computers, Furniture & Fixtures, Office Equipment etc.</p> <p>B. Price: The prices paid by the Company on purchase of fixed assets from GD India are at book value and on an arm’s length basis.</p> <p>C. Payment Terms: Payment to be made within 60 days from date of invoice</p> <p>D. Quantity: Varies by type of asset.</p> <p>E. Period: One-time purchase during financial year 2021 - 2022.</p>	<p>Sub-leasing of premises:</p> <p>Suitable space will be sub-leased to GD India to enable GD India house its sales and admin staff. The lease rent recovered would be at prevailing market costs and on arm’s length basis.</p> <p>Payment to be made within 30 days from the date of invoice</p> <p>Period: Five financial years commencing from the financial year 2021-2022 up to the financial year 2025 -2026</p>	<p>Other Services:</p> <p>Rendering and Availing of Services: The Company renders and avails services relating to repair and maintenance of products sold and components purchased respectively.</p> <p>The service charges are being recovered and paid for such services rendered and availed on an arm’s length basis.</p> <p>Payment to be made within 60 days from the date of invoice.</p> <p>Period: Five financial years commencing from the financial year 2021-2022 up to the financial year 2025 -2026</p>

Annexure to the Notice

Name of the related party	Gardner-Denver Engineered Products India Private Limited				
Nature of relationship	Associate Company				
		(ii) Price may be varied on the basis of price of raw materials and other inputs, taxes etc. (iii) Price shall be F.O.B. D. Quantity: Varies by product and as per purchase order to be received from time to time. E. Period: Five financial years commencing from the financial year 2021-2022 up to the financial year 2025 –2026.			
Ancillary Terms	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other vendors.	Such ancillary terms as may be approved by the Audit Committee and substantially in line with terms applicable to other purchasers.	Such ancillary terms as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee.	Such ancillary terms as may be approved by the Audit Committee.
Estimated value of transactions in each financial year commencing from financial year 2021 - 2022 up to the financial year 2025 – 2026	Rs. 1,000 million	Rs. 2,500 million	Rs. 50 million	Rs. 10 million	Rs. 50 million

The Board of Directors, vide resolution passed at its meeting on May 31, 2021, has decided to seek consent of the members of the Company by passing an ordinary resolution as set out in Item No. 6 of the Notice.

The ordinary resolution at Item No.6 is recommended by the Board of Directors for approval by the members.

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. 6 of the Notice.

Ingersoll Rand Inc. and persons related to it are not permitted to vote to approve the resolution set out at Item No. 6 of the Notice.

Annexure to the Notice

Item No.7

The Board of Directors of the Company (the 'Board'), on the recommendation of the Audit Committee, has approved the appointment of 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, 2022. 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. 250,000/- 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. 7 of the Notice for the payment of remuneration amounting to Rs.250,000/- plus applicable taxes and out of pocket expenses for the financial year ending on March 31, 2022.

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. 7 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 7 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, May 31, 2021

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

Details	Mr. Naveen Samant	Mr. Amar Kaul	Mr. Sekhar Natarajan
Director Identification Number	05127077	07574081	01031445
Date of Birth / Age	December 15, 1977 / 44 years	August 1, 1969 / 52 years	December 14, 1953 / 68 years
Date of appointment as Director	February 10, 2020	August 5, 2016	July 27, 2016
Qualification	Master degree in International Commercial Law from Cardiff University, United Kingdom	B. Tech. (Mech. Engg.) M. S. (Engineering Business Management)	Chartered Accountant and Cost Accountant
Brief profile and nature of expertise in specific functional areas	<p>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, 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, EMEIA and joined Ingersoll Rand Group in the year 2010 as Legal Counsel for India operations.</p> <p>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.</p> <p>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.</p>	<p>Mr. Amar Kaul joined the Company in May 2011 as Vice President & General Manager – Air Solutions. Prior to his appointment as Managing Director, he acted as Manager under the Companies Act from July 2011 to August 2016.</p> <p>Immediately prior to joining the Company, he was working with Bharat Forge Limited as Senior Vice President.</p> <p>He has experience of more than 25 years in engineering & automobile/ non automobile sector and brings a very strong business perspective to his role.</p> <p>He is also a member of the CII National Committee on Capital Goods</p>	<p>He has served more than 30 years in Monsanto India Limited in various capacities. He was a Non-Executive Chairman of Monsanto India Limited providing strategic counsel, business guidance and representing that company on industry platforms till merger of Monsanto India Limited into Bayer CropScience India Limited in September 2019.</p> <p>He has experience and expertise in Finance & Accounting, Business Development, Sales and Marketing, Corporate Strategy, Mergers & Acquisitions etc.</p> <p>He is presently the Managing Partner of S N Consultants – a firm providing strategic advice to Indian and Multinational companies.</p>
Directorships held in other listed companies in India	Nil	Nil	Bayer CropScience India Limited, Accelya Solutions India Limited, and Colgate-Palmolive (India) Limited

Annexure to the Notice

Details	Mr. Naveen Samant	Mr. Amar Kaul	Mr. Sekhar Natarajan
Memberships / Chairmanships of committees held in other listed companies in India	Nil	Nil	Bayer CropScience India Limited – Chairman Audit Committee Accelya Solutions India Limited - Chairman Audit and Stakeholders Relationship Committee. Colgate Palmolive (India) Limited – Member of Audit Committee
Shareholding in the Company	Nil	Nil	Nil

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

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

The aforesaid Directors are not related to any other Director.

Directors' Report

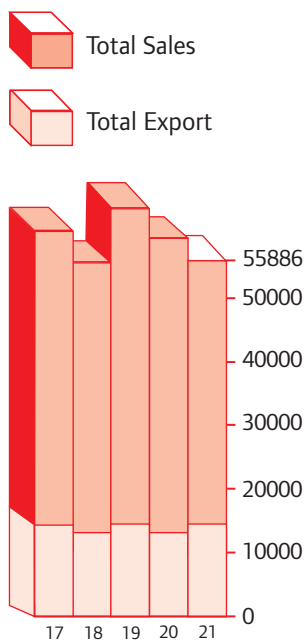
To
THE MEMBERS,
INGERSOLL – RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-Ninth Annual Report along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2021, that is, the year under review.

1. FINANCIAL SUMMARY OF THE COMPANY

GROSS SALES

(in Rs. Lakhs)



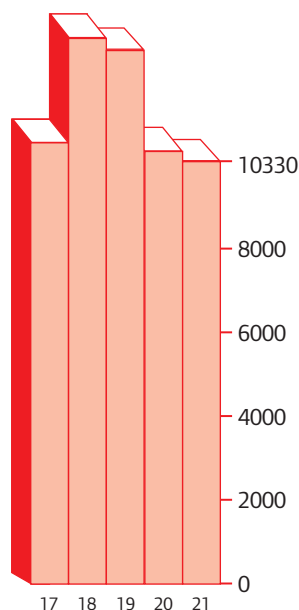
	(Rupees in Lakhs)	
	2020-21	2019-20
Gross Profit:	12,373	13,490
(Less): Depreciation and amortization expense	(1,426)	(1,826)
(Less): Finance costs	(169)	(260)
Profit before taxation and exceptional items	10,778	11,404
(Less): Provision for Current Tax	(2,956)	(2,876)
Add/(Less): Deferred Tax for the year	148	(178)
Add/(Less): Current Tax relating to prior years (net)	(735)	110
Net Profit	7,235	8,460
Other comprehensive income: (net of tax)	(381)	(487)
Total comprehensive income for the year	6,854	7,973
Add: Balance in retained earnings brought forward from earlier years	4,287	8,111
	11,141	16,084
Appropriations:		
Dividends paid (including tax thereon)	0	11,797
Balance carried to Balance Sheet as retained earnings	11,141	4,287
	11,141	16,084

2. MANAGEMENT DISCUSSION AND ANALYSIS

- I. **Industry Structure and Development:** COVID-19 pandemic ensued global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Governments and central banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc. The financial year 2020-21 witnessed a sharp decline in global trade, lower commodity prices and tighter external financing conditions with implications for current account balances and currencies of different countries. COVID-19 pandemic emphasized the importance of healthcare sector and its inter-linkages with other sectors - showcased how a health crisis transformed into an economic and social crisis.

PROFIT BEFORE TAX

(in Rs. Lakhs)



After an estimated 7.7 per cent pandemic-driven contraction in 2020-21, Indian economy is likely to rebound with a 11 per cent growth in the financial year 2021-22 in a V-Shaped Economic Recovery due to mega vaccination drive, robust recovery in the services sector and robust growth in consumption and investment. India is likely to become the fastest growing economy in next two years as per IMF.

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.

- 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. 61,773 lakhs as against Rs.70,562 lakhs in the previous financial year. Your Company continues to focus on local innovation and creating markets "In India; For India; By India".

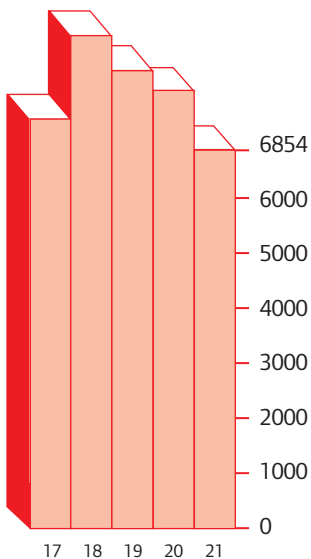
The profit before tax is Rs. 10,778 lakhs in the year under review as against Rs. 11,404 lakhs in the previous financial year.

- III. **Outlook:** India's real GDP is likely to record a growth of 11 per cent in 2021-22 and nominal GDP by 15.4 per cent-the highest since independence. The V-shaped economic recovery is supported by the initiation of a mega vaccination drive with hopes of a robust recovery in the services and manufacturing sector and prospects for robust growth in consumption and investment. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival.
- 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 over and above competitors is the demand supply gap infused due to surge in demand resulting in delays, material inflation and additional freight impact. Availability of spurious parts and components at cheap prices to the competitors to disrupt the fair competition is also an added threat. COVID has also increased the pressure on operational spend reduction for most of small and medium scale industries especially for non-critical component manufacturing. 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. Your

PROFIT AFTER TAX
(in Rs. Lakhs)



company is also cognizant to the requirement of industries crucial to support the current demand and have been swift enough to develop new products to meet and support that demand especially in healthcare sector.

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:

It has been a difficult and a milestone year for humanity with many of us bearing the brunt of the inclement pandemic at a personal level. While economy and operations were disrupted due to lockdowns but to ensure we live our purpose of “Lean on us” to make life of our essential customers, we continued to serve our customers and employees in this hour of crisis. The teams showed resilience and flexibility towards our commitment to serve our customers.

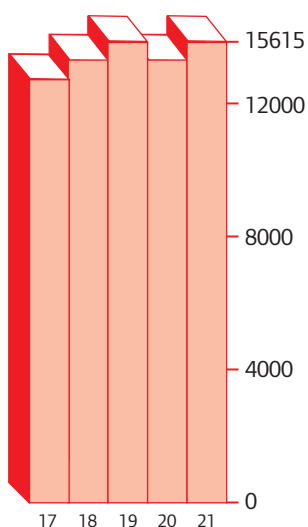
We are proud of our teams and how they have risen to the occasion, often going above and beyond their call off duty. During this hour, it was also our moral responsibility to ensure that our employees and their family members feel safe and protected. We supported them in every manner possible in the discharge of their duties. We rolled out initiatives like “COVID CARE” policies, regular connects, sessions with doctors, etc. to boost morale and ensured that their welfare requirements were being taken care of. All these initiatives have strengthened our bond with our employees and broader stakeholder community. At the end of the day, the brand is nothing but the people behind.

With People as a key partner in success, the Company continues to be committed to nurturing an environment of progressive growth, knowledge and skill development, coupled with high levels of engagement for its employees measured through our bi annual pulse survey. The Company strives to provide fair treatment at workplace, a transparent and equitable compensation system, and an environment that ensures health and well-being for all our employees

VII. Safety, Health and Environment: At Ingersoll Rand, we believe every injury is preventable and your company takes all possible steps to achieve the goals of “no work-related injuries” and safe operations. Your Company has established procedures to ensure safe operations and employees, contractors and visitors are trained to follow safe operating behaviors. Employees are encouraged to adopt safety practices during personal activities and at home. The management is committed and responsible in complying with safety norms and takes adequate precautionary measures to prevent workplace incidents. Since the outbreak of pandemic of Covid-19, your Company is continually educating its employees and contractors to follow Covid appropriate behaviors and enhanced processes to ensure safe work area in the manufacturing plant / offices.

Your Company is committed for sustainable operations and continues to analyze management of hazardous and non-hazardous wastes and work with a long-term goal of zero land fill operations. Your Company is committed to reduce greenhouse gas (GHG) emission. As part of this goal several energy conservations projects and energy management practices are implemented. Naroda plant has installed roof top solar panels which generates about 50% of

GROSS BLOCK (in Rs. Lakhs)



total energy required for the plant. The products we develop, and launch have higher energy efficiency and uses materials with lower GHG impact compared to previous generation products.

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 medium-scale industries in the form of rotary technology 23-29KW, which covers up the existing range to serve the industry. Other than this, your Company has also introduced various energy saving compressors like India manufactured Nirvana Oil free compressor, large capacity refrigerated air dryers and heatless air dryers with in-house manufacturing capability which compliments the industry in this global economic slowdown. The Company also has an exciting pipeline of products, 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, your Company continues to introduce breakthrough innovation into the market to partner with our customers in their quest for excellence.

IX. *Disclosure as per Paragraph B (1) (j) under Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Sl. No.	Particulars	As on March 31, 2020	As on March 31, 2021	Percentage change
1	Return On Net Worth	21%	15%	-27%

Reasons for above significant change: Return on Net Worth is the calculation that reveals how much Profit a company generates to its members from the Equity. There has been a significant reduction in this ratio because the net worth as on March 31, 2020 was low due to payment of special dividend out of retained earnings in January 2020 (relevant to financial year 2019-20).

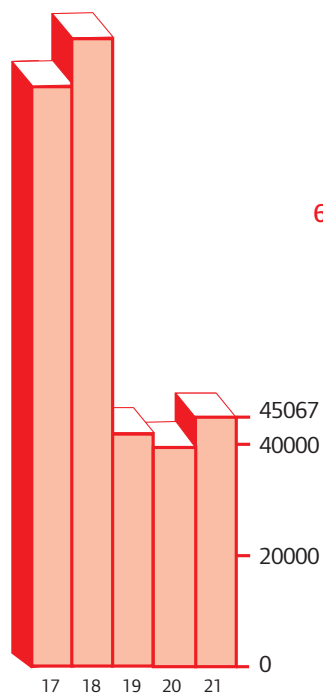
* Disclosure has been given only for such ratios listed in the said SEBI Listing Regulations which has a difference of equal to or more than 25% as on March 31, 2021 in comparison to the previous financial year ended on March 31, 2020.

3. DIVIDEND

The Board of Directors at their meeting held on May 31, 2021 have, subject to the approval of the members at the ensuing Annual General Meeting, recommended payment of dividend of Rs.3/- per equity share for the year under review, which if approved by the Members, would involve a cash outflow of Rs. 947.04 lakhs.

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

NET WORTH (in Rs. Lakhs)



4. TRANSFER TO RESERVES

Pursuant to the provisions of the Companies Act, 2013 ("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 ended March 31, 2021, your Company has recorded revenues of Rs. 61,773 lakhs from continuing operations which is 12% lower compared to that of previous financial year, primarily due to impact of COVID-19 pandemic in the fiscal year under review. Our profits after tax for the year ending March 31, 2021 stood at Rs.7,235 lakhs which is lower by 14% compared to profit after tax of previous financial year.

Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors and these sectors have registered strong growth in the previous quarter.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the FY 20-21, the strong balance sheet position, best-in-class profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

6. COVID-19

The outbreak of second wave of Coronavirus (COVID-19) saw a sharp surge in new cases was an unprecedented situation in India which rapidly turned into a crisis, forcing number of state governments across the country to enforce lock-downs/restrictions of all economic activity from April 2021 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.

The COVID-19 crisis disrupted the operations of the Company, particularly during Q1 of the financial year 2020-21. The operations at manufacturing plant in Naroda, Ahmedabad resumed in June 2020 after implementation of standard protocols in line with the guidelines prescribed. The branch offices started functioning, where necessary, after implementing necessary safety and hygiene protocols.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The Company has reimagined employee engagement, which transcends geographic barriers by embracing virtual technologies and embraces our diverse workforce. Initiatives like the Yoga sessions, COVID pe Charcha, COVID Safety webinar series by Medical Experts and Doctors, 24*7 Doctor on Call Services, Reboot Health webinars designed to reduce stress and the feeling of isolation and to boost morale of employees.

7. OPEN OFFER AND OFFER FOR SALE

Ingersoll Rand Inc. (the ultimate holding company) along with Ingersoll Rand U.S. Holdco Inc. (the intermediate holding company) and Ingersoll Rand Industrial U.S. Inc. (the immediate holding company) had 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 was 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 period for tendering of equity shares was between 22 June 2020 and 3 July 2020. Pursuant to the offer, Ingersoll Rand Inc. acquired 17,41,798 equity shares (equivalent to 5.52%) from the public shareholders of the Company. Consequently, the total shareholding of promoter and promoter group increased to 79.52% of the total equity share capital of the Company.

Ingersoll Rand Inc. has subsequently sold 14,25,798 equity shares (equivalent to 4.52%) through the stock exchanges in accordance with the “Comprehensive Guidelines on Offer for Sale (OFS) of shares by Promoters through Stock Exchange Mechanism”. The sale took place on November 24, 2020 and November 25, 2020. Consequently, the total shareholding of promoter and promoter group stands at 75% of the total equity share capital of the Company. As on March 31, 2021, Ingersoll Rand Industrial US Inc. and Ingersoll Rand Inc. is holding 23,360,000 equity shares and 316,000 equity shares respectively in the total equity share capital of the Company.

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, 2021 and the date of signing this report.

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

During the year under review 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 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, 2021.

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 auditors have also confirmed their independence, their arm's length relationship with the Company and also that they have not taken up any prohibited non-audit assignment for the Company.

The Audit Committee reviews the independence and objectivity of the auditors and effectiveness of the audit process.

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, 2021 is part of the Annual Report. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, during the financial year 2020-21, 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, 2022. M/s. Ashish Bhavsar & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2021-22. 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 99th 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 2020 – 21. 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, 2021.

The Secretarial Audit Report for the financial year ended 31st March, 2021 under the Act, read with Rules made thereunder and Regulation 24A of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the Annexure – D to this report.

The Secretarial Compliance Report for the financial year ended 31st March, 2021, 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-D1 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, 2021 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.

16. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on 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 2020-21 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 2020-21, your Company incurred CSR Expenditure of Rs.249.82 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. As on March 31, 2021, Mr. Sekhar Natarajan, Ms. Jayantika Dave and Ms. Vijaya Sampath are independent directors of the Company.

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

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting on May 31, 2021 has approved the re-appointment of Mr. Sekhar Natarajan for a second and final term of five years from July 27, 2021 upto and including July 26, 2026, subject to the approval of shareholders at the ensuing Annual General Meeting.

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Act from each of the Independent Directors confirming that:

- He/she meets the criteria of independence and is not disqualified from being appointed/continuing as Independent Director as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, he/she has registered himself/herself with the Independent Director's database maintained by the Indian Institute of Corporate Affairs.
- In terms of Regulation 25(8) of the SEBI Listing Regulations, he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge their duties, the veracity of which has been assessed by the Board of Directors.

In the opinion of the Board, the independent directors have high level of integrity and experience and are proficient in their respective fields of expertise and hope to contribute to the overall growth of the Company.

21. AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Act and rules made thereunder and Regulation 18 of SEBI Listing Regulations. 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. Naveen Samant retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board recommends the appointment of Mr. Naveen Samant as Director.

The brief resume and other relevant details of Mr. Naveen Samant has been provided in the annexure to the Notice of the Annual General Meeting.

B. KEY MANAGERIAL PERSONNEL:

The Board on the recommendation of Nomination and Remuneration Committee at its meeting held on May 31, 2021, has re-appointed Mr. Amar Kaul as Managing Director for a further period of 5 years from 5th August 2021 to 4th August 2026, and his office will be subject to retire by rotation.

As per the provisions of Section 196 (4) of the Companies Act, 2013, the appointment of Mr. Amar Kaul, associated terms and conditions of appointment and remuneration payable to him as approved by the Board shall be subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

The brief resume and other relevant details of Mr. Amar Kaul has been given in the annexure to the Notice of the Annual General Meeting

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are

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

23. PARTICULARS OF EMPLOYEES

The statement of Disclosure of Remuneration†as required to be disclosed 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. None of the employees listed in the said Annexure is related to any Director 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 has a Whistle Blower Policy in place which 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 policy 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 Audit Committee of the Company oversees the implementation of the Whistle Blower Policy.

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

25. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Act, read with the rules made thereunder and Regulation 19 of SEBI Listing Regulations. 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 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. A structured questionnaire was prepared after taking into consideration inputs received from the directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contributions to the meetings etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairperson of the Board, who were evaluated on parameters such as participation and contribution by a director, commitment, including guidance provided to the senior management outside of Board / committee meetings, effective deployment of knowledge and expertise, effective management of relationship with various stakeholders, independence of behaviour and judgment etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and Managing Director was carried out by the Independent Directors. The evaluation process has been explained in the corporate governance report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

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 - E 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.

Pursuant to Regulation 34 of SEBI Listing Regulations, a separate report on Corporate Governance along with the compliance certificate from Mr. Natesh K, Company Secretary in practice confirming compliance with the requirements of Corporate Governance is set out in Annexure - F forming part of this report.

30. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as stipulated under Regulation 34 of SEBI Listing Regulations, is set out in Annexure - G forming part of this report

31. 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.

32. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company believes that every employee should have the opportunity to work in an environment which is free from any kind of behavior or conduct which could be considered as sexual harassment. The Company is committed to treating every employee with dignity and respect. 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 periodically conducts training sessions and workshops 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. The Company has filed Annual Return pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to appropriate authority.

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

33. 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, 2021 and of the profit and loss of the Company for the year ended March 31, 2021;
- (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.

34. ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their gratitude and appreciation to all employees of the Company 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 of
Ingersoll-Rand (India) Limited

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

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. Installation of a 800kWp Solar Energy project at Naroda which helps the plant move its 50% energy requirement to renewable source with yearly reduction of carbon footprint by 980 tonnes which is equivalent of having 50000 trees absorbing the same in a year
2. Energy audit was conducted in Jan-2021 and the below actions are implemented in 2020-21 and other identified actions are planned in 2021-22 under (ii) below. Overall savings of 10% electricity consumption basis absolute was achieved.
 - a) Use of Variable Frequency Drive technology in HVAC Chillers
 - b) Installation of variable frequency drive in plant air compressor
 - c) Drive to arrest leakages of compressed air in the plant
 - d) Replacement of paint booth conveyor for Small Reciprocating compressor line with focus to improve 10% energy consumption per machine produced
3. Naroda factory complies with Environmental and Occupational Health & Safety Management Systems in accordance with ISO 14001:2015 and ISO 45001:2018
4. Attained 25% reduction in fresh water consumption by reuse of treated domestic water through process improvements and implementation of a Zero Liquid Discharge System.

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

1. Installation of High Volume Low Speed fans to improve effective optimization of HVAC.
2. Use of AC energy savers in split ACs
3. Replacement of cleaning machine for parts and plant compressor with high efficiency drive with in built VFD and associated Dryers
4. Optimization of paint booth blowers

(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 teams in the field of new product design and development. Efforts in brief, made towards technology absorption, adaptation and innovation are as follows:

1. Developing low pressure technology
2. Leveraging best global engineering practices for new product development
3. Development of next generation of compressors and dryers
4. World class R&D lab infrastructure for new product development

Specific areas in which the Company carries out R & D:

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. Engine driven compressors
4. Centrifugal
5. Cycling , Non Cycling Refrigerated Dryers and Desiccant dryers

Areas:

1. Energy Efficiency
2. Low pressure compressors
3. Modeling and simulations
4. Prime Movers with advance technology for compressors
5. SEA for optimizing acoustical performance
6. Remote connectivity : IoT
7. Design for Vibration

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

1. Next generation energy efficient products.
2. Incremental improvement in existing product performance.
3. Digital connectivity of compressors and dryers for actual performance in the field.
4. Proactive approach to reduce breakdowns.
5. High acceptance of products in critical applications.

Future Plan of Action:

1. Focus on energy efficient products.
2. Future design shall be in line with environment friendly and recyclable material.
3. Leverage current technologies in different applications to bring inorganic growth.

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

1. Enhance speed of product development cycle
2. Futuristic design keeping environmental impact
3. Digital connectivity for keeping higher uptime
4. Strong reputation in front of customer for energy efficiency and reliability
5. Value offering for different application

(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
Cyclic Refrigerated compressed air dryers	2020	In production
Highly efficient Screw compressor (200-250 kW)	2021	In production
Digital connectivity for remote monitoring system	2020	In production
Desiccant dryers	2021	In production

(iv) Expenditure of R & D:

(i) Capital	Rs. 7.67 Lakhs
(ii) Recurring	Rs. 185.10 Lakhs
(iii) Total	Rs. 192.77 Lakhs
(iv) Total R & D expenditure as a percentage of total turnovers	0.31%

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.	14,214.79
(ii) Value of imports calculated on c.i.f. basis	13,855.95
(iii) Expenditure in foreign currency on account of travelling, royalty and others	1,099.59
(iv) Less: Remittance in foreign exchange on account of dividend	- 14,955.54
Net Earnings / (Outgo) in Foreign Exchange	(740.75)

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

Annexure - B

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

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

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.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Amar Kaul	Chairperson / Chairman and Managing Director	1	1
2	Ms. Jayantika Dave	Member / Independent, Non-Executive Director	1	1
3	Mr. Sekhar Natarajan	Member / Independent, Non-Executive Director	1	1
4	Mr. Naveen Samant	Member / Non-Independent, Non-Executive Director	1	1

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

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The composition of CSR committee, CSR Policy Framework and CSR Projects approved by the Board has been uploaded on the website of the Company - www.irco.com

4. Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not applicable

6. Average net profit of the Company as per Section 135(5)

The average net profit of the Company for the last three financial years is Rs. 12,450.65 lakhs

7. (a) Two percent of average net profit of the company of last three financial years as per Section 135(5)

Rs. 249.01 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Not Applicable

(c) Amount required to be set off for the financial year, if any

Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c)

The Company is required to spend an amount of Rs. 249.01 lakhs as CSR expenditure during the financial year 2020-21.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
249.82	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not applicable**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
NOT APPLICABLE												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	Registration No.
1.	Science Centre at Govt. School	Clause (ii) - Promoting Education	Yes	Haryana	Gurgaon	22.26	No	Agastya International Foundation	CSR00003442
2.	Scholarship Program	Clause (ii) - Promoting Education	Yes	Gujarat	Ahmedabad	13.20	No	Foundation for Excellence	CSR00002053
3.	Healthcare van	Clause (i) - Promoting Healthcare	Yes	Gujarat	Ahmedabad	10.70	No	Smile Foundation	CSR00001634
4.	Mid-Day Meal Program	Clause (i) - Eradicating Hunger	Yes	Gujarat	Ahmedabad	45.32	No	Akshaya Patra Foundation	CSR00000286

Sr. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. Lakhs)	Mode of implementation – Direct (Yes No)	Mode of implementation – Through implementing agency	
				State	District			Name	Registration No.
5.	PM Cares COVID Relief support	Clause (xii) - Disaster Management	Yes	Pan India	Pan India	100.00	Yes	PM Cares Fund	NA
6.	Eco Restoration	Clause (iv) Environment Sustainability	Yes	Haryana	Gurgaon	58.34	No	I am Gurgaon	NA
	Total					249.82			

(d) Amount spent on Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 249.82 lakhs

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (in Rs lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	249.01
(ii)	Total amount spent for the Financial Year	249.82
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.81
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.81

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: Not Applicable

Details of CSR projects undertaken during the year 2020-21

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 eight year of inception and within the year has benefited over 2400 students and trained 40 teachers across 9 schools.

This year, due to pandemic, all the classes were scheduled virtually for our student beneficiaries and was actively marked by multiple activities including virtual science fairs, virtual camps, low cost model making, 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

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

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

This is the second year of their engineering academic education and we'll continue our support to these students until they complete their 4 academic years of engineering study.

Providing Healthcare, Nutrition and Eradicating Hunger

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

Ingersoll Rand continues to believe in supporting holistic growth and development of children who are the future of the country. In the sixth 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.

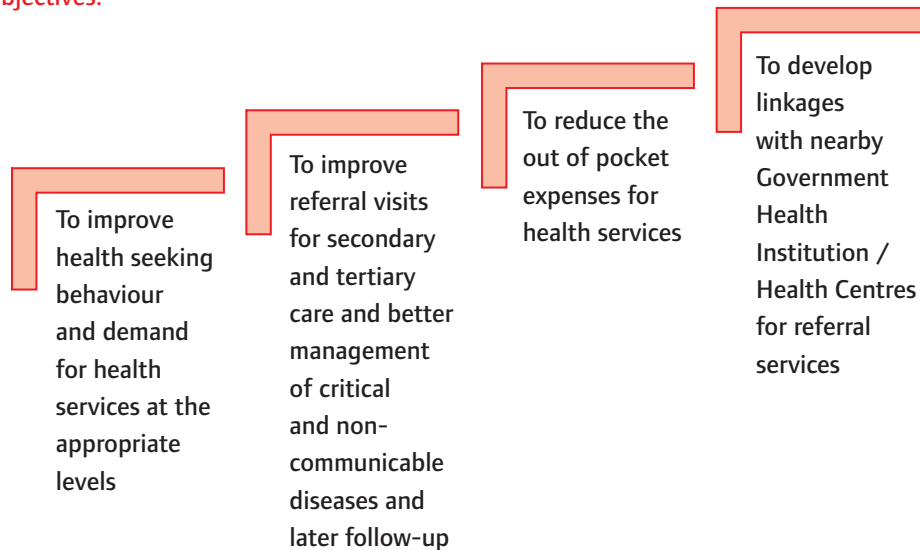
Research shows that a mid-day meal is a great incentive for bringing children to school every day and to reduce drop outs from schools. A mid-day meal is often also the first meal of the day for majority of children in India.

This academic year, we have supported our student beneficiaries with Happiness Boxes, a substitute of mid-day meal program where we had provided dry groceries, stationery and hygiene kits. This is to ensure, we provide nutritious meal to our beneficiaries in midst of pandemic and continue our focus on fighting against malnutrition in young kids.

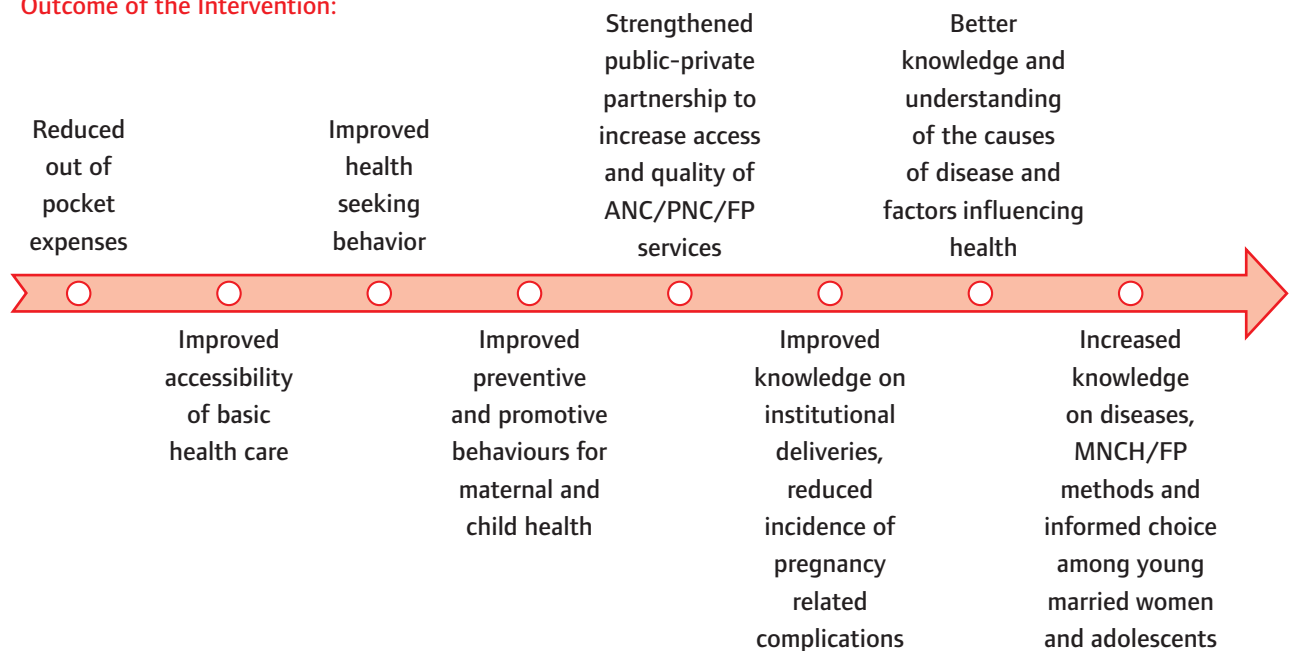
Increasing Access to Primary Healthcare Services

Strengthening Primary Health Care could be a major step that the company has taken this year towards achieving the goal of mitigating the diseases at early 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.

Program Objectives:



Outcome of the Intervention:



The Smile on Wheels treated a population of 15,800, including men, women and children. Along with normal OPDs, the SoW team took many measures before and during the Lockdown phase.

Preventive Measures:

Individual Counseling / One to One counseling:

During OPDs, individual counseling and awareness programmes were carried by our Medical Officer, providing basic and right information regarding the disease and the symptoms of the virus infection.

Providing Mask to the patients carrying the symptoms of COVID 19:

Patients who are having symptoms such as Cold, Cough, breathlessness, throat swelling and throat pain, fever etc. were provided with masks, before they entered into the SoW van.

Changes/Impact of the awareness activities on the community:

- People with COVID 19 symptoms coming to the OPD were asked to wear mask after analysing their symptoms by themselves.
- People started distancing themselves from other people during OPD services and entered one by one without making any gathering.
- Most of the people started using their face mask while they came for treatments at the OPD.
- People started visiting our SoW immediately after suspecting any of the symptoms.
- They started adapting certain habits suggested by the medical officer during one to one counseling, such as drinking warm water daily, avoiding open food, washing hands every 2-3 hours with soap or hand wash etc.

Developing Referral mechanism for COVID presumptive cases:

A huge number of reverse migrations took place in the chawl (slums) of the project locations. In this situation, screening tests were carried out by following a basic symptomatic guideline by Gujarat Medical Council. Body temperature checking was done with the help of thermal scanner on a regular basis. Beneficiaries including the migrant laborers were treated on their every visit to the SoW OPDs. Beneficiaries with such symptoms i.e. scoring more than the screening parameters were referred to the District Hospital for immediate COVID test.

Self-Assessment through Arogya Setu Application:

The SoW team also helped in guiding the beneficiaries with limited smart phones to install the Arogya setu app used for self-assessment for COVID-19, which also helps to determine whether the location in which one stays or travels has come in contact with the COVID-19 infected person. Thereby, beneficiaries with symptoms are assessed with this application. This is done either with the help of their smart phones, or people do not having smart phones were helped and guided with the information.

Awareness and other activities on COVID-19 during operations:

In order to conduct safe OPDs and make hand wash and hand sanitization a regular habit of the beneficiaries, the team sanitizes the hand of each beneficiary coming to our OPDs with sanitizer.

During this reporting period, the mobile medical unit, other than these COVID-19 interventions, also frequently visited to the targeted locations and ensured the necessary primary health treatment of the community. All the members in the community were effectively treated and the patients suffering from various illness & diseases were diagnosed.

Community Development

Increasing Green Cover through Eco Restoration

Ingersoll Rand took a further step towards adopting a land in Gurgaon, Haryana in a drive towards reforestation, restoration, increasing the green cover and reducing the pollution in the region.

Our project with IamGurgaon 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 forest area allocation by MCG (Municipal Corporation of Gurgaon) for the green movement.

Program vision:

- Create an Urban Aravali Forest
- Integrate into the city's larger greening strategy
- Heal degraded landscape to create a public space
- Connect the fragmented water system
- Promote alternate mobility through provision of walking/cycling tracks

Support PM Cares for COVID Relief

As a responsible and committed corporate, we have always tried to support the right causes that directly impact people at large- it's important to come together and work with the government in its efforts to curtail Covid 19. Our donation towards PM cares will further aid the government in its immediate relief measures for the people in need.

PM cares Fund is a public charitable trust. It has been set up keeping in mind the need for having a dedicated fund with the primary objective of dealing with any kind of emergency or distress situation. The ongoing COVID-19 crisis calls for the entire nation to fight as one collective force. Ingersoll Rand has contributed towards PM Cares Fund in this hour of India's battle against COVID-19.

Employee Volunteering

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

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

This year, midst in the pandemic, we committed through our employee volunteering efforts who championed various causes to make a difference in their local communities. Activities included interaction with STEM project (Foundation for Excellence) beneficiaries, distribution of groceries, virtual participation at earth day activities, employee contribution towards PM cares etc.

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

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

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 20-21 (INR Lakhs)	% increase in remuneration in FY 20-21	Ratio of remuneration of each director to median remuneration of employees for FY 20-21	Comparison of remuneration of KMP against the performance of the Company
1.	Mr. Amar Kaul – Chairman & Managing Director	*277.10	10.34%	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	122.77	6.61%	Not Applicable	Refer Note No.2
7.	Mr. P. R. Shubhakar – General Manager – Corp. Finance & Company Secretary	120.77	9.90%	Not Applicable	Refer Note No.2

*Excludes cash disbursement made directly by ultimate holding company against options/Restricted Stock Units exercised during the year.

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 business operations, market situation, forecast for the ensuing financial year and the comparative information as available with Company.
 - The percentage increase in the median remuneration of employees in the financial year. 7.12%
 - The number of permanent employees on the rolls of company. 517
 - 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 9.00% as against average percentage increase in salaries of managerial personnel is 8.95%.
 - 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.

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

Annexure - D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

The Members

INGERSOLL-RAND (INDIA) LIMITED

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

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

Based on my verification of the Company's books, papers, 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 2021, 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 2021 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) 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;
- (vi) Other laws applicable specifically to the Company, namely:

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

Secretarial Audit Report (Contd..)

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 (up to 7th August 2019)
19. Payment of Bonus Act, 1965 (up to 7th August 2019)
20. Payment of Gratuity Act, 1972
21. Payment of Wages Act, 1936 (up to 7th August 2019)
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
32. The Code on Wages, 2019 (w.e.f. 8th August 2019)

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the Equity Listing Agreements entered into by the Company with BSE Limited, the National Stock Exchange of India Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

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. There were no changes in composition of Board of Directors during the period under review.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company, in my opinion, there are adequate systems and processes in the Company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place : Bangalore
Date : 19th May 2021

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835C000344018

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,

Bengaluru - 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 : 19th May 2021

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835C000344018

Annexure - D1

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 2021 (“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;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable)
- (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; (Not applicable)
- (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;

and 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.
- (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.
- (c) There were no 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 in so far as it appears from my examination of those records.
- (d) The reporting of actions by the listed entity with the observations made in previous reports does not arise during the Review Period.
- (e) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on “Resignation of statutory auditors from listed entities and their material subsidiaries” is not applicable during the Review Period.

Place : Bangalore
Date : 19th May 2021

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835C000344040

Annexure - E

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 arms 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, 2021 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, 2021 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 Industrial US Inc., USA (Immediate holding company)	Sale of finished goods Business support and auxiliary services Recharge of expenses Sale of property, plant & equipment Rent received Recharge of expenses in IT infrastructure	10,133.04 916.72 21.41 19.43 181.50 51.47	1st April 2020 to 31st March 2021	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 have vide postal ballot approved the RPTs for a period upto 31st March 2025. Necessary approvals were granted by the Audit Committee from time to time.	Nil
Ingersoll-Rand Industrial Ireland Limited, Ireland (Fellow subsidiary)	Sale of finished goods Recovery of freight, insurance and packing expenses Purchase of raw materials, components and traded goods	1,733.30 31.93 4,901.60	1st April 2020 to 31st March 2021	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 have vide postal ballot approved the RPTs for a period up to 31st March 2025. Necessary approvals were granted by the Audit Committee from time to time.	Nil

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

Annexure - F

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 Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder trust. 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. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

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, 2021, the Company has Six (6) Directors headed by Mr. Amar Kaul as the Chairman and Managing Director of the Company. 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 2020-21 and the gap between two meetings did not exceed 120 days. The meetings were held on April 24, 2020, June 30, 2020, August 24, 2020, November 12, 2020, February 12, 2021 and March 31, 2021. 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 (September 24, 2020)
		Held during the year	Attended during the year	
Mr. Amar Kaul (Chairman & Managing Director)	Executive	6	6	Yes
Ms. Jayantika Dave	Non - Executive & Independent	6	6	Yes
Mr. Sekhar Natarajan	Non-Executive & Independent	6	6	Yes
Ms. Vijaya Sampath	Non - Executive & Independent	6	6	Yes

Name of Director	Status i.e. Executive and Non-Executive & Independent	Number of Board Meetings		Attended at the last AGM (September 24, 2020)
		Held during the year	Attended during the year	
Mr. Naveen Samant	Non – Executive & Non-Independent	6	6	Yes
Ms. Preeti Gupta Mohanty	Executive	6	6	Yes

As per disclosure received from Directors,

- None of the Directors of the Company for the financial year ended on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies;
- None of the Directors hold directorships in more than seven listed companies;
- 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.

The Company has obtained a certificate from Mr. Natesh K, Company Secretary in Practice, in accordance with sub regulation (3) of Regulation 34 read with sub clause (i) of Clause 10 of Para-C of Schedule V of SEBI Listing Regulations that none of the Directors on the Board of the Company for the financial year ended on 31st March 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

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 Company 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	3	3
Ms. Vijaya Sampath	6	3
Mr. Naveen Samant	NIL	NIL
Ms. Preeti Gupta 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 May 31, 2021 confirmed

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

Sl. No.	Name of the director	Name of the listed entities where the person is a director as on March 31, 2021	Category of Directorship	Original date of appointment
1	Mr. Amar Kaul (Chairman and Managing Director)	Ingersoll Rand (India) Limited	Chairman and Managing Director	August 5, 2016
2	Ms. Jayantika Dave	Ingersoll Rand (India) Limited	Independent Director	September 12, 2014 (Independent Director from 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
		Colgate Palmolive (India) Limited	Independent Director	May 21, 2020
4	Ms. Vijaya Sampath	Ingersoll-Rand (India) Limited	Independent Director	March 27, 2019
		Eris Lifesciences 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
		Craftsman Automation Limited	Independent Director	April 3, 2018
		VA Tech Wabag Limited	Independent Director	July 31, 2020
5	Mr. Naveen Samant	Ingersoll-Rand (India) Limited	Non-Executive Director	February 10, 2020
6	Ms. Preeti Gupta Mohanty	Ingersoll-Rand (India) Limited	Executive Director	February 10, 2020

During the year 2020-21, 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 program 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 the applicable laws from time to time at regular Board Meetings.

The Board hereby confirms that in its opinion, the independent directors fulfil the conditions specified in the SEBI Listing Regulations.

New independent directors were not appointed during the reporting 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, Entrepreneur, Organization & Business Management and Industry Knowledge & Experience
Ms. Jayantika Dave	Human Resources, Personality Development
Mr. Sekhar Natarajan	Leadership, Business Development, Corporate Strategy, Financial Planning & Reporting, Risk Management, Controls and Compliance
Ms. Vijaya Sampath	Legal, Secretarial, Corporate & Regulatory Compliances, Cross Border Acquisitions, PE Investments and International Commercial Arrangements
Mr. Naveen Samant	Corporate & Commercial Laws, Litigations, Mergers & Acquisitions, Commercial Contracts, Intellectual Property and allied legislations
Ms. Preeti Gupta Mohanty	General & Financial Management, Controllership, Commercial & Supply Chain Finance, Financial Planning & Reporting, Risk Management, Controls & 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, 2021 are given below:

Name of Director	Category	No. of shares held as on March 31, 2021
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 Gupta Mohanty	Executive	NIL

Meeting of independent directors:

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of your Company met once on March 31, 2021 in the absence of Non-Independent Directors and members of the management. At the meeting, the independent directors discussed the matters pertaining to review of performance of Non-Independent Directors and the Board as a whole and also that of Chairman.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfilment of the Independence criteria and their Independence from the management.

C. COMMITTEES OF THE BOARD

As on March 31, 2021, 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 Company has constituted a qualified independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors in addition to considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

The Audit Committee held four meetings during the year on June 30, 2020, August 24, 2020, November 12, 2020 and February 12, 2021. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of the Member/Director	No. of meetings held	No. of meetings attended
Mr. Sekhar Natarajan, Chairman	4	4
Mr. Amar Kaul	4	4
Ms. Vijaya Sampath	4	4
Ms. Jayantika Dave	4	4

The previous AGM of the Company was held on September 24, 2020 and was attended by Mr. Sekhar Natarajan, Chairman of the Audit Committee.

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

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

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

- Overseeing of the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;
- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, primarily focusing, inter alia, on
 - o Any change in accounting policies and practices and reasons for the change;
 - o Significant adjustments made in financial statements arising out of audit findings;
 - o Major accounting entries based on exercise of judgment by Management;
 - o Compliance with accounting standards;
 - o The going concern assumption;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Related party transactions;
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors;
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees;
- Approval for payment to statutory auditors for other services;

- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit;
- Review with internal auditors and senior management, of any significant findings and follow-ups thereon;
- Review of the Company's financial risk and management policies;
- Review functioning of the Whistle Blower mechanism;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- Any other function as may be stipulated by any law/Government guidelines;
- Such other functions as may be specified by the Board of Directors of the Company from time to time;

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

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

2. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee ("NRC") constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations. The NRC has been vested with the authority to recommend nominations for Board membership, succession planning for the senior management and the Board, recommend composition of the Board commensurate with the size, nature of the business and operational dimension of the Company, establish criteria for selection of Board Members with respect to skills, abilities, experience, competencies, qualifications, track record, integrity, and determine overall compensation policies of the Company.

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board periodically, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. In addition to the above, the NRC's role includes identifying persons who may be appointed to a senior management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

The NRC comprised of Ms. Jayantika Dave, Chairperson, Mr. Sekhar Natarajan and Mr. Amar Kaul during the year under review. The NRC met 3 times during the year on April 24, 2020, February 12, 2021 and March 31, 2021.

Name of the Member/Director	No. of meetings held	No. of meetings attended
Ms. Jayantika Dave, Chairperson	3	3
Mr. Amar Kaul	3	3
Mr. Sekhar Natarajan	3	3

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Formulate and recommend to the Board a policy for payment of remuneration to Managing Director, Non-Executive Directors, Key Managerial Personnel etc. and its review from time to time.
- Periodically review and suggest revision of the total remuneration package of Managing Director and Key Managerial Personnel under the provisions of Companies Act.
- Decide the actual salary, allowances, perquisites, retivals and increments of Managing Director/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 NRC 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 and Independent Directors is determined by the NRC and the factors evaluated inter alia includes attendance and participation at meetings, independence in 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, 2021, the Stakeholders Relationship Committee comprise of

Name of the Member/Director	Designation
Ms. Vijaya Sampath*	Chairperson
Mr. Naveen Samant ^	Chairman
Mr. Amar Kaul	Member
Ms. Jayantika Dave @	Member

* ceased to be member of the Committee effective August 24, 2020

^ appointed as Chairman effective August 24, 2020

@ appointed as Member effective August 24, 2020

Committee held four meetings during the year on June 30, 2020, August 24, 2020, November 12, 2020, and February 12, 2021.

The terms of reference of the Stakeholders Relationship Committee are set out as per the Companies Act and Regulations 19 and 20 read with Part D of Schedule II of SEBI Listing Regulations, 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company;
- All other matters related to shares

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

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

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

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, 215 grievances / queries were received from shareholders / investors and 11 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 one complaint regarding non-receipt of dividend pending at the end of the year, which was closed by SEBI on April 20, 2021.

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, 2021.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The primary responsibility of the CSR Committee is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing a framework in line with the CSR policy of the Company.

As of March 31, 2021, 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 June 30, 2020.

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. The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to the business. The Company will continue to pursue CSR activities as one of its fundamental priorities towards the society in which it operates. CSR activities of the Company is expected to continuously evolve for a long-term sustainability of business, society and environment at large. CSR activities shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core principles of business.

5. RISK MANAGEMENT COMMITTEE

The scope of this Committee is to assist the Board of Directors in early identification, assessment and mitigation of risks pertaining to financial, regulatory, statutory, operational, strategic, reputational, and others the Company may face. The Committee has overall responsibility for monitoring and approving the risk management framework and is capable of effectively addressing these risks.

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, 2021, the Committee comprised of Mr. Amar Kaul, Chairman, Ms. Jayantika Dave, Mr. Naveen Samant and Ms. Preeti Gupta Mohanty, Director and Chief Financial Officer.

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel, 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 and senior management. Annual increments are decided by the Nomination and Remuneration Committee within the limits approved by the members and are generally effective from April 1st of every year. The Nomination and Remuneration Committee decides on the commission/bonus payable to the Managing Director, Executive Director and senior management within the limit prescribed under the Companies Act, 2013 based on the performance of the Company as well as that of the individual.

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 roles of Non-Executive Directors are not just restricted to corporate governance, but also make available to the Company their significant professional expertise and experience across functional areas such as Manufacturing, Finance, Operational Guidance, Human Resource Capital, Corporate Strategy, Compliance and Governance, and other corporate functions. The Company seeks expert advice from them on various matters from time to time. Hence, Non-Executive Directors are to be rewarded. 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 effective for a period of five years from the financial year commencing from April 1, 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's Nomination and Remuneration policy has been uploaded on the website of the company www.irco.com

The details of remuneration for the year 2020-21 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. Naveen Samant	NIL	NIL

Executive Directors:

(Rs. In Lakhs)

Name of the Director	Salary	Benefits, Perquisites and Allowances	Commission/Bonus
Mr. Amar Kaul	66.46	394.15 *	72.07
Ms. Preeti Gupta Mohanty	36.07	64.70	22.00

* Includes cash disbursement made directly by ultimate holding company against options/Restricted Stock Units exercised during the year.

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	September 24, 2020	Meeting was held through Video Conferencing/Other Audio Video Means (OAVM). Deemed location is the registered office of the Company at First Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bengaluru 560 029	12.00 Noon	NIL
AGM	August 29, 2019	Vivanta By Taj, 41/3, Mahatma Gandhi, Bengaluru - 560 001		
AGM	August 10, 2018			

No Extraordinary General Meeting was held during the past 3 years.

POSTAL BALLOT

During the year, the Members of the Company approved three Ordinary Resolutions through Postal Ballot (through remote e-voting mechanism) Resolution No. 1 – Related Party Transaction with Ingersoll Rand Industrial US Inc., USA Resolution No. 2 – Related Party Transaction with Ingersoll Rand Industrial Ireland Limited, Ireland and Resolution No. 3 – Reclassification of Trane Technologies Company LLC from Promoter and Promoter Group category to Public shareholder category.

In view of the massive outbreak of COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs vide its General Circulars No.14, 17 & 22/2020 dated 8th April, 2020, 13th April, 2020 and 15th June, 2020, respectively (“MCA Circulars”), had advised the companies to take all decisions requiring members’ approval, other than items of ordinary business or business where any person has a right to be heard, by way of postal ballot through remote e-voting mechanism in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of Members at a common venue.

In compliance with the requirements of above MCA Circulars, the aforesaid Resolutions was proposed to be passed by means of Postal Ballot and the hard copy of Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope were not sent to the Members for the said Postal Ballot and the Members were requested to communicate their assent or dissent through remote e-voting system only.

The Board had appointed Mr. Natesh K, Practicing Company Secretary (ICSI Membership No. FCS 6835) as Scrutinizer to scrutinise votes cast electronically in a fair and transparent manner.

Further, in compliance with the provisions of sections 108 and 110 of the Act read with Rule 20 and 22 of the Rules, as amended and the provisions of Regulation 44 of the Listing Regulations, Members were provided with the facility to cast their votes electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on the resolutions set forth in the Postal Ballot Notice, through remote e-voting.

Details of Voting of the above Resolutions are as under:

Particulars	Votes in favour	Votes Against	Invalid votes	Result
Resolution No. 1	564,561	7,487	Nil	Passed with requisite majority
Resolution No. 2	564,682	7,496	Nil	
Resolution No. 3	564,875	7,303	Nil	

Procedure adopted for Postal Ballot:

- The Notice of the Postal Ballot dated 24th November 2020 containing the Draft Resolutions and Explanatory Statement, were emailed on 27th November 2020 to those Members whose names appeared on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on 23rd November 2020 (“cut-off date”) and were sent only in electronic mode. The details of E-Voting Event Number (“EVEN”), User ID and Password were emailed to those Members whose e-mail IDs were registered with the Company/Depository Participant(s). The Notice also specified the procedure for registering the email addresses and obtaining the Notice of Postal ballot and remote e-voting instructions by the Members whose email addresses were not registered with the depositories.
- The advertisement was published in the Newspapers viz. Financial Express (English) and Kannada Prabha (Kannada) on 28th November 2020 giving the requisite details as per the provisions of the Act and Secretarial Standard - 2.
- The remote voting period began on Tuesday, 1st December 2020 at 9:00 a.m. (IST) and ended on Wednesday, 30th December 2020 at 5:00 p.m. (IST).
- The Scrutinizer submitted his Report on 30th December 2020 and the resolution was deemed to have been passed on the last date of remote e-voting i.e. on Wednesday, 30th December 2020.

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 all 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. 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. 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.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such a contract or arrangement in Form AOC-2 form a part of the Report.

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 Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The said report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This report is sent to all the Stock Exchanges on a quarterly basis within 30 days from the end of every quarter.

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review, hence the disclosure on utilization of such funds is not applicable

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 policy also provides adequate safeguards to employee against victimization of persons who use such mechanism. 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. 2018-19, 2019-20 and 2020-21. 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, 2021.

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. The internal auditor of the Company reports directly to 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, 2021 was placed before the Board at its meeting held on May 31, 2021

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 annual financial results and the quarterly unaudited financial results were announced during the year within the last date as specified under SEBI Listing Regulations. These 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 2, 2021
- Time	12.00 Noon
- Venue	Through Video Conferencing / Other Audio Video Means (OAVM) Deemed venue for the meeting: Registered Office of the Company at First Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bengaluru 560 029 None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

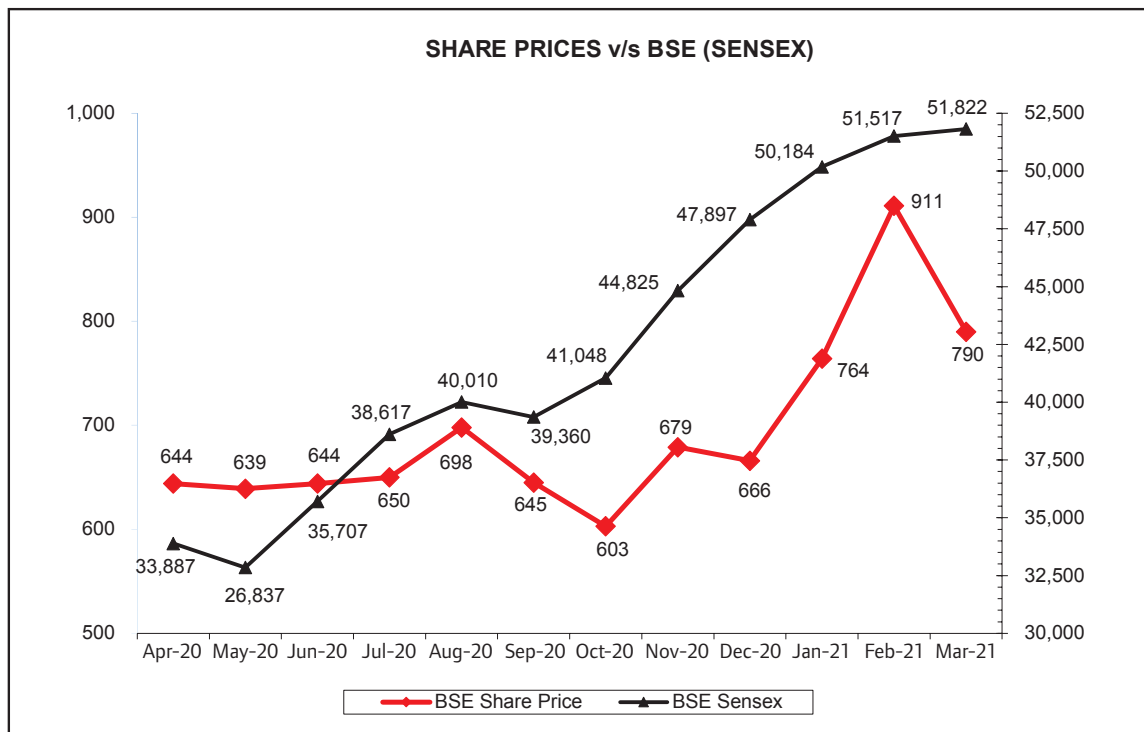
Financial Calendar	April 2021 to March 2022
(a) First Quarter Results	Second week of August 2021
(b) Second Quarter Results	Second week of November 2021
(c) Third Quarter Results	Second week of February 2022
(d) Results for the year ending March 2021	Last week of May 2022
Date of Book Closure	The Company's Register of Members and Share Transfer Books will remain closed for the purpose of 99th Annual General Meeting from August 10, 2021 to August 12, 2021 (Both days inclusive).
Dividend payment date	On or after September 7, 2021 (if approved in the ensuing Annual General Meeting)
Listed 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 2021 - 22 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 2020 to March 2021	

(in Rupees)

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
Apr-20	644	614	644	613
May-20	639	621	638	623
Jun-20	644	625	645	630
Jul-20	650	598	640	595
Aug-20	698	601	699	601
Sep-20	645	586	637	586
Oct-20	603	555	605	555
Nov-20	679	565	697	566
Dec-20	666	612	660	610
Jan-21	764	633	765	613
Feb-21	911	671	911	676
Mar-21	790	667	752	667

Securities of the Company listed on any stock exchanges have never been suspended from trading during the previous financial year 2020-21 under review.

Stock Performance in comparison to BSE Sensex:



Registrars & Share Transfer Agents

Name and Address

TSR Darashaw Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083
Telephone +91 22 6656 8484
Fax +91 22 6656 8494
E-mail csg-unit@tcplindia.co.in

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 of TSR Darashaw Consultants Private Limited during Monday to Friday 10.00 a m to 3.30 p m:

Place	Name and Address	Contact Person	Phone / Email
Bengaluru	TSR Darashaw Consultants Private Limited C/o. Mr. D. Nagendra Rao "Vaghdevi" 543/A, 7th Main 3rd Cross, Hanumanthnagar Bengaluru – 560019	Mr. Shivanand M.	Tel: +91-80-26509004 Email : tsrdlbang@tcplindia.co.in
Kolkata	TSR Darashaw Consultants Private Limited C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503, 5th Floor, 6, Brabourne Road, Kolkata – 700001	Mr. Rijit Mukherjee	Tel: +91-33-40081986 Email : tsrdlcal@tcplindia.co.in

Place	Name and Address	Contact Person	Phone / Email
New Delhi	TSR Darashaw Consultants Private Limited C/o Link Intime India Private Limited Noble Heights, 1st Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi – 110058	Mr. Shyamalendu Shome	Tel: +91-11-49411030 Email : tsrdldel@tcplindia.co.in
Jamshedpur	TSR Darashaw Consultants Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur - 831001	Mr. Subrata Das	Tel: +91-657-2426937 Email : tsrdljsr@tcplindia.co.in
Ahmedabad	TSR Darashaw Consultants Private Limited C/o Link India Intime Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge, Ahmedabad - 380006	Ms. Preeti Madhu	Tel: +91-79-26465179 Email : csg-unit@tcplindia.co.in

Share Transfer System:

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

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

Share transfers are registered by TSR Darashaw 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 7,701

Distribution of shares as on March 31, 2021

No. of equity shares held	No. of folios	%	No. of shares	%
Up to 5000	28,652	99.66%	4,405,558	13.96%
5001 – 10,000	51	0.18%	383,137	1.21%
10,001 – 20,000	23	0.08%	306,889	0.97%
20,001 – 30,000	3	0.01%	82,300	0.26%
30,001 – 40,000	4	0.01%	141,545	0.45%
40,001 – 50,000	5	0.02%	224,666	0.71%
50,001 – 100,000	3	0.01%	227,582	0.72%
100,001 and above	9	0.03%	25,796,323	81.72%
Total	28,750	100.00%	31,568,000	100.00%
No. of shareholders in physical mode	1,020	3.55%	216,405	0.69%
No. of shareholders in electronic mode	27,730	96.45%	31,351,595	99.31%

Shareholding pattern as on March 31, 2021 is as follows:

Category	No. of shares	%
Promoter and Promoter Group	23,676,000	75.00%
Foreign Portfolio Investor –Corp	28,219	0.09%
Non Resident Indians	105,459	0.33%
Insurance Companies	154,301	0.49%
Nationalized Banks And Other Banks	2,150	0.01%
Mutual Funds	1,796,240	5.69%
Domestic Companies	956,854	3.03%
Trusts	2,730	0.01%
Directors and their relatives	0	0.00%
IEPF Account	41,619	0.13%
General Public	4,804,428	15.22%
TOTAL	31,568,000	100.00%

Top ten equity shareholders of the Company as on March 31, 2021:

Serial No.	Name of Shareholder	No. of equity shares held	% holding
1	INGERSOLL-RAND INDUSTRIAL U S INC	23,360,000	74.00%
2	SBI LARGE & MIDCAP FUND	1,070,000	3.39%
3	PLUTUS WEALTH MANAGEMENT LLP	500,000	1.58%
4	INGERSOLL RAND INC.	316,000	1.00%
5	SBI CONTRA FUND	250,000	0.79%
6	GENERAL INSURANCE CORPORATION OF INDIA	154,251	0.49%
7	SBI INFRASTRUCTURE FUND	145,000	0.46%
8	ROHINI NILEKANI	106,000	0.34%
9	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	97,582	0.31%
10	NALINKANT CHATURBHUIJ ASHER	60,800	0.19%

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, 2021, 99.31 % 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

Commodity price risk or foreign exchange risk and hedging activities – NA

There were no credit ratings obtained by the entity along with any revisions thereto during the financial year 2020-21 either for any debt instruments, fixed deposit program 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 Statutory Auditor/Network entity	Fees paid during FY 2020-21			
	Audit Fees	Other Services	Reimbursement of expenses	Total
	(in Rupees Lakhs)			
B S R & Co. LLP Chartered Accountants (Statutory Auditor)	34.50	35.50	3.00	73.00
KPMG (Network Firm)	NIL	2.00	NIL	2.00

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. The report has been filed with the appropriate authority.

During the year under review, no complaint relating to sexual harassment has been received. There were no complaints disposed of during the financial year and no complaints pending as on the end of financial year.

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

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

There are no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10).

The company has complied with the Regulations 17 to 27 and Regulation 46(2)(b) to 46(2)(b) (i) of SEBI Listing Regulations.

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

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, 2021.

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

Annexure - F

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 (“the Company”) 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, 2020 to March 31, 2021. 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 to 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 : 19th May 2021

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835C000344073

Annexure - F

CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE

To,
The Members,
Ingersoll-Rand (India) Limited,
First Floor, Subramanya Arcade No. 12/1,
Bannerghatta Road, Bangalore – 560029,
Karnataka, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ingersoll-Rand (India) Limited**, having CIN L05190KA1921PLC036321 and having registered office at First Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bangalore – 560029, Karnataka, India (hereinafter referred to as “the Company”), produced before me, for the purpose of issuing this Certificate, in accordance with sub regulation (3) of Regulation 34 read with sub clause (i) of Clause 10 of Para-C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ending on 31st March 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Sl. No.	Name of the Director	Director Identification Number	Date of Appointment
01	Ms. Jayantika Dave	01585850	12.09.2014
02	Mr. Sekhar Natarajan	01031445	27.07.2016
03	Mr. Amar Kaul	07574081	05.08.2016
04	Ms. Vijaya Sampath	00641110	27.03.2019
05	Ms. Preeti Gupta Mohanty	08210994	10.02.2020
06	Mr. Naveen Samant	05127077	10.02.2020

Place : Bangalore
Date : 19th May 2021

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835C000344073

Annexure - G

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility (BRR) Report for the year ended March 31, 2021 follows National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs ('MCA') and is in accordance with Regulation 34(2)(f) of SEBI Listing Regulations. Through the Business Responsibility Report, the Company communicates its performance to all stakeholders and creates shareholder value. The nine guiding principles of the BRR cover all aspects which are of significance to business operations, governance and environment-friendly practices undertaken by the Company.

Section A: General information about the Company

1. Corporate Identity Number (CIN) of the Company: L05190KA1921PLC036321
2. Name of the Company: Ingersoll-Rand (India) Limited
3. Registered address : 1st Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bangalore - 560029 Karnataka
4. Website : www.irco.com
5. E-mail id : p_r_shubhakar@irco.com
6. Financial Year reported: 2020 -21
7. Sector(s) that the Company is engaged as per Industry Classification Code:

Group (as per National Industry Classification Code – Ministry of Statistics & Program Implementation)	Descriptions
28132	Manufacture of other pumps, compressors, taps and valves etc.
33200	Installation of industrial machinery and equipment.

8. The key products/services that your Company manufactures/provides (as per balance sheet) are:

Sr. No.	Product
1	Manufacturing of Air Compressors
2	Manufacturing of spare parts and components
3	Installation and commissioning
4	Manufacturing of air accessories

9. Total number of locations where business activity is undertaken by your Company

- a) Number of International Locations (Provide details of major 5) : Nil
- b) Number of National Locations : Manufacturing Facility 1
: Sales offices 6

10. Markets served by your Company – Local/State/National/International

Ingersoll Rand (India) Limited has a pan-India presence to serve markets within India, exports to USA & Europe and also serves markets in Bangladesh, Nepal and Sri Lanka.

Section B: Financial details of the Company

1. Paid up Capital Rs. 315.68 million
2. Total Turnover Rs. 5,588.57 million
3. Total profit after taxes Rs. 685.43 million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.00% of average net profits of the Company made during the three immediately preceding financial years.
5. List of activities in which expenditure in 4 above has been incurred as below:

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs Local Area	Amount spent on the projects or programs Direct expenditure on projects or programs overheads (INR Lakhs)	Amount spent: Direct or through implementing agency
1.	PM Cares: COVID-19 relief support	Healthcare	PAN India	100.00	Direct contribution
2.	Agastya International Foundation: Science Center at Govt. School	Education	Gurgaon, Haryana	22.26	Implementation agency/ NGO
3.	Foundation For Excellence: Scholarship Program	Education	Ahmedabad, Gujarat	13.20	Implementation agency/ NGO
4.	Akshaya Patra Foundation: Mid-day meal program	Eradicating Hunger	Ahmedabad, Gujarat	45.32	Implementation agency/ NGO
5.	Smile Foundation: Smile on Wheels- Healthcare van	Healthcare	Ahmedabad, Gujarat	10.70	Implementation agency/ NGO
6.	I am Gurgaon: ECO Restoration	Environmental Sustainability	Gurgaon, Haryana	58.34	Implementation agency/ NGO
			Total	249.82	

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies: No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No

Section D: BR Information

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies:
 - DIN: 07574081
 - Name: Mr. Amar Kaul
 - Designation: Chairman & Managing Director
 - Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	07574081
2.	Name	Mr. Amar Kaul
3.	Designation	Chairman & Managing Director
4.	Telephone number	91 124 6729000
5.	e-mail id	AKAUL@irco.com

2. Principle-wise (as per NVGs) BR Policy/policies

No	Question	P 1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies. The policies are in compliance with the applicable regulatory requirements and international Standards.								
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies are noted by the Board. The Board authorises Senior Officers of the Company to authenticate the policies and make appropriate changes whenever necessary.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes.								
6.	Indicate the link for the policy to be viewed online?	Following policies are available on the Company's internal network <ul style="list-style-type: none"> • Business process controls • Environment, health and safety (EHS) policy • Human resources policy Following policies/reports are available on the Company's website at www.irco.com <ul style="list-style-type: none"> • CSR policy • Whistle blower policy • Nomination and remuneration policy • Code of conduct • Dividend Distribution Policy • Policy on related party transactions 								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies are communicated to internal stakeholders and are available on the internal network. Policies applicable to external stakeholders are available on the Company's website.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes. There is an in-house structure with clearly defined roles and responsibilities that are periodically reviewed under the Internal Risk Management Framework								

No	Question	P 1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	<p>The 24/7 Customer Support Center is used as a platform for both internal and external grievance handling by employees, customers, suppliers and other stakeholders worldwide. Anyone can just drop a mail or call on the toll free number and it acts as a single point of contact for all queries and complaints. This is a robust customer support service with -</p> <ul style="list-style-type: none"> -90% of the calls answered within 15 seconds -Guaranteed response within one hour -100% of all inquiry / SR receive follow-up communication everyday -Average complaint closure tenure is 3.5 days which is Best In Class. <p>The Customer Support Center is used as a platform for external grievance handling by customers and channel partners. They can lodge grievance by just dropping a mail or call on the toll free number and it acts as a single point of contact for all queries and complaints. This is a robust customer support service with -</p> <ul style="list-style-type: none"> - 80% of the calls are being answered - 20% of the calls are being called back - Guaranteed response within one hour - 100% of all inquiry / SR receive follow-up communication everyday - Average complaint closure tenure is 8 days. <p>In terms of the provisions of Section 177(9) of the Companies Act, 2013, the Company has implemented a vigil mechanism which includes implementation of the whistleblower policy. No employee has been denied access to the Chairman of audit committee. The Company in conjunction with the Legal and Ethics Team of its ultimate holding company has informed its employees that any non-compliant behavior of directors or employees, including non-compliance of its code of conduct, may be reported by them using the ethics hotline or ethics email id.</p> <p>Apart from that, for employees, there is one more tool to share their queries on the intranet – 'Ask The Leadership Team' All the concerns reported on this are addressed through proper channels and if found to have merit, disciplinary action is taken.</p>								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No, your Company has not carried out independent audit of the policies. The Internal Audit team periodically looks at the implementation of the policies.								

a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) Not applicable as Ingersoll Rand has policies in place for all the 9 Principles

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR performance is reviewed 'Annually' by Chairman & Managing Director.

b) Does the Company publish a BR or a Sustainability Report? :

Ingersoll Rand (India) Limited does not publish BR or a Sustainability Report.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Ethics, transparency and accountability are the basic pillars on which the compliance eco-system of your Company is built. The policy relating to ethics, bribery and corruption cover the company and it extends to the Group/ Suppliers/ Contractors/NGOs

Ingersoll Rand is committed to winning business only on the merits, based on the value proposition of the Company's brands and the superiority of its product and service offerings. Therefore, consistent with our core values, the Company prohibits its Dealers & Business Partners from engaging in bribery, which also violates many Anti-Corruption and Bribery laws.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints have been received in the past financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a) For some rotary screw compressors frames are supplied with biodegradable lubricant patented as Ultra EL Coolant
- b) Variable frequency drive compressors have introduced with brand as Nirvana with HPM motor and inverter grade motor to help to save power
- c) Next Generation R series compressors are introduced which help to save power.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a) Ultra EL- Containing polyoxyalkylene glycol, a pentaerythritol ester and other components.
- b) Power savings up to 11% by using Nirvana (for 70%-30% duty cycle, 8000 hours)
- c) Next Generation R series compressors deliver 15% improved efficiency and 16% greater airflow capacity.
- d) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Customers using Next Generation R series compressors achieved power savings of 15% compared to standard compressor.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes

Ingersoll Rand's Business Partner Code of Conduct applies to all entities doing business with us and communicates our expectations that our Business Partners will practice the highest legal, moral, and ethical standards when conducting our affairs. This Code holds our Business Partners the same high standards to which we hold ourselves & is part of our standard PO Terms & conditions as well.

Ingersoll Rand's Business Partner Code of Conduct outlines our:

- Sustainability vision and core values
- Employee code of conduct linkage
- Expectation that business partners will address
 - legal requirements
 - anti-discrimination
 - wages and benefits
 - child & forced labor
 - freedom of association

- human rights
- health and safety environment
- antitrust and competition laws
- anti-corruption and bribery
- global trade compliance
- Commitment to Business Partners
- Process for resolving ethics issues

Each year, Ingersoll Rand surveys its supply base around key sustainability issues. While some questions may change from year to year, others remain the same – for example, we request that our suppliers reaffirm their adherence to our Business Partner Code of Conduct. This survey is a cornerstone of the Procurement response to the annual Dow Jones Sustainability Index submission from Ingersoll Rand, and allows us to better understand environmental and social risks within our supply base. We provide products and services that help customers reduce their energy use and greenhouse gas emissions, and therefore help minimize the effects of climate change. At the same time, we are working to reduce the energy footprint of our own operations

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes.

- a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

79% of our third party purchasing spend is through Local suppliers within India out of which approx. 40% is procured through MSME companies. Ingersoll Rand is committed to grow small & medium scale entrepreneur based companies subject to they qualifying and meeting our standards on QCD. Ingersoll Rand India reviews periodically and identify further opportunities to convert Import spend to Localization & also provide opportunities to small & medium scale suppliers to engage with our Engineering & design teams to derive product solutions which can help business mutually.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- (i) Ingersoll Rand has taken Initiatives to reduce water usage in manufacturing facility:

- a) At the plant, the testing water is sent back to the source after testing of machines. It's re-use of raw water
- b) Installed auto shut off taps to save water wastage.
- c) Reusing RO wastage water for cleaning utensil in canteen
- d) Attained 25% reduction in fresh water consumption by reuse of treated domestic water through process improvements and implementation of a Zero Liquid Discharge System.

- (ii) Installation of Solar Energy project at Naroda which helps the plant move its 50% energy requirement to renewable source with yearly reduction of carbon footprint by 980 tonnes which is equivalent of having 50000 trees absorbing the same in a year. Also savings in Electrical Energy by 10% through use of Variable Frequency Drive technology in HVAC and Plant Air Compressors.

- (iii) Ingersoll Rand has also taken Initiatives to reduce packing consumables (non-hazardous and plastic waste) in manufacturing facility by reduction of 3.7 tonnes of packaging waste and 1 ton of plastic waste through use of returnable pallets for components in a high volume line

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Your Company has 517 employees (excluding contractual) as on 31st March 2021.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

A total of 52 employees were hired on contractual basis during this period.

3. Please indicate the Number of permanent women employees.
39 Women Employees
4. Please indicate the Number of permanent employees with disabilities
None. But our Progressive, Diverse and Inclusive culture provides working opportunities to people from different backgrounds / abilities.
5. Do you have an employee association that is recognized by management?
Yes.
6. What percentage of your permanent employees is members of this recognized employee association?
All the Permanent Associates (hourly) of our manufacturing plant are members of this association and they are about 32% w.r.t the above mentioned total headcount.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	None	None
2.	Sexual harassment	None	None
3.	Discriminatory employment	None	None

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - a) Permanent Employees
 - b) Permanent Women Employees
 - c) Casual/Temporary/Contractual Employees

We have the frame work of 70:20:10 model for the employee development and these development needs are being identified during the objective setting of the year and PIP (performance improvement plan). In the addition to the induction training during the last year training was conducted on EHS and training was also conducted on competency development & career development by T&OD from 1st April 2020 to 31st March 2021.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?
Yes. Ingersoll Rand has mapped its internal and external stakeholders in a structured way and carries out engagements with our investors, employees, customers, suppliers, business partners, civil society organizations, etc. Ingersoll Rand identifies the interests of its internal stakeholders like employees through employee engagement surveys and other periodic worker settlement reviews. The external shareholders are mapped through various sales and marketing activities such as trade shows, customer contact programs, channel partner meets, trainings, technology days, etc. The company reaches out to the stakeholders at AGMs and press releases. Ingersoll Rand also commits to Government initiatives like Smart Cities, Make in India, Swachch Bharat. It participates in the events organized by trade associations and contributes by providing inputs when requested.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholder?
Mentioned in Principle-8
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
Mentioned in Principle-8

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Suppliers/Contractors/NGOs/Others?
Covers everybody
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
None

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Suppliers/Contractors/NGOs/others.
Ingersoll Rand has laid down Environment, Health and Safety standards that all plants & service sectors must adhere to. The company aims to achieve excellence level in environment sustainability, health management and best work place safety throughout the business.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
Ingersoll Rand advances the quality of life by creating comfortable, sustainable and efficient environments. Our people and our family of brands—work together to enhance the quality of life and our environment as well as increase productivity and efficiency. We are a global business committed to a world of sustainable progress and enduring results
3. Does the company identify and assess potential environmental risks? Y/N
At Ingersoll Rand we have great opportunities for growth through customer focused innovations that improve the quality of life and our environment, including many that advance sustainable business practices. We provide products and services that help customers reduce their energy use and greenhouse gas emissions, and therefore help minimize the effects of climate change. At the same time, we are working to reduce the energy footprint of our own operations. Ingersoll Rand has rolled out business operating standards that all plants must implement which has number of key EHS elements as mentioned below;
 - Must adhere local and legal requirement
 - Identification of environmental key challenges and its solution
 - Identification of EHS opportunity to grow sustainable environment
 - Adhere best work place safety practices
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
We don't have clean development Mechanism projects. But we strive for continual improvement in our products, services and processes, and in the value we provide to our customers, employees and the communities we serve. We embrace sustainability as a catalyst for business growth and innovation. Ingersoll Rand's Center for Energy Efficiency and Sustainability (CEES) works collaboratively with our businesses to address global issues that impact energy, food and water by providing sustainable solutions, product stewardship and supporting initiatives that deliver results
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
Ingersoll Rand commitment towards clean technology and energy efficiency is not limited to the design of new products but extends to the manufacturing plants as well.
This year we have taken additional initiative for improving energy efficiency & reduction of power consumption in manufacturing facility which help to reduce 3% power consumption in totality.
Initiatives to reduce energy in manufacturing facility.
 1. Installation of a 800kWp Solar Energy project at Naroda which helps the plant move its 50% energy requirement to renewable source with yearly reduction of carbon footprint by 980 tonnes which is equivalent of having 50000 trees absorbing the same in a year

-
2. Energy audit was conducted in Jan-2021 and the below actions are implemented in 2020-21 and other identified actions are planned in 2021-22 under A. (II). Overall savings of 10% electricity consumption basis absolute was achieved.
 - a) Use of Variable Frequency Drive technology in HVAC Chillers
 - b) Installation of variable frequency drive in plant air compressor
 - c) Drive to arrest leakages of compressed air in the plant
 - d) Replacement of paint booth conveyor for Small Reciprocating compressor line with focus to improve 10% energy consumption per machine produced
 3. IR Naroda factory complies Environmental and Occupational Health & Safety Management Systems in accordance with ISO 14001:2015 and ISO 45001:2018
 4. Attained 25% reduction in fresh water consumption by reuse of treated domestic water through process improvements and implementation of a Zero Liquid Discharge System
Initiatives to reduce water usage in manufacturing facility.
 - a. Installed auto shut off taps to save water wastage.
 - b. Reusing RO wastage water for cleaning utensil in canteen
 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
The company is in compliance with applicable pollution control laws & regulations.
 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
There was no show cause / legal notice received from CPCB/SPCB during the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - a) CII
 - b) American Chamber of Commerce
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
Yes, we participate in seminars, conferences organized by these associations and participate in memorandums submitted by industry association in matters like economics reforms, inclusive development, water, sustainable business etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
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.
Through our innovations and dedication to corporate citizenship and sustainability, we seek to create a positive impact on societies throughout the world. At Ingersoll Rand, we stand for the highest standards in ethical business practices and sound governance and this has helped us build trust with the society within which we operate. Ingersoll Rand has a long and proud history of supporting the good works of philanthropic organizations in the countries where it operates. Each year, Ingersoll Rand contributes both time and financial support to the communities in which we live and work. We will continue to align our philanthropy and community outreach efforts with our core business strengths.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Ingersoll Rand works with External NGO Partners to execute CSR project. As per our CSR policy, our initiatives focus on sustainability, providing education, healthcare & sanitation and livelihoods.

Promoting Science Education with Agastya Foundation from past seven years:

- Science Centre at Govt. Model Sanskriti Senior Secondary School, Sushant Lok, Gurgaon
- Mobile Science Lab in Gurgaon.

Healthcare with Smile Foundation:

- Treated a population of 15,800, including men, women and children, at Naroda, Gujarat
- Providing Mask to the patients carrying the symptoms of COVID 19

Meeting nutritional requirements and promoting education with Akshaya Patra:

- Supported children at schools in Ahmedabad, Gujarat by feeding wholesome and nutritious mid-day meals.

Promoting Education Foundation for Excellence

- Sponsorship for Engineering Students at Ahmedabad, Gujarat.

Support PM Cares for COVID Relief

- Contributed towards PM Cares Fund in this hour of India's battle against COVID-19 – PAN India.

3. Have you done any impact assessment of your initiative? Yes

Impact number below:

Agastya Science Centre: Our science centre in Gurgaon is in its eight year of inception and within the year has benefited over 2400 students and trained 40 teachers across 9 schools. The year, due to pandemic, all the classes were scheduled virtually for our student beneficiaries and was actively marked by multiple activities including virtual science fairs, virtual camps, low cost model marking, YIL (Young Instructor Leader), teacher training program etc.

Foundation for Excellence: Two year back Ingersoll Rand took a step further and supported 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.

Smile: The Smile on Wheels treated a population of 15,800, including men, women and children. Along with normal OPDs, the SoW team took many measures before and during the Lockdown phase.

Akshaya Patra: Ingersoll Rand continues to believe in supporting holistic growth and development of children who are the future of the country. In the sixth 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.

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.

Community Development: Ingersoll Rand took a further step towards adopting a land in Gurgaon, Haryana in a drive towards reforestation, restoration, increasing the green cover and reducing the pollution in the region.

Our project with lamGurgaon 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 forest area allocation by MCG (Municipal Corporation of Gurgaon) for the green movement.

Support PM Cares for COVID Relief As a responsible and committed corporate, we have always tried to support the right causes that directly impact people at large- it's important to come together and work with the government in its efforts to curtail Covid 19. Our donation towards PM cares will further aid the government in its immediate relief measures for the people in need.

PM cares Fund is a public charitable trust. It has been set up keeping in mind the need for having a dedicated fund with the primary objective of dealing with any kind of emergency or distress situation. The ongoing COVID-19 crisis calls for the entire nation to fight as one collective force, Ingersoll Rand has contributed towards PM Cares Fund in this hour of India's battle against COVID-19

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? No
 - The Company spent INR 249.82 lakhs during the year 2020-21
 - Details of projects: Refer Sl. No. 5 of Section B of this report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
 - Our vision is to advance the quality of life through our social commitments to help build healthy, sustainable, efficient and educated communities. Through our efforts, our mission is to create a meaningful difference in people's lives and help to create a positive impact on communities in India.
 - We continue to work towards building a sustainable society around us. We believe in collaborating with and converging the resources of the government, private sector, social enterprises and the communities through Public-Private-Partnership approach to deliver solutions that will improve lives.
 - We have a thorough process to identify and evaluate partners who will help us initiate implementation of our projects on ground to deliver a comprehensive solution to improve the living standards of the societies where Ingersoll Rand operates. We continue to use a robust process to evaluate and bring on board like-minded stakeholders who will partner with us in achieving our CSR goals through effective programs and implementation to have a lasting impact on the communities we work with.
 - Impact of our programs is given under Sl. No.3 above.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

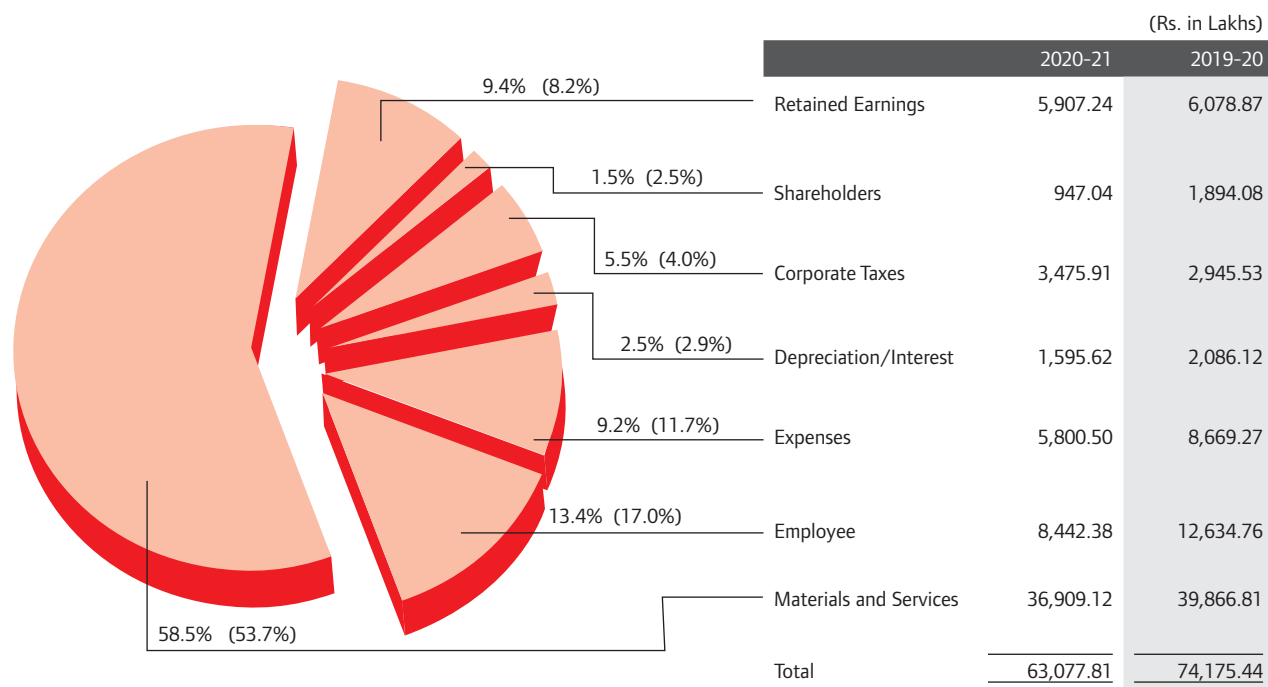
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
None
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
Yes. Ingersoll Rand adheres to all applicable laws and regulations on product labelling. Safety Marking & Operating Instructions (if applicable) are included in labeling. All products are branded with Ingersoll Rand logo. Product details (specifications etc.) are listed on the name plate
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
No.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
Yes. FY 2020-21 also saw a significant improvement in the CSI (Customer Satisfaction Index) for our distributors as well as direct customers. Continuous improvement in the areas of parts fulfillment, service response time is enabling positive customer feedback and satisfaction with our offerings and customer service levels.

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

Amar Kaul
Chairman & Managing Director
(DIN: 07574081)

Date: May 31, 2021
Place: Mashobra, Shimla

Distribution of Income

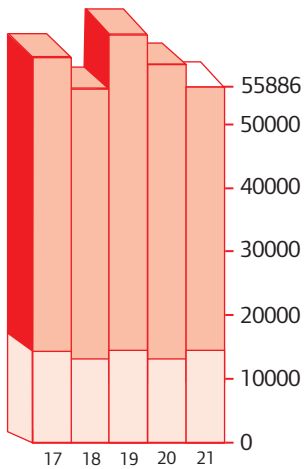
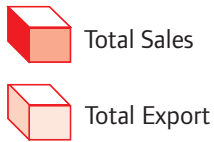


Ten years at a glance

	(Rs. in Lakhs)	2020-21	2019-20	2018-19
1. Sales		55,885.73	59,140.28	64,429.70
2. Other Income		7,192.08	15,035.16	12,870.18
3. Total Income		63,077.81	74,175.44	77,299.88
4. CAGR For Total Income (%)		-1.16%	-	-
5. Manufacturing and Other Expenses		50,704.20	60,684.97	63,368.74
6. Depreciation		1,426.45	1,826.11	1,137.34
7. Interest		169.17	260.01	49.01
8. Voluntary Retirement Compensation		11,756.64	12,744.59	13,872.76
9. Profit Before Depreciation & Income Tax		10,330.19	10,918.48	12,735.42
10. Profit Before Tax		3,475.91	2,945.53	4,648.40
11. Profit After Tax		6,854.28	7,972.95	8,087.02
12. CAGR For Profit After Tax (%)		-2.07%	-	-
13. Dividend		947.04	9,786.08	1,894.08
14. Dividend - Rs. per share		3.00	31.00	6.00
15. Fixed Assets (Net)		10,669.77	11,085.19	11,910.63
16. Current Assets, Financial Assets etc.		56,558.85	44,135.74	48,034.04
17. Total Assets		67,228.62	55,220.93	59,944.67
18. Share Capital		3,156.80	3,156.80	3,156.80
19. Market Price Per Share : 52 Weeks High & Low		H 911.15	H 729.85	H 914.90
(H - High ; L - Low)		L 555.40	L 569.00	L 472.35
20. Reserves and Surplus		41,910.48	34,956.11	38,698.97
21. Net Worth		45,067.28	38,112.91	41,855.77
22. Loans (Secured and Unsecured)		-	-	-

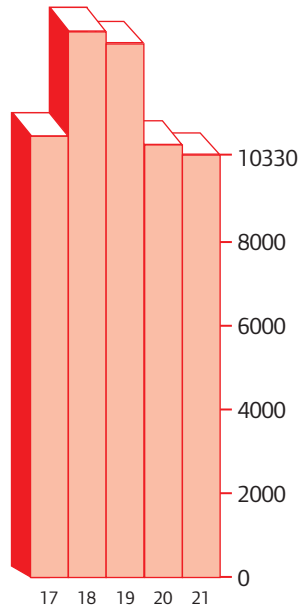
GROSS SALES

(in Rs. Lakhs)



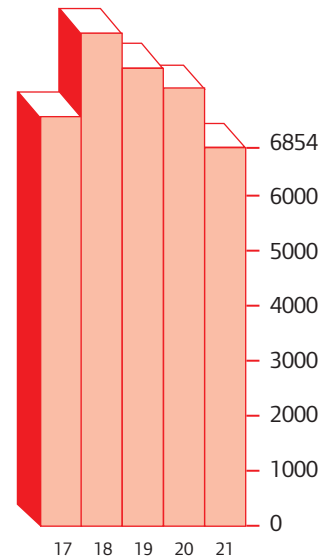
PROFIT BEFORE TAX

(in Rs. Lakhs)



PROFIT AFTER TAX

(in Rs. Lakhs)



	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	
	54,869.52	59,010.20	58,998.61	65,264.50	58,778.51	58,983.71	59,971.41	1.
	14,797.54	14,473.90	12,366.60	12,886.70	10,744.60	10,374.80	10,058.80	2.
	69,667.06	73,484.10	71,365.21	78,151.20	69,523.11	69,358.51	70,030.21	3.
	-	-	-	-	-	-	-	4.
	55,450.84	60,786.60	62,101.30	61,099.20	53,342.40	53,182.50	53,228.00	5.
	1,259.71	1,180.00	977.60	1,155.90	810.60	517.60	503.60	6.
	(208.02)	78.80	46.70	207.80	118.70	109.00	47.10	7.
	14,450.29	12,435.30	9,217.21	11,250.50	10,654.11	11,632.50	12,828.00	8.
	13,190.58	11,255.30	8,239.61	10,094.60	9,843.51	11,114.90	12,324.40	9.
	4,284.73	3,647.90	2,128.00	3,480.00	3,147.80	3,320.60	4,048.10	10.
	8,905.85	7,607.40	6,111.61	6,614.60	6,695.71	7,794.30	8,276.30	11.
	-	-	-	-	-	-	-	12.
	65,661.44	1,894.08	1,894.08	1,894.08	1,894.08	1,894.08	7,576.32	13.
	208.00	6.00	6.00	6.00	6.00	6.00	24.00	14.
	12,196.16	12,804.40	7,754.90	15,494.90	11,632.41	10,202.81	4,537.61	15.
	1,16,684.38	1,08,432.01	1,08,328.40	97,620.30	97,705.61	91,756.40	89,990.40	16.
	1,28,880.54	1,21,236.41	1,16,083.30	1,13,115.20	1,09,338.02	1,01,959.21	94,528.01	17.
	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	18.
	H 940.00	H 789.00	H 1,125.00	H 1,107.80	H 473.95	H 543.70	H 558.50	19.
	L 651.90	L 621.50	L 583.00	L 420.00	L 301.00	L 383.05	L 355.20	
	1,09,691.46	1,02,999.30	97,609.20	92,565.10	88,303.61	83,823.94	78,238.29	20.
	1,12,848.26	1,06,156.10	1,00,766.00	95,721.90	91,460.41	86,980.74	81,395.09	21.
	-	-	-	-	-	-	-	22.

Independent Auditors' Report

To the Members of Ingersoll-Rand (India) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Ingersoll-Rand (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 2021, 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 ongoing litigations with respect to corporate tax and indirect taxes. 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 records a provision or makes a contingent liability disclosure in the financial statements that reflects Management's best estimate of probable outcome based on the facts. Thus, there is a risk that the accruals for such tax litigations is not accounted properly or disclosures for contingent liabilities on tax litigation is not appropriately made in the financial statements.

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.

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.

Independent Auditors' Report (Contd.)

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, 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.

Independent Auditors' Report (Contd.)

- 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report (Contd.)

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 2021 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. Following are the instances of delay in transferring amounts, to the Investor Education and Protection Fund by the Company:

Amount (INR lacs)	Due date of payment	Actual date of payment	Delay in days
2.79	24-Aug-2020	24-Sep-2020	30 days

- 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 2021.

(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 Number.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 21063980AAAAGS5148

Place: Bengaluru
Date: 31 May 2021

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 2021, 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 loan, guarantee or security in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. 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 generally 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 2021 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 (Contd.)

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

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	278.96 (173.33)*	AY 2003-04 and AY 2005- 06	High Court of Karnataka
Income Tax Act, 1961	Tax/Interest	697.36	AY 2017-18	Commissioner of Income tax (Appeals), Bengaluru
Income Tax Act, 1961	Tax/Interest	436.95 (345.82)*	AY 2004-05 AY 2006- 07 AY 2007-08 AY 2009-10 and AY 2010-11	Assessing Officer- Income tax, Bengaluru
The Central Excise Act, 1944	Excise duty	67.06	2007-08	The Commissioner of Central Excise (Appeals), Bengaluru
The Central Excise Act, 1944	Excise duty	1,796.01	2008-2013 2013-2014	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad
The Finance Act, 1994	Service tax	612.79	2008-2016	CESTAT, Ahmedabad
The Finance Act, 1994	Service tax	181.75 (39.55)*	2008-2016	The Commissioner (Appeals) of Central Excise, Ahmedabad
The Finance Act, 1994	Service tax	124.01	2008-2016	Joint Commissioner of Central Excise, Ahmedabad
The Finance Act, 1994	Service tax	717.10 (33.12)*	2011-2016	The Commissioner of Central Excise, Ahmedabad
The Finance Act, 1994	Service tax	19.98	2015-2017	Assistant Commissioner Central Excise, Ahmedabad
The Finance Act, 1994	Service tax	1.57 (0.12)*	2015-2016	The Commissioner (Appeals) of Central Excise, Ahmedabad
The Central Sales Tax Act, 1956	Sales Tax	275.77 (175.34)*	2010-11 and 2011-12	The Gujarat Value Added Tax Tribunal, Ahmedabad
The Central Sales Tax Act, 1956	Sales Tax	301.23 (262.56)*	2015-16 and 2016-17	The Deputy Commissioner (Appeals), Ahmedabad
The Central Sales Tax Act, 1956	Sales Tax	5.42 (1.44)*	2005-2006	Maharashtra Sales Tax Tribunal

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

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

- (viii) According to the information and explanation given to us, the Company did not have any outstanding loans or borrowings from any financial institutions, banks, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 21063980AAAAGS5148

Place: Bengaluru
Date: 31 May 2021

Annexure B to the Independent Auditors' report on the Financial Statements of Ingersoll-Rand (India) Limited for the year ended 31 March 2021

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

(Referred to in paragraph 2(A)(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 2021 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 2021, 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 (Contd.)

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 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 Number.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 21063980AAAAGS5148

Place: Bengaluru
Date: 31 May 2021

Balance Sheet

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	As at	
		March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	10,224.36	10,930.53
Capital work-in-progress		412.11	113.52
Right-of-use assets	32B(b)	912.66	777.67
Intangible assets	4	33.30	41.14
Financial assets			
(i) Loans receivables	5.1	226.89	96.73
(ii) Other financial assets	5.5	142.04	114.29
Deferred tax assets (net)	6	111.95	-
Income tax assets (net)	9	1,569.03	2,181.96
Other non-current assets	7	546.39	503.88
Total non-current assets		14,178.73	14,759.72
Current assets			
Inventories	8	9,500.44	7,886.04
Financial assets			
(i) Loans receivables	5.1	21.86	378.08
(ii) Trade receivables	5.2	18,067.43	14,224.72
(iii) Cash and cash equivalents	5.3	22,916.73	15,844.87
(iv) Bank balances other than above	5.4	219.04	207.50
(v) Other financial assets	5.5	700.95	519.89
Other current assets	7	1,623.44	1,400.11
Total current assets		53,049.89	40,461.21
Total assets		67,228.62	55,220.93
Equity and Liabilities			
Equity			
Equity share capital	10.1	3,156.80	3,156.80
Other equity	10.2	41,910.48	34,956.11
Total equity		45,067.28	38,112.91
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings - lease liability	11.2	600.83	431.10
(ii) Other financial liabilities	11.1	-	-
Provisions	12	15.28	12.72
Employee benefit obligations	13	710.47	467.73
Deferred tax liabilities (net)	6	-	36.44
Other non-current liabilities	15	125.97	-
Total non-current liabilities		1,452.55	947.99
Current liabilities			
Financial liabilities			
(i) Borrowings - lease liability	11.2	353.32	362.09
(ii) Trade payables	14		
Total outstanding dues to micro enterprises and small enterprises		2,985.83	595.61
Total outstanding dues to creditors other than micro enterprises and small enterprises		11,254.69	10,782.31
(iii) Other financial liabilities	11.1	1,167.22	891.60
Provisions	12	521.59	575.10
Employee benefit obligations	13	617.59	434.71
Income tax liabilities (net)		142.64	-
Other current liabilities	15	3,665.91	2,518.61
Total current liabilities		20,708.79	16,160.03
Total liabilities		22,161.34	17,108.02
Total equity and liabilities		67,228.62	55,220.93

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: 31-May-2021

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Mashobra, Shimla
Date: 31-May-2021

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: 31-May-2021

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: 31-May-2021

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 31-May-2021

Statement of Profit and Loss

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	Year ended	
		March 31, 2021	March 31, 2020
Income			
Revenue from operations	16	61,772.96	70,562.26
Other income	17	1,304.85	3,613.18
Total income		<u>63,077.81</u>	<u>74,175.44</u>
Expenses			
Cost of materials consumed	18	35,301.06	38,521.66
Purchases of stock-in-trade		1,220.39	1,311.56
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	387.67	33.59
Employee benefits expense	20	8,442.38	12,634.76
Finance costs	23	169.17	260.01
Depreciation and amortisation expense	21	1,426.45	1,826.11
Other expenses	22	5,352.70	8,183.40
Total expenses		<u>52,299.82</u>	<u>62,771.09</u>
Profit before tax		10,777.99	11,404.35
Tax expenses			
Current tax		2,955.74	2,875.75
Deferred tax		(148.39)	178.07
Current tax relating to prior years (net)		735.30	(109.54)
Total tax expenses		<u>3,542.65</u>	<u>2,944.28</u>
Profit for the year		<u>7,235.34</u>	<u>8,460.07</u>
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
Gain/ (Loss) on remeasurements of defined benefit obligations		(265.18)	4.98
Gain/ (Loss) on actuarial valuation of Provident Fund Corpus and Interest		(182.62)	(490.85)
Income tax relating to this item credit/ (charge)		66.74	(1.25)
		<u>(381.06)</u>	<u>(487.12)</u>
Other comprehensive income, net of income tax		<u>(381.06)</u>	<u>(487.12)</u>
Total comprehensive income for the year		<u>6,854.28</u>	<u>7,972.95</u>
Earnings per equity share			
[Nominal value per share Rs.10 (March 31, 2020: Rs.10)]			
Basic and Diluted	26	22.92	26.80

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: 31-May-2021

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Mashobra, Shimla
Date: 31-May-2021

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: 31-May-2021

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: 31-May-2021

P. R. Shubhakar
Gen. Manager-Corp. Finance and Company Secretary
Place: Bengaluru
Date: 31-May-2021

Statement of Changes in Equity

(All amounts in Rupees Lakhs, unless otherwise stated)

	Amount
A. Equity share capital	
As at April 1, 2019	3,156.80
Changes in equity share capital	-
As at March 31, 2020	3,156.80
Changes in equity share capital	-
As at March 31, 2021	<u>3,156.80</u>

	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, 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	<u>30,301.90</u>	<u>4,854.45</u>	<u>367.65</u>	<u>(567.89)</u>	<u>34,956.11</u>
Profit for the year	-	7,235.34	-	-	7,235.34
Other comprehensive income	-	-	-	(381.06)	(381.06)
Total comprehensive income for the year	-	7,235.34	-	(381.06)	6,854.28
Dividends paid and tax thereon	-	-	-	-	-
Employee stock option compensation	-	-	461.25	-	461.25
Employee stock option compensation to be reimbursed to ultimate holding company	-	-	(361.16)	-	(361.16)
	-	-	100.09	-	100.09
Balance at March 31, 2021	<u>30,301.90</u>	<u>12,089.79</u>	<u>467.74</u>	<u>(948.95)</u>	<u>41,910.48</u>

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

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

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: 31-May-2021

for and on behalf of Board of Directors of
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P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 31-May-2021

Statement of Cash Flows

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
A. Cash flow from operating activities		
Profit before income tax	10,777.99	11,404.35
Adjustments for:		
Depreciation and amortisation expense	1,426.45	1,826.11
Interest expense (net)	169.17	260.01
Interest income	(507.91)	(893.71)
Net (gain)/ loss on disposal of property, plant and equipment	(4.56)	(174.29)
Employee share based payments expense	100.09	81.83
Unrealised foreign exchange (gain)/ loss	91.40	(129.84)
Change in operating assets and liabilities		
Changes in trade receivables	(3,893.82)	2,613.51
Changes in inventories	(1,614.40)	1,155.89
Changes in other financial assets	42.43	199.99
Changes in other non-current assets	(31.49)	(173.72)
Changes in other current assets	(223.33)	22.16
Changes in trade payables	2,822.31	(1,350.47)
Changes in provisions	(50.95)	(129.13)
Changes in employee benefit obligations	(22.18)	10.39
Changes in other financial liabilities	277.31	14.54
Changes in other current liabilities	1,034.55	(437.69)
Changes in other non-current liabilities	125.97	(114.18)
Cash generated from operations	10,519.03	14,185.75
Income taxes paid (net of refunds)	(2,868.73)	(3,240.77)
Net cash inflow from operating activities	7,650.30	10,944.98
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(668.30)	(635.96)
Proceeds from sale of property, plant and equipment	52.23	404.06
Proceeds from repayment of loans to fellow subsidiaries	-	5,206.25
Interest received	482.73	922.17
Net cash (outflow) / inflow from investing activities	(133.34)	5,896.52

Statement of Cash Flows (Contd.)

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
C. Cash flows from financing activities		
Dividends paid	-	(9,786.11)
Dividend distribution tax	-	(2,011.56)
Repayment of borrowings - lease liability	(388.68)	(516.50)
Interest paid	(56.42)	(192.16)
Net cash outflow from financing activities	(445.10)	(12,506.33)
Net Increase/ (decrease) in cash and cash equivalents	7,071.86	4,335.17
Cash and Cash equivalents at the beginning of the year	15,844.87	11,509.70
Cash and Cash equivalents at the end of the year	22,916.73	15,844.87
Cash and cash equivalents comprise of:		
Cheques on hand	-	12.29
Balances with banks (including demand deposits)	22,900.46	15,941.32
Effect of exchange differences on balances with banks in foreign currency	16.27	(108.74)
Total	22,916.73	15,844.87

Notes:

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2021 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: 31-May-2021

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Mashobra, Shimla
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Chief Financial Officer
Place: Gurugram
Date: 31-May-2021

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Director
DIN: 01031445
Place: Mumbai
Date: 31-May-2021

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 31-May-2021

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 May 31, 2021.

(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.

(vi) 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.

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

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

(b) Sale of services

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

Revenue from services are disclosed exclusive of tax.

(c) Business support and auxiliary services:

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

(d) Government grants - Export incentives:

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

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

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

(f) Use of significant judgements in revenue recognition

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

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

3.4 Income tax

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

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

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

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

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

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

3.5 Leases

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

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 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

(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 the statement of profit and loss during the reporting period in which they are incurred.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(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 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

The property, plant and equipment acquired under 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:

Expenditure on development is capitalised as intangible asset and depreciated in accordance with depreciation policy of the Company. 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

3.12 Intangible assets

Operating software is capitalised along with the related 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.

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 the statement of profit and 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 the statement of profit and 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.

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(All amounts in Rupees Lakhs, unless otherwise stated)

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.

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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 A. Share based payments - Executives

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.

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 estimated fair value of options granted, determined on the date of grant, is charged to statement of profit and loss on a graded basis over the vesting period of options.

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 statement of profit and loss, with a corresponding adjustment to equity.

B. Share based payments - All employees

Share-based compensation benefits are provided to all employees of the Company by the ultimate holding company in the form of restricted stock units (RSU) (equity settled transactions). The RSU will vest in equally over two years. Once they vest, each unit is converted into a share of stock. Ingersoll Rand Inc recharges the cost pertaining to the RSU issued to the employees of the Company.

The fair value of options granted by the ultimate holding company's share based compensation plan is recognised as an employee benefits expense with a corresponding increase in 'Other financial liabilities'. The estimated fair value of options granted, determined on the date of grant, is charged to statement of profit and loss on a graded basis over the vesting period of options. At the end of each period, the entity determines the fair value of options granted. It recognises the impact of the change in fair value, if any, in equity, with a corresponding adjustment to 'Other financial liabilities'.

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 equity, with a corresponding adjustment to 'Other financial liabilities'.

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

3.21 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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, 2020												
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	-
Opening gross carrying amount	-	-	-	279.41	155.80	14.29	17.67	-	96.53	138.19	701.89	47.03
Additions	-	-	-	(285.30)	(655.13)	(6.80)	(5.96)	(20.80)	-	(71.57)	(1,045.56)	-
Disposals / adjustments	-	-	-	5,223.30	1,117.85	1,723.80	372.14	10.52	318.11	320.32	15,841.21	47.03
Closing gross carrying amount	61.30	6,225.08	468.79	5,223.30	1,117.85	1,723.80	372.14	10.52	318.11	320.32	15,841.21	47.03
Accumulated depreciation	-	728.14	350.22	1,420.25	950.63	637.34	141.50	17.82	33.38	158.99	4,438.27	-
Opening accumulated depreciation	-	215.05	26.80	371.69	273.76	172.50	43.93	4.27	19.57	37.50	1,165.07	5.89
Depreciation charge during the year	-	-	-	(247.45)	(412.30)	(6.80)	(5.74)	(11.85)	-	(8.52)	(692.66)	-
Disposals / adjustments	-	943.19	377.02	1,544.49	812.09	803.04	179.69	10.24	52.95	187.97	4,910.68	5.89
Closing accumulated depreciation	-	943.19	377.02	1,544.49	812.09	803.04	179.69	10.24	52.95	187.97	4,910.68	5.89
Net carrying amount as at March 31, 2020	61.30	5,281.89	91.77	3,678.81	305.76	920.76	192.45	0.28	265.16	132.35	10,930.53	41.14
Year ended March 31, 2021												
Gross carrying amount	61.30	6,225.08	468.79	5,223.30	1,117.85	1,723.80	372.14	10.52	318.11	320.32	15,841.21	47.03
Opening gross carrying amount	-	0.97	-	254.12	30.39	28.00	8.58	-	23.41	-	345.47	-
Additions	-	-	(334.85)	(53.37)	(42.59)	-	(91.57)	-	(3.71)	(45.53)	(571.62)	-
Disposals / adjustments	-	-	-	5,424.05	1,105.65	1,751.80	289.15	10.52	337.81	274.79	15,615.06	47.03
Closing gross carrying amount	61.30	6,226.05	133.94	5,424.05	1,105.65	1,751.80	289.15	10.52	337.81	274.79	15,615.06	47.03
Accumulated depreciation	-	943.19	377.02	1,544.49	812.09	803.04	179.69	10.24	52.95	187.97	4,910.68	5.89
Opening accumulated depreciation	-	215.01	26.80	370.53	121.53	174.24	42.49	0.08	20.75	32.43	1,003.86	7.84
Depreciation charge during the year	-	-	(334.85)	(44.94)	(23.16)	-	(72.23)	-	(3.13)	(45.53)	(523.84)	-
Disposals / adjustments	-	1,158.20	68.97	1,870.08	910.46	977.28	149.95	10.32	70.57	174.87	5,390.70	13.73
Closing accumulated depreciation	-	1,158.20	68.97	1,870.08	910.46	977.28	149.95	10.32	70.57	174.87	5,390.70	13.73
Net carrying amount as at March 31, 2021	61.30	5,067.85	64.97	3,553.97	195.19	774.52	139.20	0.20	267.24	99.92	10,224.36	33.30

Notes:

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

	Plant and machinery	
	Year ended 31-Mar-21	Year ended 31-Mar-20
Gross carrying amount	250.39	253.78
Opening gross carrying amount	-	-
Additions	(17.61)	(3.39)
Disposals / adjustments	232.78	250.39
Closing gross carrying amount	250.39	253.78
Accumulated depreciation	197.88	192.19
Opening accumulated depreciation	2.75	7.22
Depreciation charge during the year	(17.61)	(1.53)
Disposals / adjustments	183.02	197.88
Closing accumulated depreciation	183.02	197.88
Net carrying amount	49.76	52.51

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

5 Financial assets

5.1 Loans receivable

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
Security and other deposits	21.86	226.89	378.08	96.73
Total loans and advances	21.86	226.89	378.08	96.73

5.2 Trade receivables

	As at	
	March 31, 2021	March 31, 2020
(Unsecured)		
Considered good		
Receivables from related parties (refer note 35)	5,544.60	3,120.39
Others	12,522.83	11,104.33
Considered doubtful		
Others	574.10	437.51
(Less): Allowance for doubtful receivables	(574.10)	(437.51)
Total receivables	18,067.43	14,224.72
Current portion	18,067.43	14,224.72

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, 2021	March 31, 2020
Balances with banks		
- in current accounts	344.13	449.24
- in Export Earners' Foreign Currency (EEFC) accounts	1,519.60	2,200.34
Deposits with original maturity of less than three months	21,053.00	13,183.00
Cheques on hand	-	12.29
Total cash and cash equivalents	22,916.73	15,844.87

5.4 Bank balances other than above

	As at	
	March 31, 2021	March 31, 2020
Unpaid dividend accounts	219.04	207.50
Total other bank balances	219.04	207.50

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

5.5 Other financial assets

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
From related parties (refer note 35)				
Other receivables	122.22	-	112.30	-
From others				
Unbilled revenues	148.23	-	155.77	-
Interest accrued on deposits with banks	47.93	-	22.75	-
Security and other deposits	382.57	142.04	229.07	114.29
Total other financial assets	<u>700.95</u>	<u>142.04</u>	<u>519.89</u>	<u>114.29</u>

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

	As at	
	March 31, 2021	March 31, 2020
The balance comprises temporary differences attributable to:		
(A) Deferred tax assets arising from:		
Allowance for doubtful debts: trade receivables, advances and other receivables	181.11	139.98
Provisions: Warranties, employee benefits expenses and other provisions	369.43	209.41
Others	10.44	29.58
Total deferred tax assets	<u>560.98</u>	<u>378.97</u>
(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	(449.03)	(415.41)
Total deferred tax (liabilities)	<u>(449.03)</u>	<u>(415.41)</u>
Net deferred tax assets / (liabilities)	<u>111.95</u>	<u>(36.44)</u>

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, 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)
(Charged)/ credited to profit or loss	(33.62)	160.02	41.13	(19.14)	148.39
As at March 31, 2021	<u>(449.03)</u>	<u>369.43</u>	<u>181.11</u>	<u>10.44</u>	<u>111.95</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

7 Other current and non-current assets

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	35.36	-	24.34
Balance with government authorities	549.93	-	494.96	-
Indirect taxes paid under protest (refer note 25(i))	-	511.03	-	479.54
Prepaid expenses	259.75	-	297.20	-
Advances to suppliers				
Considered good	667.35	-	382.15	-
Considered doubtful	24.80	-	26.23	-
(Less): Provision for doubtful advances	(24.80)	-	(26.23)	-
Export incentives receivable				
Considered good	146.41	-	225.80	-
Considered doubtful	120.70	-	92.44	-
(Less): Provision for doubtful export incentive receivables	(120.70)	-	(92.44)	-
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	1,623.44	546.39	1,400.11	503.88

8 Inventories

	As at	
	March 31, 2021	March 31, 2020
Raw materials	6,934.10	4,932.03
Work-in-progress	577.39	1,084.18
Finished goods	1,973.12	1,860.66
Traded goods	15.83	9.17
Total inventories	9,500.44	7,886.04
(a) Stock in transit (included above)		
Raw materials	1,302.73	997.52
Finished goods	747.55	81.22
Total stock in transit	2,050.28	1,078.74
(b) Details of inventories		
Work-in progress		
Air compressors	577.39	1,084.18
Total work-in progress	577.39	1,084.18
Finished goods		
Air compressors	1,973.12	1,860.66
Total finished goods	1,973.12	1,860.66

The total inventories are net of provision for obsolescence amounting to Rs.1,965.05 (March 31, 2020: Rs.1,844.02).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

9 Income tax assets (net)

	As at	
	March 31, 2021	March 31, 2020
Advance income tax and tax deducted at source, net	1,049.88	890.47
Income-tax paid under protest (refer note 25(i)(e))	519.15	1,291.49
	<u>1,569.03</u>	<u>2,181.96</u>

Transfer pricing:

The Finance Act, 2001, 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, 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, 2020, 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, 2021, 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, 2021, 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, 2019	320.00	3,200.00
Change during the year	-	-
As at March 31, 2020	<u>320.00</u>	<u>3,200.00</u>
Change during the year	-	-
As at March 31, 2021	<u>320.00</u>	<u>3,200.00</u>
(i) Movements in equity share capital		
As at April 1, 2019	315.68	3,156.80
Change during the year	-	-
As at March 31, 2020	<u>315.68</u>	<u>3,156.80</u>
Change during the year	-	-
As at March 31, 2021	<u>315.68</u>	<u>3,156.80</u>

The above includes 31,301,500 (March 31, 2020: 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(ii) **Terms and rights attached to equity shares**

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

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

	Amount as at	
	March 31, 2021	March 31, 2020
Ingersoll-Rand Inc., USA, the Ultimate holding company	31.60	-
Ingersoll-Rand Industrial US Inc., USA, the immediate holding company	2,336.00	2,336.00
Total	2,367.60	2,336.00

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

	As at	
	March 31, 2021	March 31, 2020
Number of Equity Shares:		
Ingersoll-Rand Industrial US Inc., USA, the immediate holding company	2,33,60,000	2,33,60,000
Percentage of holding	74%	74%

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

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

(vi) **Aggregate number of shares allotted as fully paid up by way of bonus shares/ pursuant to contract(s) without payment being received in cash:**

During the period of five years immediately preceding March 31, 2021, 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, 2021	March 31, 2020
General reserve	30,301.90	30,301.90
Retained earnings	11,140.84	4,286.56
Other reserves	467.74	367.65
Total other equity	41,910.48	34,956.11

(i) **General reserve**

	As at	
	March 31, 2021	March 31, 2020
Opening balance	30,301.90	30,301.90
Add: Change during the year	-	-
Closing balance	30,301.90	30,301.90

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(ii) Retained earnings

	As at	
	March 31, 2021	March 31, 2020
Opening balance	4,286.56	8,111.25
Net profit for the year	7,235.34	8,460.07
Items of other comprehensive income recognised directly in retained earnings - remeasurements of post-employment benefit obligations, net of tax	(381.06)	(487.12)
Dividends and tax thereon	-	(11,797.64)
Closing balance	11,140.84	4,286.56

(iii) Other reserves

	As at	
	March 31, 2021	March 31, 2020
Opening balance	367.65	285.82
Employee stock option compensation	461.25	81.83
Employee stock option compensation to be reimbursed to ultimate holding company	(361.16)	-
Closing balance	467.74	367.65

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 the ultimate holding company (Ingersoll Rand plc upto 29 February 2020 and Ingersoll Rand Inc., USA from 1 March 2020) Refer note 20(c).

11.1 Other financial liabilities

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unpaid dividends (refer note below)	225.41	-	213.29	-
Employee benefits payable	472.85	-	557.29	-
Employee share based payments expense to be reimbursed to ultimate holding company	361.16	-	-	-
Creditors for capital goods:				
- payable to related parties (refer note 35)	1.18	-	2.28	-
- payable to others	106.62	-	118.74	-
Total other financial liabilities	1,167.22	-	891.60	-

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

11.2 Borrowings - lease liability

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Borrowings - lease liability (refer note 32B(c))	353.32	600.83	362.09	431.10
	<u>353.32</u>	<u>600.83</u>	<u>362.09</u>	<u>431.10</u>

12 Provisions

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Litigations/ disputes	57.31	-	53.48	-
Warranties	214.28	15.28	260.89	12.72
Provision for sales tax	250.00	-	260.73	-
Total provisions	<u>521.59</u>	<u>15.28</u>	<u>575.10</u>	<u>12.72</u>

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, 2020	53.48	273.61	260.73
Charged/ (credited) to profit or loss:			
- additional provisions recognised / (written back)	3.83	145.80	(10.73)
- unwinding of discount	-	-	-
- amounts utilised	-	(189.85)	-
- amounts written back	-	-	-
As at March 31, 2021	<u>57.31</u>	<u>229.56</u>	<u>250.00</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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

13 Employee benefit obligations

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Compensated absences	360.37	-	335.03	-
Gratuity [refer note 20(a)]	257.22	-	76.56	-
Provident Fund trust [refer note 20(a)]	-	710.47	23.12	467.73
Total employee benefit obligations	617.59	710.47	434.71	467.73

14 Trade payables

	As at	
	March 31, 2021	
	Current	Non-current
Current:		
Total outstanding dues of micro enterprises and small enterprises (refer Note 29)	2,985.83	595.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	1,542.54	1,591.45
- Trade payables	6,610.60	6,992.89
- Trade payables to related parties (refer note 35)	3,101.55	2,197.97
Total trade payables	14,240.52	11,377.92

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

15 Other current and non-current liabilities

	As at			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Contract liabilities				
Income received in advance	1,568.56	125.97	1,075.31	-
Advance from customers	1,133.02	-	1,001.45	-
Statutory dues including provident fund and tax deducted at source	625.80	-	216.07	-
Others - Interest payable to MSMED (refer note 29)	338.53	-	225.78	-
Total other current liabilities	3,665.91	125.97	2,518.61	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

16 Revenue from operations

	Year ended	
	March 31, 2021	March 31, 2020
Sale of finished goods	55,885.73	59,140.28
Sale of services		
Installation, commissioning and maintenance	3,974.12	4,396.14
Business support and auxiliary services	916.72	5,995.52
Other operating revenue		
Recovery of freight, insurance and packing expenses	433.25	424.07
Export incentives	331.42	459.52
Sale of scrap	63.53	71.68
Lease rentals - equipment	168.19	75.05
Total revenue from operations	61,772.96	70,562.26

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 Industrial US Inc., USA are Rs.10,133.04 for the year ended 31 March 2021 (Ingersoll-Rand Company, USA for the year ended 31 March 2020 Rs.8,162.08) which contributes more than 10% of the Company total revenue

(c) Contract balances:

	As at	
	March 31, 2021	March 31, 2020
Trade receivables	18,067.43	14,224.72
Contract liabilities		
Income received in advance	1,694.53	1,075.31
Advance from customers	1,133.02	1,001.45

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

	Income received in advance	
	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	1,075.31	1,333.13
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(836.18)	(1,201.72)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	1,455.40	943.90
Translation exchange difference	-	-
Balance at the end of the year	1,694.53	1,075.31

	Advance from customers	
	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	1,001.45	705.48
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,001.45)	(705.48)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	1,133.02	1,001.45
Balance at the end of the year	1,133.02	1,001.45

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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, 2021 that have an original expected duration of one year or less, as allowed by Ind AS 115.

17 Other income

	Year ended	
	March 31, 2021	March 31, 2020
Interest Income on:		
Deposits with banks	498.05	814.84
Loans to fellow subsidiaries	-	78.87
Others	9.86	-
Recharge of expenses to fellow subsidiaries	467.29	1,280.28
Recharge of expenses to others	12.56	6.90
Sub lease rentals from office facilities	286.59	353.35
Net gain/ (loss) on disposal of property, plant and equipment	4.56	174.29
Unwinding of discount on security deposits	25.94	76.62
Consideration received for transfer of employees to fellow subsidiary	-	828.00
Miscellaneous	-	0.03
Total other income	1,304.85	3,613.18

18 Cost of materials consumed

	Year ended	
	March 31, 2021	March 31, 2020
Raw materials at the beginning of the year	4,932.03	6,054.33
Add: Purchases of raw materials	36,804.86	36,968.13
(Less): Raw materials at the end of the year	(6,934.10)	(4,932.03)
Cost of raw materials consumed during the year	34,802.79	38,090.43
Packing materials consumed	498.27	431.23
Total cost of materials consumed	35,301.06	38,521.66

Notes:

(i) Includes provision for inventory obsolescence Rs.121.03 (March 31, 2020: Rs.338.37).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	Year ended	
	March 31, 2021	March 31, 2020
(a) Opening inventories		
Work-in progress	1,084.18	471.52
Finished goods	1,860.66	2,503.92
Traded goods	9.17	12.16
Total opening balance	2,954.01	2,987.60
(b) Closing inventories		
Work-in progress	577.39	1,084.18
Finished goods	1,973.12	1,860.66
Traded goods	15.83	9.17
Total closing balance	2,566.34	2,954.01
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	387.67	33.59

20 Employee benefits expense

	Year ended	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	7,225.87	11,332.12
Post-employment benefits:		
Contribution to provident fund and other funds (refer notes below)		
Defined benefit plan	249.97	334.04
Defined contribution	122.06	157.00
Gratuity (refer notes below)	109.66	156.93
Compensated absences	75.16	190.10
Employee share based payments expense	461.25	81.83
Staff welfare expenses	198.41	382.74
Total employee benefits expense	8,442.38	12,634.76

(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" ('the 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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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, 2021	March 31, 2020	March 31, 2021		March 31, 2020		Total
			PF	Total	Interest Guarantee	PF Corpus	
Balance at the beginning of the year	1,948.07	2,029.86	9,246.28	9,246.28	18.26	7,743.10	7,761.36
Add: Current service cost	122.29	160.71	218.06	218.06	0.69	334.04	334.73
Add: Interest cost	122.25	146.99	539.49	539.49	1.37	679.96	681.33
Add: Actuarial (gain)/ loss - experience	121.46	(94.83)	122.49	122.49	2.81	1.19	4.00
Add: Actuarial (gain)/ loss - demographic assumptions	(1.87)	-	16.02	16.02	-	-	-
Add: Actuarial (gain)/ loss - financial assumptions	181.50	70.96	123.10	123.10	192.97	-	192.97
Add: Transfer in / (out)	-	(225.51)	-	-	-	-	-
Add: Employee contribution	-	-	800.64	800.64	-	1,487.15	1,487.15
(Less): Benefits paid directly by the Company	-	(4.82)	-	-	-	-	-
(Less): Benefits paid from plan assets	(134.61)	(135.29)	(2,906.15)	(2,906.15)	-	(1,215.26)	(1,215.26)
Balance at the end of the year	2,359.09	1,948.07	8,159.93	8,159.93	216.10	9,030.18	9,246.28

(ii) Change in plan assets

	Gratuity		Provident Fund				
	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		Total
			PF	Total	Interest Guarantee	PF Corpus	
Fair value of plan assets at the beginning of the year	1,871.51	1,933.03	8,755.41	8,755.41	150.14	7,743.10	7,893.24
Add: Interest income	134.88	150.76	507.60	507.60	11.26	679.96	691.22
Add: Contributions	200.00	150.00	212.97	212.97	-	334.04	334.04
Add: Return on plan assets greater/ (lesser) than discount rate	35.91	(18.89)	78.99	78.99	(161.41)	1.19	(160.22)
Add: Transfer in / (out)	(5.82)	(208.10)	-	-	-	(274.76)	(274.76)
Add: Employee contribution	-	-	800.64	800.64	-	1,487.15	1,487.15
(Less): Benefits paid	(134.61)	(135.29)	(2,906.15)	(2,906.15)	-	(1,215.26)	(1,215.26)
Balance at the end of the year	2,101.87	1,871.51	7,449.46	7,449.46	(0.01)	8,755.42	8,755.41
Actual return on plan assets (%)	6.50	7.50	8.50		8.50		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(iii) Assets and Liabilities recognised in the Balance Sheet

	Gratuity (#)		Provident Fund (#) (*)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	2,359.09	1,948.07	8,159.93	9,246.28
Less: Fair value of plan assets	2,101.87	1,871.51	7,449.46	8,755.41
Amounts recognised as liability/ (asset)	257.22	76.56	710.47	490.87
Recognised/ Disclosed under:				
Short term provision (refer note 13)	257.22	76.56	-	23.14
Long term provision (refer note 13)	-	-	710.47	467.73
Total	257.22	76.56	710.47	490.87

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

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

Reconciliation of Net Balance Sheet Position

	Gratuity		Provident Fund				
	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		Total
			PF	Total	Interest Guarantee	PF Corpus	
Net defined benefit asset/ (liability) at end of prior period	(76.56)	(96.83)	(490.86)	(490.86)	131.90	-	131.90
Less: Current service cost	(122.29)	(160.71)	(218.06)	(218.06)	(0.69)	(334.04)	(334.73)
Add: Net interest on net defined benefit (liability)/ asset	12.63	3.78	(31.90)	(31.90)	9.89	-	9.89
Add: Amount recognised in other comprehensive income	(265.18)	4.98	(182.62)	(182.62)	(357.19)	(274.77)	(631.96)
Add: Acquisition (cost)/ credit	(5.82)	17.40	-	-	-	-	-
Add: Contributions	200.00	150.00	212.97	212.97	-	334.04	334.04
Add: Benefits paid directly by the Company	-	4.82	-	-	-	-	-
Net defined benefit asset/ (liability) at end of the year	(257.22)	(76.56)	(710.47)	(710.47)	(216.09)	(274.77)	(490.86)

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

	Gratuity		Provident Fund				
	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		
			PF	Total	Interest Guarantee	PF Corpus	Total
Current service cost	122.29	160.71	218.06	218.06	0.69	1,821.19	1,821.88
Add: Net interest on net defined benefit liability/ (asset)	(12.63)	(3.78)	31.89	31.89	(9.89)	-	(9.89)
Add: Immediate recognition of (gains)/ losses - other long term employee benefit plans	-	-	-	-	-	-	-
(Less): Employee Contribution	-	-	-	-	-	(1,487.15)	(1,487.15)
Total expense/ (surplus) recognised in statement of profit or loss	109.66	156.93	249.95	249.95	(9.20)	334.04	324.84

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

Remeasurements

	Gratuity		Provident Fund				
	March 31, 2021	March 31, 2020	March 31, 2021		March 31, 2020		
			PF	Total	Interest Guarantee	PF Corpus	Total
(Gains)/ losses from experience assumptions	121.46	(94.83)	122.49	122.49	2.81	1.19	4.00
(Gains)/ losses from demographic and financial assumptions	179.63	70.96	139.12	139.12	192.97	-	192.97
Return on plan assets (greater)/less than discount rate	(35.91)	18.89	(78.99)	(78.99)	161.41	(1.19)	160.22
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	265.18	(4.98)	182.62	182.62	357.19	274.76	631.95

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

	Gratuity		Provident Fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash (including Special Deposits)	4.32%	1.49%	8.29%	6.21%
Government Securities	38.89%	35.92%	50.30%	50.80%
Corporate bonds	56.79%	62.59%	41.41%	42.99%
Others	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

- (vi) The weighted average duration of the defined benefit obligation is 8 years old (2020:9 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, 2021	305.33	280.14	1,003.98	1,453.72	3,043.17
March 31, 2020	280.81	288.67	814.88	1,234.85	2,619.21
Provident Fund					
March 31, 2021	1,113.79	784.53	2,449.12	3,083.94	7,431.38
March 31, 2020	1,723.83	1,115.13	2,339.10	2,466.22	7,644.28

- (vii) Significant Actuarial Assumptions

	Gratuity		Provident Fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate per annum	6.50%	6.50%	6.50%	6.50%
Expected rate of Return on Plan Assets	6.50%	6.50%	8.50%	8.50%
Expected salary increase per annum	(#)	(#)	(#)	(#)
Attrition rate	11.00%	12.50%	11.00%	12.50%

- (#) Hourly employees: 6% for three years and 5% thereafter, Others: 10% (2020: Hourly employees: 6% for three years and 5% thereafter, Others: 7.50%).

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Effect on DBO due to 1% increase in discount rate	(129.21)	(96.28)	-	-
Effect on DBO due to 1% decrease in discount rate	144.02	106.37	-	-
Effect on DBO due to 1% increase in salary escalation rate	122.30	100.64	-	-
Effect on DBO due to 1% decrease in salary escalation rate	(116.49)	(94.71)	-	-
Effect on DBO due to 1% increase in withdrawal rate	(7.82)	0.73	-	-
Effect on DBO due to 1% decrease in withdrawal rate	8.35	(0.88)	-	-
Effect on DBO due to 0.5% increase in Expected Return on Exempt Fund	-	-	(193.44)	(157.16)
Effect on DBO due to 0.5% decrease in Expected Return on Exempt Fund	-	-	263.78	255.39

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

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

	Year ended	
	March 31, 2021	March 31, 2020
Gratuity	260.00	100.00
Provident fund (including employees' contribution)	864.00	900.00

(b) Defined contribution plans

	Year ended	
	March 31, 2021	March 31, 2020
Amount recognised in the Statement of profit and loss		
(i) Provident fund paid to the authorities	42.37	40.64
(ii) Pension fund paid to the authorities	74.41	106.96
(iii) Others	5.28	9.40
	<u>122.06</u>	<u>157.00</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) Fund return risk : Lower the return on fund, higher the expected shortfall.
- (iii) Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.
- (iv) 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(v) 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.

(b) Provident fund

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

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

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

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

(c) 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 two to 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 Inc., USA, 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 four years of service from the grant date. Once vested, the options remain exercisable till ten years from the date of grant.

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 options granted under the plan:

Particulars	As at	
	March 31, 2021	March 31, 2020
	Number of options	Number of options
Opening balance	8,961	15,599
Fresh issue during Feb 2021 under 2017 plan	6,283	-
Exercised during the year (Note 1)	-	-
Related to employees of Climate ETC Technologies and Services Private Limited	-	(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	15,244	8,961

Note 1: There were no options exercised during the year 2020-2021.

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

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

Plan	Grant Date	Expiry date	Grant date fair value USD	Share options As at March 31, 2021	Share options As at March 31, 2020
2017 plan	01-Mar-20	29-Feb-24	24.87	6,190	6,190
2017 plan	25-Mar-20	24-Mar-24	24.87	2,771	2,771
2017 plan	23-Feb-21	22-Feb-25	45.58	6,283	-
				15,244	8,961

Weighted average remaining contractual life of options outstanding at the end of period

9.33 years

10 years

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2021 was USD 24.77 per option (March 31, 2020: USD 10.16). 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

	As at	
	March 31, 2021	March 31, 2020
Grant date	23-Feb-21	01/25-Mar-20
Expiry date	22-Feb-25	01/25-Mar-23
Share price at grant date (USD)	45.58	32.80
Expected price volatility of the company's shares	24.6% - 41.1%	24.8% - 31.8%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	0.4% - 1.5%	1.7% - 2.6%

B Restricted stock units - Executives

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	29.31	6,373	31.78	2,211
Granted during the year	33.40	2,469	27.82	-
Related to employees of Climate ETC Technologies and Services Private Limited	-	-	-	(500)
Related to New IR employees which are already vested as on 29 Feb 2020	-	-	-	(355)
Redeemed during FY 20-21	45.18	(1,318)	-	(1,356)
Reissued during March 2020 under 2017 plan	-	-	29.31	5,300
Fresh issue in March 2020 under 2017 plan	-	-	-	1,073
Closing balance		7,524		6,373

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

Plan	Grant Date	Expiry date	Grant date fair value USD	Share options As at March 31, 2021	Share options As at March 31, 2020
2017 plan	01-Mar-20	29-Feb-24	29.31	4,356	5,300
2017 plan	25-Mar-20	24-Mar-24	29.31	805	1,073
2017 plan	23-Feb-21	22-Feb-25	45.58	2,363	-
				<u>7,524</u>	<u>6,373</u>

Weighted average remaining contractual life of RSUs outstanding at the end of period 9.2 years 10 years

The model inputs for options granted during the year ended March 31, 2021 are listed below.

	As at	
	March 31, 2021	March 31, 2020
Grant date	23-Feb-21	25-Mar-20
Expiry date	22-Feb-25	24-Mar-24
Share price at grant date (USD)	45.58	29.31
Expected price volatility of the company's shares	24.6% - 41.1%	24.8% - 31.8%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	0.4% - 1.5%	1.7% - 2.6%

C Restricted stock units - All employees

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	-	-	-	-
Granted during the year	34.71	46,048	-	-
Exercised during the year	-	-	-	-
Forfeited during the year due to termination of employment	-	(557)	-	-
Closing balance		<u>45,491</u>		<u>-</u>

Note 1: No RSUs exercised during the year ended March 31, 2021 (March 31, 2020: Not applicable).

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

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

Plan	Grant Date	Expiry date	Grant date fair value USD	RSU's as at March 31, 2021	RSU's as at March 31, 2020
2017 plan	20-Aug-20	20-Aug-22	34.71	45,491	-
				<u>45,491</u>	<u>-</u>

Weighted average remaining contractual life of RSUs outstanding at the end of period 1.39 years -

The model inputs for options granted during the year ended March 31, 2021 are listed below.

	As at	
	March 31, 2021	March 31, 2020
Grant date	20-Aug-20	-
Expiry date	20-Aug-22	-
Share price at grant date (USD)	34.71	-
Expected price volatility of the company's shares	24.6% - 41.1%	-
Expected dividend yield	0.00%	-
Risk-free interest rate	0.4% - 1.5%	-

D Expenses arising from share-based payment transactions

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

	Year ended	
	March 31, 2021	March 31, 2020
Employee option plan	59.79	21.08
Restricted stock units - Executives	40.30	60.75
Restricted stock units - All employees	361.16	-
Total	<u>461.25</u>	<u>81.83</u>

21 Depreciation and amortisation expense

	Year ended	
	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	1,003.86	1,165.07
Amortisation of right-of-use assets [refer note 32B(b)]	414.75	655.15
Amortisation on intangible assets	7.84	5.89
Total depreciation and amortisation expense	<u>1,426.45</u>	<u>1,826.11</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses

	Year ended	
	March 31, 2021	March 31, 2020
Rent (refer note 32)	71.19	143.19
Rates and taxes	60.53	210.00
Insurance	238.13	182.45
Power and fuel	259.72	448.51
Repairs and maintenance:		
Buildings	80.96	142.09
Plant and machinery	181.24	184.77
Others	1.56	2.34
Engineering services - product design, development, etc.	9.00	83.89
Information technology infrastructure	148.63	433.01
Cost contribution (Management fees) (refer note 35)	-	984.46
Royalty expenses (refer note 35)	567.09	-
Directors commission	36.00	42.00
Communication	130.05	254.81
Travel and conveyance	344.29	1,147.71
Freight, insurance and handling	731.74	586.32
Dealer commission	123.44	105.06
Advertising	-	5.55
Warranty	145.80	293.69
Legal and professional fees	515.58	930.09
Contractor charges	638.87	826.85
Net foreign exchange (gain)/ loss	43.28	(256.84)
Net (gain) / loss on disposal of property, plant and equipment	-	-
Provision/ (write back) for doubtful debts (net)	136.59	115.08
Provision for doubtful advances (net)	26.83	(24.64)
Bad debts written off	0.73	168.95
Payments to auditors:		
Statutory audit fees	34.50	26.50
Tax audit fees	2.50	2.50
Limited reviews	33.00	33.00
Certification fees	-	1.00
Out of pocket expenses	3.00	3.00
Expenditure towards Corporate Social Responsibility (CSR) activities [refer note (a) below]	249.82	250.77
Miscellaneous expenses	538.63	857.29
Total other expenses	5,352.70	8,183.40

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses (Contd.)

	Year ended	
	March 31, 2021	March 31, 2020
Notes:		
(a) CSR expenditure:		
Gross amount required to be spent by the Company during the year	249.82	250.77
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	249.82	250.77
Yet to be paid in cash	-	-
	<u>249.82</u>	<u>250.77</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, 2021	March 31, 2020
Interest expense on lease liability [refer note 32B(c)]	56.42	192.16
Others (Including writeback of provision for Interest on MSMED)	112.75	67.85
Total finance costs	<u>169.17</u>	<u>260.01</u>

24 Tax expenses

	Year ended	
	March 31, 2021	March 31, 2020
(a) Tax expenses		
Current tax		
Current tax on profits for the year	2,955.74	2,875.75
Adjustments for current tax of prior periods	735.30	(109.54)
Total current tax expense	<u>3,691.04</u>	<u>2,766.21</u>
Deferred tax		
Decrease/ (increase) in deferred tax assets	(182.01)	263.16
(Decrease)/ increase in deferred tax liabilities	33.62	(85.09)
Total deferred tax expense/(benefit)	<u>(148.39)</u>	<u>178.07</u>
Tax expenses	<u>3,542.65</u>	<u>2,944.28</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	Year ended	
	March 31, 2021	March 31, 2020
Profit before tax expense	10,777.99	11,404.35
Tax at the Indian tax rate of 25.17% (2019-20: 25.17%)	<u>2,712.60</u>	<u>2,870.25</u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable Income:		
Expenditure towards Corporate Social Responsibility (CSR) activities	62.87	31.56
Employee share-based payments expense	25.19	20.59
Finance costs	42.58	65.78
Effect of change in tax rate on closing balance of net deferred tax asset	-	39.62
Reversal of earlier year Sales tax provision	(38.73)	-
Adjustments for tax of prior periods	735.30	(109.54)
Other items	2.84	26.02
Tax expenses	<u>3,542.65</u>	<u>2,944.28</u>

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 previous financial year. Accordingly the Company recognised provision for income tax and remeasured its deferred tax assets (net) basis the tax rate prescribed in the aforesaid section.

25 Contingent liabilities

(to the extent not provided for)

	As at	
	March 31, 2021	March 31, 2020
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts [Claims filed against the Company by customers/ vendors/ employees claiming damages for non-performance of contractual obligation/ defective supply of products/ termination of employment, which is disputed by the Company and the matters are lying under appeal with various forums]	106.01	154.49
(b) Value added tax/ Sales tax matters in dispute [Relates to demand on account of non-submission of statutory forms to the department substantiating the levy of concessional tax rate to customers. In connection with a dispute, the Company has furnished a Bank guarantee of Rs.372.30 (March 31, 2020: Rs.372.30)]. The Company has paid Rs.439.34 (March 31, 2020: Rs.437.90) 'under protest' to the relevant statutory authorities this regard].	380.17	558.38
(c) Central excise matters in dispute [Relates to adjustment on account of levy of additional duty and related demands made by the Excise department / Service tax department, which is disputed by the Company and are lying under appeal with various forums. The Company has paid Rs.Nil (March 31, 2020: Rs.Nil) 'under protest' to the relevant statutory authorities in this regard].	1,863.07	1,863.07

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

25 Contingent liabilities (Contd.)

	As at	
	March 31, 2021	March 31, 2020
(d) Service tax matters in dispute [Relates to demand on account of input credits denied by the Service tax department, which is disputed by the Company and the matter is lying under appeal with the various forums. The Company has paid Rs.72.79 (March 31, 2020: Rs.41.64) 'under protest' to the relevant statutory authorities in this regard].	1,657.20	1,711.17
(e) Income tax matters [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 2010-11 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.519.15 (March 31, 2020: Rs.1,291.49) 'under protest' to the relevant statutory authorities in this regard].	1,233.19	2,805.03
(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.	4,624.14	4,981.51
(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	176.68	171.76
Note: Refer note 32 for disclosure relating to lease commitment		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

26 Earnings per share

	Year ended	
	March 31, 2021	March 31, 2020
(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	22.92	26.80
(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:	7,235.34	8,460.07
(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	3,15,68,000	3,15,68,000

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, 2021 and March 31, 2020. 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, 2021			
Financial assets			
Trade receivables	18,744.50	(677.07)	18,067.43
Total	<u>18,744.50</u>	<u>(677.07)</u>	<u>18,067.43</u>
Financial liabilities			
Trade payables	14,917.59	(677.07)	14,240.52
Total	<u>14,917.59</u>	<u>(677.07)</u>	<u>14,240.52</u>
March 31, 2020			
Financial assets			
Trade receivables	14,616.64	(391.92)	14,224.72
Total	<u>14,616.64</u>	<u>(391.92)</u>	<u>14,224.72</u>
Financial liabilities			
Trade payables	11,769.84	(391.92)	11,377.92
Total	<u>11,769.84</u>	<u>(391.92)</u>	<u>11,377.92</u>

Offsetting arrangements

Trade receivables and payables:

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

28 Fair value measurements

	As at	
	March 31, 2021 Amortised cost	March 31, 2020 Amortised cost
Financial instruments by category		
Financial assets		
Loans - Non current	226.89	96.73
Trade receivables	18,067.43	14,224.72
Cash and cash equivalents	22,916.73	15,844.87
Other bank balances	219.04	207.50
Loans - Current	21.86	378.08
Other financial assets - Current	700.95	519.89
Other financial assets - Non Current	142.04	114.29
Total financial assets	42,294.94	31,386.08
Financial liabilities		
Borrowings - lease liability	954.15	793.19
Other financial liabilities	1,167.22	891.60
Trade payables	14,240.52	11,377.92
Total financial liabilities	16,361.89	13,062.71

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 2021 and 31 March 2020 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, 2021 Current	March 31, 2020 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	2,985.83	595.61
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end for the year	0.39	3.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	8,423.73	7,353.81
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	137.57	101.14
Further interest remaining due and payable for earlier years	200.57	121.46
The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the letters circularised by the Company.		

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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, security deposits carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

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

A : High quality assets, negligible credit risk.

B : Low quality assets, high credit risk.

C : Doubtful assets, credit-impaired.

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

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

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

(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
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Year ended March 31, 2021

Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased since its initial recognition	Loans	A	248.75	0%	-	248.75
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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
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Expected credit loss for trade receivables under simplified approach.

Customer category	Public sector undertaking	Direct customers	Related Parties	Distributors	Total
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Year ended As at March 31, 2021

Gross carrying amount	2,676.51	6,293.95	5,544.60	4,126.47	18,641.53
Expected loss rate	16.09%	2.22%	0.00%	0.09%	3.08%
Expected credit loss (loss allowance provision)	430.78	139.53	-	3.79	574.10
Carrying amount of trade receivables (net of impairment)	2,245.73	6,154.42	5,544.60	4,122.68	18,067.43

Year ended As at March 31, 2020

Gross carrying amount	2,455.30	6,183.50	3,120.39	2,903.04	14,662.23
Expected loss rate	11.95%	2.30%	0.00%	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	6,041.47	3,120.39	2,900.86	14,224.72

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

Reconciliation of loss allowance provision - Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening provision for loss allowance	437.51	322.43
Add: Additional provision	137.32	284.03
Less: Utilisation/ (reversal)	(0.73)	(168.95)
Closing provision	574.10	437.51

B Liquidity risk

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

Maturities of financial liabilities:

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2021			
Borrowings - lease liability (refer note 32B(c))	353.32	600.83	954.15
Trade payables	14,240.52	-	14,240.52
Other financial liabilities	1,167.22	-	1,167.22
Total	15,761.06	600.83	16,361.89
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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

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, 2021		As at March 31, 2020	
		Foreign currency	Indian rupees	Foreign currency	Indian rupees
Financial assets					
Trade receivables	USD	75.20	5,499.55	41.98	3,162.67
Trade receivables	EUR	0.01	0.80	0.00	0.09
Bank balance (EEFC)	USD	20.78	1,519.60	29.21	2,200.34
Financial liabilities					
Trade payables	USD	56.07	4,100.98	35.77	2,694.78
Trade payables	EUR	6.57	563.61	1.83	151.73
Trade payables	JPY	18.07	11.94	54.00	37.83
Trade payables	GBP	0.01	1.08	0.08	7.93

Sensitivity

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

Sensitivity on profit after tax	Year ended	
	March 31, 2021	March 31, 2020
USD sensitivity		
INR/ USD - Increase by 1% (March 31, 2020: 1%)	10.47	3.50
INR/ USD - Decrease by 1% (March 31, 2020: 1%)	(10.47)	(3.50)
EUR sensitivity		
INR/ EUR - Increase by 1% (March 31, 2020: 1%)	(4.21)	(1.13)
INR/ EUR - Decrease by 1% (March 31, 2020: 1%)	4.21	1.13

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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, 2021	March 31, 2020
(i) Equity shares		
(a) Interim dividend for the financial year 2020-21 of Rs.Nil (March 31, 2020: Rs. 3.00) per fully paid equity share	-	947.04
(b) The directors have declared a special dividend of Rs.Nil (March 31, 2020: Rs.25) 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.3 per fully paid equity share (March 31, 2020: Rs.Nil). 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.

Rental expenses relating to operating leases:

	As at	
	March 31, 2021	March 31, 2020
Total rental expense relating to short term operating leases	71.19	143.19
Minimum lease payments in relation to short term operating lease	72.50	54.46

Commitments for minimum lease payments in relation to short term operating leases are payable as follows:

	As at	
	March 31, 2021	March 31, 2020
Within one year	17.88	105.74
Later than one but not later than five years	41.28	12.90
Later than five years	-	-
	<u>59.16</u>	<u>118.64</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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	March 31, 2021	March 31, 2020
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	
	March 31, 2021	March 31, 2020
i. Opening Balance	777.67	-
ii. Addition on adoption of Ind AS 116	-	2,079.46
iii. Additions to right of use asset	555.37	867.41
iv. Amortisation for the year	(414.75)	(655.15)
v. De-recognition of right of use assets	(481.05)	(1,802.54)
vi. Accumulated depreciation on "v" above	475.42	288.49
vii. Closing Balance	912.66	777.67

(c) Lease liabilities

Maturity analysis – contractual discounted cash flows Carrying amount

	Contractual cash flows			
	Carrying amount	0-1 years	1-5 years	5 years and above
March 31, 2021				
Lease liabilities - current	353.32	353.32	-	-
Lease liabilities - non current	600.83	-	600.83	-
March 31, 2020				
Lease liabilities - current	362.09	362.09	-	-
Lease liabilities - non current	431.10	-	431.10	-

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

	Buildings	
	March 31, 2021	March 31, 2020
i. Opening Balance	793.19	-
ii. Addition on adoption of Ind AS 116	-	2,086.78
iii. Additions	555.37	867.41
iv. Finance cost accrued during the period	56.42	192.16
v. De-recognition	(5.73)	(1,644.50)
vi. Payment of lease liabilities	(445.10)	(708.66)
vii. Closing Balance	954.15	793.19

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

Particulars	information	
	March 31, 2021	March 31, 2020
Revenue		
India	47,558.17	51,962.76
Outside India		
United States	11,049.76	15,499.17
Ireland	1,765.23	1,395.78
Bangladesh	-	630.37
Srilanka	825.08	647.02
Singapore	186.73	292.68
France	147.59	-
Others	240.40	134.48
	<u>61,772.96</u>	<u>70,562.26</u>
Non-Current assets (excluding deferred tax assets)		
India	14,066.78	14,759.72
Outside India	-	-
	<u>14,066.78</u>	<u>14,759.72</u>

Major customer

Revenue from one customer i.e. Ingersoll-Rand Industrial US Inc., USA are Rs.10,133.04 for the year ended 31 March 2021 (Ingersoll-Rand Company, USA for the FY 2019-20: Rs.8,162.08) which contributes more than 10% of the Company total revenue

34 Events occurring after the reporting period

On 31 May 2021, the Board of Directors of the Company has proposed a final dividend of Rs.3 per fully paid equity share. The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions:

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest	
			March 31, 2021	March 31, 2020
Ingersoll-Rand plc.	Ultimate holding company (upto 29-Feb-2020)	Ireland	-	-
Ingersoll-Rand Company	Immediate holding company (upto 19-Nov-2019)	USA	-	-
Ingersoll-Rand Inc.	Ultimate holding company (w.e.f. 01-Mar-2020)	USA	1%	-
Ingersoll-Rand Industrial US Inc.	Immediate holding company (w.e.f. 20-Nov-2019)	USA	74%	74%

(b) Key management personnel compensation

	Year ended	
	March 31, 2021	March 31, 2020
Salaries and other employee benefits	389.08	303.96
Contribution to provident fund	10.79	11.16
Employee share-based payment (Refer note 2 under (e) below)	255.58	30.90
Total compensation	655.45	346.02

(c) Transactions with related parties

	March 31, 2021		Year ended		
	Holding company	Fellow subsidiaries	March 31, 2020		
			Holding company (Upto 19 Nov 2019)	Holding company (From 20 Nov 2019)	Fellow subsidiaries
Sales and purchases of goods and services					
Sale of finished goods	10,133.04	2,317.74	6,239.10	1,392.31	3,674.34
Business support and auxiliary services	916.72	-	-	169.42	5,826.10
Recovery of freight, insurance and packing expenses	-	31.94	-	-	11.58
Purchase of raw materials, components and traded goods	-	7,877.42	-	-	9,390.09
Other transactions					
Recharge of expenses	21.41	445.88	-	-	1,280.28
Sale of property, plant and equipment	19.43	-	-	-	402.00
Consideration received for transfer of employees to fellow subsidiary	-	-	-	-	828.00
Recharge of salary	-	-	-	-	9.40
Recharge of expenses in IT infrastructure	51.47	-	-	-	-
Rent received	181.50	121.59	-	-	336.85
Purchase of property, plant and equipment	-	17.03	-	-	16.68
Expenses recharged by other companies:					
(i) Cost contribution (Management fees)	-	-	626.72	-	357.74
(ii) Royalty expenses	-	567.09	-	-	-
(iii) Professional fees	-	288.90	-	-	448.28

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions: (Contd.)

(c) Transactions with related parties (Contd.)

	March 31, 2021		Year ended		
	Holding company	Fellow subsidiaries	Holding company (Upto 19 Nov 2019)	Holding company (From 20 Nov 2019)	Fellow subsidiaries
(iv) Travel	-	-	-	-	4.51
(v) IT infrastructure	-	-	47.78	-	10.28
(vi) Salary	-	-	-	-	4.60
(vii) Staff welfare	-	-	13.66	-	2.24
(viii) Repairs and maintenance - plant & machinery	-	5.87	-	-	18.26
(ix) Contractor charges	-	-	-	-	1.08
(x) R&D expenses	-	0.26	-	-	7.04
(xi) Other miscellaneous expenses	-	121.28	9.56	-	110.25
Interest income on intercorporate loans given	-	-	-	-	78.87
Dividend paid	-	-	1,401.60	5,840.00	-
Repayment of loan given	-	-	-	-	5,206.25

	Year ended	
	March 31, 2021	March 31, 2020
Contributions made to gratuity fund	200.00	150.00
Contributions made to provident fund	212.97	334.04
Employee share based payments expense to be reimbursed to ultimate holding company	361.16	-

(d) Balances with related parties

	As at	
	March 31, 2021	March 31, 2020
The following balances are outstanding at the end of the reporting period in relation with transactions with related parties:		
Ultimate holding company		
Other financial liabilities	361.16	-
Holding company		
Trade receivables	4,877.53	2,988.34
Trade payables	1.05	7.89
Other receivables	21.61	-
Fellow subsidiaries		
Trade receivables	667.07	132.05
Other receivables	100.61	112.30
Unbilled revenues	-	-
Trade payables	3,100.58	2,190.08
Creditors for capital goods	1.10	2.28

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions: (Contd.)

(e) Remuneration paid to key management personnel

	Year ended	
	March 31, 2021	March 31, 2020
Remuneration Paid:		
Amar Kaul, Chairman and Managing Director		
Salaries and other employee benefits	270.64	212.54
Contribution to provident fund	6.46	7.69
Employee share-based payment (Refer note 2 below)	255.58	30.90
Vikas Goel, CFO (Upto 19-July-2019)		
Salaries and other employee benefits	-	35.95
Contribution to provident fund	-	1.36
Employee share-based payment	-	-
Preeti Mohanty, CFO (From 01-October-2019)		
Salaries and other employee benefits	118.44	55.47
Contribution to provident fund	4.33	2.11
Employee share-based payment	-	-
Total compensation	655.45	346.02

Note 1: The above does not include provision for gratuity and compensated absences that are calculated for the Company as a whole.

Note 2: Employee share-based payment represents cash disbursement made directly by ultimate holding company for options / RSUs exercised during the year. These include options / RSUs vested prior to 01 April 2015. The Company had exercised the option under Ind AS 101 - First-time Adoption of Indian Accounting Standards not to measure cost of the options / RSUs vested prior to 01 April 2015 (date of transition to Ind AS).

(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, 2021	March 31, 2020
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
-Ingersoll-Rand Industrial Ireland Limited, Ireland	1,733.30	106.92
-Ingersoll Rand Air Solutions Hibon SARL, France	147.59	55.85
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	160.44	196.63
(b) Business support and auxiliary services		
-Trane U.S. Inc, USA (upto 29-Feb-2020)	-	5,775.35
(c) Recovery of freight, insurance and packing expenses		
-Ingersoll-Rand International Limited, Ireland (upto 29-Feb-2020)	-	9.75
-Ingersoll-Rand Industrial Ireland Limited, Ireland	31.93	1.67
(d) Purchase of raw materials, components and traded goods		
-Ingersoll-Rand International Limited, Ireland (upto 29-Feb-2020)	-	6,500.92
-Ingersoll-Rand Industrial Ireland Limited, Ireland	4,901.60	930.39
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	2,268.93	1,592.18

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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, 2021	March 31, 2020
Other transactions		
(a) Recharge of expenses to fellow subsidiaries		
-Ingersoll-Rand Technologies and Services Private Limited, India	418.56	663.09
-Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	510.97
-Climate ETC Technology Services Pvt Ltd, India (Upto 29-Feb-2020)	-	75.55
-Ingersoll-Rand International (India) Private Limited, India	27.32	30.67
(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
(e) Rent received		
-Ingersoll-Rand Technologies and Services Private Limited, India	114.25	55.45
-Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	280.17
(f) Purchase of property, plant and equipment		
-Ingersoll-Rand Technologies and Services Private Limited, India	17.03	16.06
(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	110.06	160.37
-Ingersoll-Rand International (India) Private Limited, India	288.90	390.75
(h) Interest income on intercorporate loans given		
-Ingersoll-Rand Climate Solutions Private Limited, India (Upto 29-Feb-2020)	-	78.87
(i) Contributions made to gratuity fund		
-Ingersoll-Rand Employees Gratuity Trust, India	200.00	150.00
(j) Contributions made to provident fund		
-Ingersoll-Rand Employees Provident Fund Trust, India	212.97	334.04
(k) Repayment of loan given		
-Ingersoll-Rand Climate Solutions Private Limited, India (up to 29-feb -2020)	-	5,206.25

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	As at	
	March 31, 2021	March 31, 2020
Balances with related parties:		
(a) Trade receivables		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	410.37	109.04
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	69.71	11.40
(b) Other receivables		
-Ingersoll-Rand Technologies and Services Private Limited, India	94.06	104.96
(c) Trade payables		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	1,191.24	1,515.33
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	893.16	490.99
-Ingersoll-Rand Global Ventures, LLC, USA	445.28	-
(d) Creditors for capital goods		
-Ingersoll-Rand Technologies and Services Private Limited, India	1.10	2.28

(g) Terms and conditions

- (1) Transaction relating to dividends was on the same terms and conditions that applied to other shareholders.
- (2) Management services were bought from the immediate holding company and fellow subsidiaries on a cost to cost basis.
- (3) Export of IT services to immediate holding company is on cost-plus basis.
- (4) All transactions including sale of goods were made on normal commercial terms and conditions and at arm's length price.
- (5) All outstanding balances are unsecured and are repayable in cash.

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 2021.

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.

The above balance sheet 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: 31-May-2021

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

Amar Kaul
Chairman and Managing Director
DIN: 07574081
Place: Mashobra, Shimla
Date: 31-May-2021

Preeti Mohanty
Chief Financial Officer
Place: Gurugram
Date: 31-May-2021

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: 31-May-2021

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 31-May-2021



**Ingersoll - Rand (India) Limited
First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Road,
Bangalore - 560029**