

CENTURY OF COMMITMENT AND COUNTING...



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-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
Ms. Preeti Mohanty	Executive Director and CFO
Mr. Naveen Samant	
Ms. Jayantika Dave	
Mr. Sekhar Natarajan	
Ms. Vijaya Sampath	

OFFICER

Mr. Inder Arora	Manager under Companies Act, 2013
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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 Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083.

CHAIRMAN'S MESSAGE

Amar Kaul

Chairman, Ingersoll-Rand (India) Limited



Dear Shareholders,

2021 was a year to acknowledge and feel proud of our 100 years journey and accomplishments with our purpose – *Lean On Us to Help You Make Life Better.*

We are celebrating our 100 years in India with our focus on continuous innovation and deployment of advancing technologies across industrial air compressors of various capacities and related services, as well as complete machines and spare parts. During our journey, we always have been focused on understanding the market, providing quality products and being futuristic in our customer commitment. We'll continue our promise, ensure to make our customers successful, and help make life better of communities where we operate. Things have changed over 100 years, but what remains consistent is our history of innovation and sustainability. As a stronger company, we deliver more sustainable products, solutions and services, and we continue to build a great future and culture in the company.



As we close another year of pursuing excellence while driving sustainable innovation, I would like to express my gratitude to our employees who, 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 2022-23 and beyond. Together, we are confident of achieving new milestones while being committed to reduce the carbon footprint.

Poised for Sustainable Growth

Our portfolio transformation aligns with global megatrends: digitization, sustainability, energy efficiency, and quality of life. These megatrends are expected to have meaningful growth, and we're capitalizing on them through our own organic growth enablers: demand generation, Industrial Internet of Things (IIoT) and product and service innovation. Also, we share our pride in our employees, customers and shareholder achievements. As a stronger company, we deliver more sustainable products, solutions and services.

We have transformed our product and services portfolio, becoming more focused on sustainable end markets to meet customer needs by adding and launching 5 new products to portfolio for industries like Air Separation, Hospital, Pharma, F&B. With our 'made in India' products through numerous channel partners, Ingersoll Rand has helped mission critical industries gain better efficiencies, even during the lockdown phase.

The opportunity to help customers is extraordinary. Ingersoll Rand provides IOT enabled products through Helix and iConn, expanding channel footprint and other industry-leading efficiency products that enable customers to reduce the energy costs from air



compressors up to 50% and air treatment solutions, or dryers, up to an incredible 90%.

We have also launched our solar plant at Naroda, Gujarat manufacturing facility aiming to accelerate our sustainability commitment and reducing dependence on conventional energy by almost 40% with almost 1800 solar panels' installation at the facility totaling capacity of 800 kWp.

Impact Begins with our Employees

Ingersoll Rand employees are the foundation of our success. We commit to core values that foster a culture that celebrates diversity, equity and inclusion, and promotes an ownership mindset.



Our employee engagement efforts produced substantive progress in 2021. In our last engagement survey, all of our questions scored above the manufacturing benchmark collected by our engagement survey partner.

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. Our teams collaborate and brainstorm together to meet our goals.

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. We prioritize the integration of sustainability principles into every product, innovation we design, including a

robust governance model and a focus on fostering social and environmental improvement in our communities.

Looking Ahead: 2022 and Beyond

In the pages of this report, you'll witness the pride of our progress and our excitement for the future — I want to extend a sincere thank you to all of our employees. We believe the unique IR culture, differentiated with an ownership mindset, will accelerate execution and performance in 2022 and beyond.

Sincerely,

Amar Kaul
Chairman



100 years celebration



Leaders with Centrifugal Air Compressor at 100 years celebration

Highlights of the Year

	2021-22		2020-21	
Domestic Sales	Rs.	65,135.91 lakhs	Rs.	42,587.67 lakhs
Export Sales	Rs.	18,660.86 lakhs	Rs.	13,298.06 lakhs
Sale of Services	Rs.	5,893.77 lakhs	Rs.	4,890.34 lakhs
Other Revenue from Operations	Rs.	1,301.39 lakhs	Rs.	996.39 lakhs
Total Revenue from Operations	Rs.	90,991.93 lakhs	Rs.	61,772.46 lakhs
Profit before tax	Rs.	15,277.99 lakhs	Rs.	10,330.19 lakhs
As a % of revenue from operations		16.79		16.72
Profit after tax	Rs.	11,437.80 lakhs	Rs.	6,854.28 lakhs
As a % of revenue from operations		12.57		11.10
Return on total resources (%)		13.33		10.20
Net worth per share	Rs.	174.82	Rs.	142.76
Earnings per share	Rs.	34.89	Rs.	22.92
Price earnings ratio		50.09 times		39.75 times
Dividend per share (excl. special dividend)	Rs.	20.00	Rs.	3.00
Cover		1.7 times		7.6 times
Net revenue from operations/total assets		1.1 times		0.9 times
Profit after tax/gross fixed assets (%)		66.71		42.64
No. of employees		536		517
No. of shareholders		33,568		28,750

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)	18,61,744	5.90%
Bodies Corporate & Trusts	13,66,939	4.33%
Directors and their relatives	-	0.00%
Others	46,63,317	14.77%
Total	3,15,68,000	100.00%

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Notice

Notice is hereby given that the 100th Annual General Meeting of Ingersoll – Rand (India) Limited (the “Company”) will be held on Wednesday, August 10, 2022 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 conformity with the regulatory provisions and the Circulars issued by Ministry of Corporate Affairs, Government of India 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, 2022 and Statement of Profit and Loss for the financial year ended on March 31, 2022 together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of Rs. 20 per equity share of Rs. 10 each for the financial year ended on March 31, 2022.
3. To appoint a Director in place of Mr. Amar Kaul (DIN: 07574081), who retires by rotation and, being eligible, offers himself for reappointment.

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

RESOLVED THAT in supersession of the resolution passed at the 99th Annual General Meeting held on September 2, 2021 appointing Mr. Amar Kaul as Managing Director of the Company for a period of 5 years with effect from August 5, 2021 and whose office as Director was subject to retirement by rotation and Mr. Amar Kaul having resigned as Managing Director with effect from close of business hours on October 14, 2021 and is continuing as a Non-Executive Director and Mr. Amar Kaul being eligible for appointment as a Director and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of directors, consent of the Members of the Company be and is hereby accorded as per the provisions of Section 152 of the Companies Act, 2013 and Article 131 of the Articles of Association of the Company for the appointment of Mr. Amar Kaul (DIN: 07574081) as a Non-Executive Director of the Company liable to retire by rotation.

4. To appoint Statutory Auditors 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 0080725), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of this 100th Annual General Meeting until the conclusion of the 105th Annual General Meeting of the Company to be held in the year 2027.

RESOLVED FURTHER THAT the Audit Committee and/or the Board of Directors be and are hereby authorized to decide and finalize the terms and conditions of appointment, including remuneration of the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorised to do all such acts, deeds, matters or things as may be deemed necessary, proper or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for implementing and giving effect to this resolution and for matters connected therewith or incidental thereto.

SPECIAL BUSINESS

5. To appoint Mr. Inder Arora as Manager 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 recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and 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

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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, and subject to other sanctions/approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for the appointment Mr. Inder Arora as Manager under the provisions of the Act for a period of 5 (five) consecutive years with effect from October 15, 2021 up to October 14, 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 office, Mr. Inder Arora 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 subject to receipt of requisite 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. Inder Arora 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 or things as may be considered necessary, proper and expedient to give effect to this resolution.

6. To ratify the remuneration to the Cost Auditors of the Company for Financial Year 2022 - 23

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 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, 2023 be paid Rs. 2,50,000/- (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 is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters or 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. 19/2021, 02/2022 and other circulars issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the 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 the 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 (the "Act").
4. **IN TERMS OF THE CIRCULARS, THE AGM IS BEING HELD THROUGH VC/OAVM AND PHYSICAL ATTENDANCE OF MEMBERS 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 100TH AGM OF THE COMPANY (THE NOTICE).**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, corporate members are

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- 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 evoting@irco.com with a copy marked to evoting@nsdl.co.in
5. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to e-vote during the AGM.
 6. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, setting out the material facts in respect of Item Nos. 3, 4, 5 and 6 above and the relevant details of the Director seeking reappointment under Item No. 3 above as required under Regulation 26 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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.
 7. Dispatch of Annual Report through E-mail:

In compliance with the Circulars, 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, 2022, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agents (the RTA), i.e. TSR 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, 2022 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>
 8. 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 24 (I) (C) below. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis.
 9. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary instructions are given in the subsequent paragraphs. Such remote e-voting facility is in addition to e-voting that will take place during the 100th AGM being held through VC/OAVM.
 10. 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.
 11. The Register of Members and the Share Transfer Books of the Company will remain closed from July 12, 2022 to July 14, 2022, both days inclusive, for the purpose of payment of dividend, if declared at this AGM.
 12. The Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended on March 31, 2022, if declared at this AGM, will be paid :
 - (i) in respect of shares held in electronic form on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL), as at the end of business on July 11, 2022;
 - (ii) in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrars and Share Transfer Agents on or before July 11, 2022. The Company will dispatch the demand drafts towards dividend on August 18, 2022.
 13. 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)

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and passed on to the Company by such DPs would be printed on the demand drafts 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.

14. 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.

15. Transfer of Unclaimed or Unpaid dividend to the Investor Education and Protection Fund (IEPF)

(i) Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF 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 Act and IEPF 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 2014-15	October 28, 2022	September 23, 2022
Interim Dividend for the financial year 2015-16	December 9, 2022	November 5, 2022

(ii) Members are requested to ensure that they claim the dividends relating to above financial year(s) before these are transferred to the said IEPF. 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 demand drafts.

(iii) During the financial year 2021-22, the Company has transferred unclaimed dividend and the corresponding shares thereto to IEPF as follows:

Particulars	Amount of dividend (Rs)	No. of equity shares
Final dividend for the financial year 2013-14	296,901	1,493
Interim dividend for the financial year 2014-15	328,191	1,237

(iv) The dividend and shares transferred to the IEPF can be claimed by the shareholders from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

16. 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 income 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 Consultants Private Limited (in case of shares held in physical mode) and with their respective 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 July 15, 2022. 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.

17. 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.

18. 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

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other document that may be required to avail the tax treaty benefits by sending an email to Pramod.hegde@irco.com. The previously mentioned declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 15, 2022.

19. 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 soft copy of the TDS certificate at the members registered email id in due course, post payment of the said dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their income tax e-filing account.
20. Pursuant to Section 72 of the Act, 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.
21. 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.
22. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to Pramod.hegde@irco.com before 5.00 PM (IST) on August 8, 2022 so that the information required may be made available at the AGM, to the best extent possible.

23. 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 given below and forms part of this Notice.

24. 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 SEBI 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

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take utmost care to keep your password confidential as Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

- vii. Select "EVEN" of Ingersoll-Rand (India) Limited i.e. 120322
- 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 7, 2022 to 5.00 P.M. (IST) on August 9, 2022.
- 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 cast 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 during 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. 120322 will be displayed. Please note that the

Notice

- 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 Sunday, August 7, 2022 (9.00 am IST) and ends on Tuesday, August 9, 2022 (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 3, 2022, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for remote voting after August 9, 2022 (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 3, 2022 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 or e-voting at the AGM.
 - VIII. A person who is not a Member as on the cut-off date i.e. August 3, 2022 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 3, 2022.
 - 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, and send it forthwith to the Chairman of the Company or a person authorized by him.

Notice

- 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.
25. 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) on August 8, 2022 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 1, 2022 (9.00 AM IST) to Tuesday, August 9, 2022 (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.
26. 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.
27. 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 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 30, 2022

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

Annexure to the Notice

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

Item No. 3

Mr. Amar Kaul (DIN: 07574081) was originally appointed as Managing Director of your Company on August 05, 2016 for term a of five years. Upon completion of his term, he was re-appointed as Managing Director, retireable by rotation, at the previous Annual General Meeting held on September 2, 2021 for another term of five years effective August 5, 2021. Upon taking up a global role within Ingersoll Rand group as Vice President and General Manager, ITS MEIA and Global High Pressure business, Mr. Amar Kaul resigned as Managing Director of the Company effective close of business hours on October 14, 2021 and continued to serve as Non-Executive Director on the Board. Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board re-designated him as Non-Executive Director cum Chairman of the Board effective October 15, 2021. In accordance with Section 152 of the Act, Mr. Amar Kaul retires by rotation at the ensuing Annual General Meeting to be held on August 10, 2022. He being eligible for re-appointment has provided his consent to the Board.

The information regarding Mr. Amar Kaul, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed at the end of the notice.

None of the Directors or Key Managerial Personnel and/or their relatives, except Mr. Amar Kaul, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the notice.

The Board recommends the resolution set forth in item no. 3 of the Notice for approval by the Members.

Item No. 4:

M/s. BSR & Co LLP, Chartered Accountants [Firm Registration No. 101248W/W-100022] (“BSR”) has completed their term as Statutory Auditors. The Board of Directors has recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants [Firm Registration No. 008072S] (“DHS”) as Statutory Auditors of the Company for a period of five years, commencing from the conclusion of 100th Annual General Meeting till the conclusion of 105th Annual General Meeting, subject to approval of the members.

DHS have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have

further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under provisions of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- A. Proposed fees payable to statutory auditors: Rs. 67.98 lakhs plus applicable taxes and reimbursement of travelling and other out of pocket expenses actually incurred by them in connection with the audit of accounts of the Company for each of financial years 2022-23, 2023-24 and 2024-25. The Audit Committee and/or the Board of Directors be authorized to decide and finalize the fee for the balance two years of the tenure.
- B. Terms of appointment: First term of five consecutive years as statutory auditors of the Company from the conclusion of 100th Annual General Meeting up to the conclusion of the 105th Annual General Meeting to carry out Limited Review of the Unaudited Financial Results of the Company, Audit of the Financial Statements and Annual Financial Results of the Company and Tax Audit under the Income Tax Act, 1961. All other terms of appointment shall be as per Letter of Engagement to be signed.
- C. In case of new auditor, any material change in the fees payable to such auditor from that paid to the outgoing auditor along with the rationale for such change: There is no material change. The fees paid to BSR is Rs. 70 lakhs excluding out of pocket expenses and the proposed fee to DHS is Rs. 67.98 lakhs excluding out of pocket expenses.
- D. Basis of recommendation for appointment: The Audit Committee have evaluated different audit firms and considered various evaluation criteria like experience, expertise, capability of handling diverse & complex business landscape, clientele served, geographical presence, usage of technology, transition experience, independence, governance, etc. Upon recommendation of Audit Committee, the Board of Directors recommend the appointment of DHS to the shareholders of the Company.
- E. Credentials of statutory auditors proposed to be appointed: DHS is a firm registered with the Institute of Chartered Accountants of India, with Firm Registration No. 008072S. DHS has its registered office at Floors 1,7,8,9, ASV N Ramana Towers, 52 Venkatnarayana Road, T. Nagar, Chennai, Tamil Nadu – 600 017. DHS is a

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leading professional services firm of the country and has the scale and capacity, to serve across locations. DHS has a strong Audit & Assurance (A&A) practice, with over 2,700 professionals across offices in 12 cities. DHS provides professional services to some of the largest and most reputed business houses across various industries and sectors.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the notice.

The Board recommends the resolution set forth in item no. 4 of the Notice for approval by the Members.

Item No. 5

On the recommendation Nomination and Remuneration Committee and subject to approval of the members in the Annual General Meeting, at the meeting of the Board of Directors (“the Board”) held on September 20, 2021 the Board appointed Mr. Inder Arora as “Manager”, pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 for a period of 5 years from October 15, 2021 up to October 14, 2026. An agreement dated October 18, 2021 was entered into between the Company and Mr. Inder Arora to give effect to the appointment and remuneration.

Mr. Inder Arora, aged about 46 years is a Mechanical Engineer from Panjab University and Certified Six Sigma Black Belt. He has more than two decades of experience in various capacities in engineering and business management in national and international environment with strong and in-depth experience of new business opportunities involving strategic planning and developing go-to-market strategies. He has Management and Business Development experience in Industrial Products, Energy and Utilities sector. He has proven expertise in Key Account development and Product Development across functions, regions and geographies.

Mr. Inder Arora started his career at Steel Strips Wheels Limited as a Management Trainee in 1997. He moved to Bharat Forge Limited in 2006 and served as Associate Vice President, responsible for implementing lean manufacturing principles, promoting the Six Sigma Culture in the organization, lead the new product development and ensuring quality of products throughout the value stream leading a team of 50 engineers for 6 years.

Mr. Inder Arora joined the Company in March 2012 and served as Leader Program Management – Industrial Technologies sector till February 2014, then moved to order management and since last 5 years, he is leading commercial

operations of the Company. Presently he is Country Leader – India (GLI), Sri Lanka & Bangladesh.

Part III of Schedule V of the Companies Act, 2013 and Secretarial Standard - 2 on General Meetings provides that the appointment and remuneration of Manager, 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 Board at its meetings held on March 25, 2022 and May 30, 2022, has revised the remuneration payable to Mr. Inder Arora effective April 1, 2022 and June 1, 2022 respectively. Supplemental agreements have been entered into give effect to the revised remuneration.

The terms and conditions set out in the Principal agreement dated October 18, 2021, supplemental agreement #1 dated April 18, 2022 and supplemental agreement #2 dated June 2, 2022 executed between the Company and Mr. Inder Arora (hereinafter referred to as “Manager”) are as under:

1. Mr. Inder Arora shall be Manager of the Company for a period of 5 years from October 15, 2021 to October 14, 2026 subject to the employment being previously determined in accordance with the provisions of the Principal agreement.
2. During his employment the Manager 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 Manager 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. The Company shall pay to Manager in consideration of the performance of his duties:
 - i. (a) Basic Salary:
 - Rs. 2,36,830 per month from October 15, 2021 to March 31, 2022
 - Rs. 2,72,354 per month from April 1, 2022 to May 31, 2022
 - Rs. 2,99,590 per month from June 1, 2022 onwards;The annual increments each year will be decided

Annexure to the Notice

- by the Board based on the recommendation of Nomination and Remuneration Committee and will be based on individual performance as well as Company's performance.
- (b) Allowances:
- Rs. 3,55,244 per month from October 15, 2021 to March 31, 2022
- Rs. 4,08,530 per month from April 1, 2022 to May 31, 2022
- Rs. 4,49,384 per month from June 1, 2022 onwards;
- comprising of housing, leave travel allowance, special allowance etc. as per Company's policies subject to provisions of Income Tax Act/Rules.
- (c) Monetary equivalent of stock options offered by Ingersoll Rand Inc. as and when exercised by the Manager shall be paid to him. The value of stock options will be determined at prevailing rates.
- (d) Annual Bonus:
- Annual Bonus 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 bonus as per (I) above, the Manager 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 Manager and his family.
- b) Personal Accident Insurance: Personal Accident Insurance for a maximum sum assured of Rs. 2,70,00,000 (Rupees two crore seventy lakhs only)
- c) Provident Fund: The Company shall contribute to Provident Fund as per the Company's rules.
- d) 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 as per Company's policy.
- III. The Company shall pay or reimburse to the Manager, 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 during the tenure of Manager, if the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration to him subject to receipt of requisite approvals, if any.
4. Other conditions of appointment of Manager:
- 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 Central Government.
- 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 Principal agreement by giving two months' notice in writing to the other party.
- vi. The Company has 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 Principal Agreement as in the opinion of the Board, renders his retirement desirable.
- In the resolution placed before the Members at Item No. 5, it is also proposed to authorise the Board to pay to Mr. Inder Arora the same remuneration in the event of loss or inadequacy of profits in any financial year commencing from April 1, 2022 during the tenure of his appointment, subject to receipt of requisite 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. Inder Arora 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.

Annexure to the Notice

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 Manager 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 Manager are commensurate with his duties and responsibilities.

The Agreement(s) entered into with Mr. Inder Arora will be open for inspection at the Registered Office of the Company up to the date of the Annual General Meeting.

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

The Board recommends the resolution set forth at Item No. 5 of the Notice for approval by the Members.

Item No. 6

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, 2023. 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. 6 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, 2023.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth at Item No. 6 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 30, 2022

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 DIRECTOR SEEKING RE-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

Name of Director	Mr. Amar Kaul
Director Identification Number	07574081
Date of Birth / Age	August 1, 1969 / 53 years
Date of appointment as Director	August 5, 2016
Qualification	B. Tech. (Mech. Engg.), M. S. (Engineering Business Management)
M. S. (Engineering Business Management)	
Brief profile and nature of expertise in specific functional areas	<p>Mr. Amar Kaul joined the Company in May 2011 as Vice President & General Manager – Air Solutions. He was appointed as Manager under the Companies Act and held that position from July 2011 to August 2016.</p> <p>He was appointed as Managing Director for five years term from August 5, 2016 to August 4, 2021 and re-appointed as Managing Director effective August 5, 2021. Upon taking up a global role within Ingersoll Rand group as Vice President and General Manager, ITS MEIA and Global High Pressure business, Mr. Amar Kaul resigned as Managing Director of the Company effective close of business hours on October 14, 2021. The Board has re-designated him as Non-Executive Director cum Chairman of the Board effective October 15, 2021 subject to the approval of the members.</p> <p>Immediately prior to joining the Company, he was working with Bharat Forge Limited as Senior Vice President.</p> <p>He has experience close to 30 years in engineering & automobile/ non automobile sector and brings a very strong business perspective to his role.</p> <p>The Company has benefitted tremendously under his guidance, performance in delivering business results, leadership qualities displayed and operational efficiency.</p> <p>He is the Chairman of the Board of Directors of the Company and a member of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Chairman of CSR and Risk Committee.</p> <p>Mr. Amar Kaul has attended all the six Board meetings and all the committee meetings during the year 2021-22.</p>
Relationship with other directors, manager and other KMP of the Company	Nil
Directorships held in other listed companies in India	Nil
Memberships / Chairmanships of committees held in other listed companies in India	Nil
Shareholding in the Company	Nil

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

Directors' Report

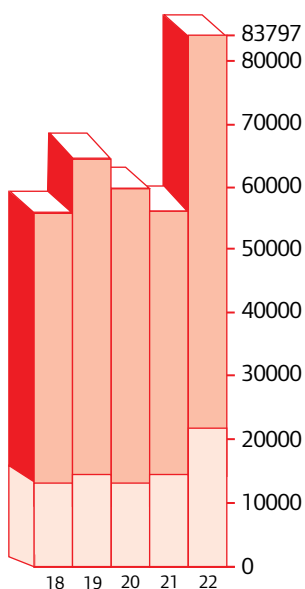
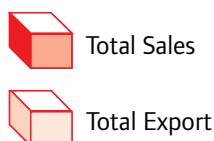
To
THE MEMBERS,
INGERSOLL – RAND (INDIA) LIMITED

Your Directors are pleased to submit the Hundredth Annual Report along with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2022, that is, the year under review.

1. FINANCIAL SUMMARY OF THE COMPANY

GROSS SALES

(in Rs. Lakhs)



	(Rupees in Lakhs)	
	2021-22	2020-21
Gross Profit:	16,501	12,373
(Less): Depreciation and amortization expenses	(1,410)	(1,426)
(Less): Finance costs	(255)	(169)
Profit before taxation and exceptional items	<u>14,836</u>	<u>10,778</u>
(Less): Provision for Current Tax	(3,834)	(2,956)
(Less): Deferred Tax for the year	(61)	148
Add/(Less): Current Tax relating to prior years (net)	<u>74</u>	<u>(735)</u>
Net Profit	<u>11,015</u>	<u>7,235</u>
Other comprehensive income: (net of tax)	423	(381)
Total comprehensive income for the year	<u>11,438</u>	<u>6,854</u>
Add: Balance in retained earnings brought forward from earlier years	<u>11,141</u>	<u>4,287</u>
	<u>22,579</u>	<u>11,141</u>
Appropriations:		
Dividends paid (including tax thereon)	947	0
Balance carried to Balance Sheet as retained earnings	<u>21,632</u>	<u>11,141</u>
	<u>22,579</u>	<u>11,141</u>

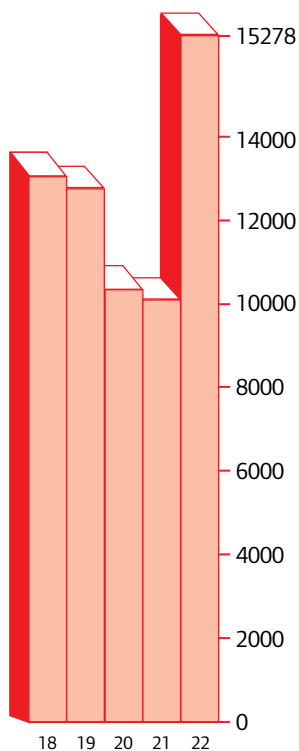
2. MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Development:

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing base in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The India Brand and Equity Foundation (IBEF) predicts that India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy.

PROFIT BEFORE TAX
(in Rs. Lakhs)



With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advanced practices in manufacturing.

Manufacturing has emerged as one of the high growth sectors. Govt. of India launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by end of calendar year 2022.

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the third quarter of FY21, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22.

As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY 2021-22, indicating significant recovery in the sector after the Covid 19 second wave.

According to Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI inflows in the manufacturing subsectors amounted to US\$ 100.35 billion between April 2020 and June 2021.

Reflecting the cumulative actions taken by the Government to improve business sentiments, India is ranked 63 among 190 economies in the Ease of Doing Business, according to the latest World Bank annual ratings.

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. 90,992 lakhs as against Rs. 61,773 lakhs in the previous financial year, an impressive growth of over 47%. Your Company continues to focus on local innovation and creating markets "In India; For India; By India".

The profit before tax is Rs. 14,836 lakhs in the year under review as against Rs. 10,778 lakhs in the previous financial year, a significant jump of over 37%.

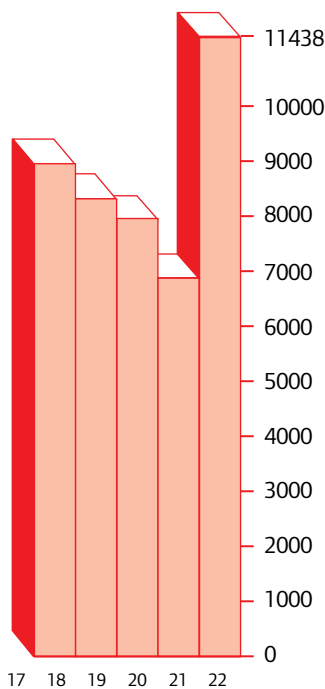
Your Company demonstrated resilience and made a robust recovery despite encountering severe business disruption caused by multiple waves of the pandemic and the stringent nationwide lockdown that had hit the operations of the Company during the peak selling seasons.

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.

III. Outlook:

India's real GDP is likely to record a growth of 7.5 per cent in financial year 2022-23. Despite the ongoing global unrest, the domestic economy is estimated to be able to maintain its tempo of growth due to appropriate fiscal and monetary policy backed with the implementation rigor to speed up the revival of the economy. If the Russia – Ukraine war ends soon, India

PROFIT AFTER TAX
(in Rs. Lakhs)



will emerge much stronger during financial year 2022-23 going beyond the expected growth trajectory.

IV. Risk and Concerns:

The primary operating risks which could impact the Company relate to slow-down in the automotive, metals, pharmaceutical and textile sectors, exposure to seasonality for some of its businesses, competition from Indian and global players, volatile exchange rates, interest rate fluctuation, credit risks, import dependence, procurement concentration risks, volatile commodity prices risks, changes in tax and other legislations as well as risks arising out of higher input costs. The Company constantly monitors the challenges from amongst the ecosystem comprising competition, industry, product life cycle, raw materials cost etc. and takes steps to maintain and enhance existing competence. The primary threat over and above competitors is the demand supply gap infused due to COVID 19 pandemic, inflationary pressure, supply chain disruption and geo political volatile conditions. Availability of spurious parts and components as well as imports of substandard complete packages at cheap prices 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:

A confluence of factors on the global and local fronts, such as geo-political equations between countries, the usage of tariff and non-tariff barriers to address trade imbalances, volatility in crude oil and commodity prices, and the speed with which the spread of COVID-19 would eventually get contained in India, could impact business continuity and consumer confidence. The Company will continue to closely monitor the macro and micro level trends in the global and Indian economy and will take necessary steps to address these challenges.

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

With People as a key partner in success, the Company is committed to nurturing an environment of progressive growth with highly Engaged Employees, Engaging Managers and Engaging workplace. Organization is committed towards Deploy Talent as one of the strategic priority that enables employees to live organization’s Purpose and Values. Ingersoll Rand defines and continues to focus on providing professional training to employees, while promoting a dialogue-oriented transparent culture, rooted in trust, respect for diversity and equal opportunity. The Company strives to provide fair treatment at workplace, a transparent and equitable compensation system, flexible work timings, and an environment that ensures health and well-being for all our employees, partners & communities. Company is committed to hire, develop and retain the best talent in the industry.

The Company constantly endeavors to adopt the best policies to keep its employees motivated, engaged and aligned to the core values of the Company. The Company undertakes various employee engagement initiatives, fosters a culture of continuous learning and development to create future leaders. The Company measures its employee engagement index through bi-annual pulse survey which is improving year over year as we are committed to execute the action plan.

As on March 31, 2022, the Company had 536 permanent employees on its rolls.

VII. Safety, Health and Environment:

At Ingersoll Rand, we believe all injuries and work related disease are preventable and our company takes all proactive steps to achieve the goals of “no work-related injuries” and safe operations. Your Company has established the high level of standard & procedures to ensure safe working conditions for employees/contractors and visitors are trained to follow safe operating behaviors. We also encourage our employees to follow best safety practices during personal activities at home. The management is committed and responsible in complying with all safety norms and takes adequate precautionary measures to prevent workplace related incidents. Since the outbreak of pandemic of COVID 19, we continually educate our employees and contractors to follow COVID safe behaviors and implemented infrastructure enhancements and enhanced processes to ensure safe working. We also encourage our employees by organizing COVID vaccination camps and ensure 100% vaccination of 2 doses & precaution dose.

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 60% greenhouse gas (GHG) emission by 2030 as part of this goal several energy conservations projects and energy management practices are implemented. The products developed and launched 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 and upgraded existing range to the wide gamut of products and through new models for small to medium-scale industries in the form of CE certification of products and oil free small reciprocating compressors to cater to hospitals in wake of oxygen requirement for hospital industry, filled product gaps in 90kw range to serve the industrial markets. Your Company is also realigning its strategy by introducing products to cater all segments of market.

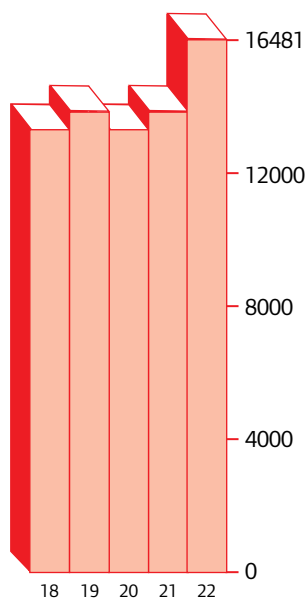
IX. Disclosure as per Paragraph B (1) (j) under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).*

Sl. No.	Particulars	As on March 31, 2022	As on March 31, 2021	Percentage change
1	Return On Equity	21.97%	17.40%	26.30%

The increase in Return On Equity is mainly due to increase in Net profit as result of higher turnover as compared to previous year

* 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

GROSS BLOCK (in Rs. Lakhs)



March 31, 2022 in comparison to the previous financial year ended on March 31, 2021.

3. DIVIDEND

The Board of Directors at their meeting held on May 30, 2022 have, subject to the approval of the members at the ensuing Annual General Meeting, recommended payment of dividend of Rs.20/- per equity share for the year under review, which if approved by the Members, would involve a cash outflow of Rs.6,313.60 lakhs.

As per Regulation 43A of the SEBI Listing Regulations, the dividend distribution policy of the Company has been disclosed in the Corporate Governance Report and on the website of the Company at www.irco.com

4. TRANSFER TO RESERVES

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

5. THE STATE OF COMPANY'S AFFAIRS

For the year ending March 31, 2022, your Company has recorded revenues of Rs. 90,992 lakhs from continuing operations which is 47.30% higher compared to that of previous financial year. Our profits after tax for the year ending March 31, 2022 stood at Rs.11,015 lakhs which is 52.20% higher compared to profit after tax of previous financial year.

Our principal sources of liquidity are cash and cash equivalents and the cash flow that we generate from our operations. We continue to be debt-free and maintain sufficient cash to meet our strategic and operational requirements.

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.

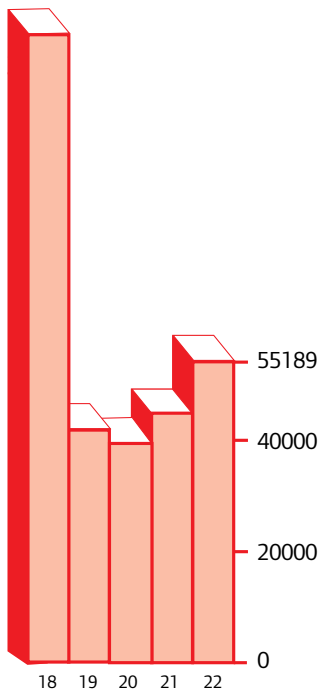
Even amid an unprecedented global crisis, your Company continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

100 Years of Proud Presence

2021 was a year to feel proud of our 100 years journey and various endeavors. Your Company celebrated its 100 years in India with focus on continuous innovation and deployment of advancing technologies across industrial air compressors of various capacities and related services. During this journey, your Company has always focused on understanding the market, providing quality products and being futuristic.

The centennial celebration was full of festivities and also included a spotlight on company's sustainability initiatives with the launch of a Solar Energy Plant. The solar plant in Naroda factory aims to accelerate its sustainability commitment and reducing dependence on conventional energy by about 40% with almost 1,800 solar panels installed at the facility, totaling a capacity of 800 kWp. The project is implemented by Mono PERC panels, boosting the facilities performance ratio by 80% and offsetting its carbon footprint by approximately 1,000 tons a year.

NET WORTH
(in Rs. Lakhs)



6. COVID-19

The COVID-19 scenario propelled the Company towards a strong focus on the physical and emotional well-being of its employees throughout the year under review. Several initiatives were undertaken during the year to ensure the health and safety of employees and their families and to contain the impact of the COVID-19 pandemic on them. Various fora to understand and address employee concerns and anxieties in a timely manner attained paramount significance during the multi-faceted ebb and tide of the pandemic across the country. Reskilling of the workforce to deal with the remote working requisites was a focus during the peak of the pandemic in financial year 2021-22.

The Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.

7. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, which has occurred, affecting the financial position of the Company between the end of the financial year of the Company i.e., March 31, 2022 and the date of signing this report.

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

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

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

The Company has established an internal control system commensurate with the size, scale, and complexity of its operations. To enhance the standards of controls and governance, the Company has adopted various measures to ensure that robust internal financial controls exist concerning operations, financial reporting, and compliance.

Significant features of the Company's internal control system are:

- A well-established, independent, Internal Audit team operates in line with best-in-class governance practices. It reviews and reports to the Audit Committee about compliance with internal controls, the efficiency and effectiveness of operations as well as key process risks.
- The Audit Committee periodically reviews internal audit plans, significant audit findings, and adequacy of internal controls.
- Systematic self-certification of adherence to key internal controls, as part of control self-assurance by process owners, monitors, and reviewers.
- Adherence with a comprehensive information security policy and continuous upgrades of the Company's IT systems for strengthening automated controls.
- Appropriate segregation of duties and usage of technology for continuous controls monitoring and enhanced controls assurance.

During the year, the internal controls were tested and found effective, as a part of the Management's control testing initiative. Accordingly, the Board, with the concurrence of the Audit Committee and the Auditors believe that the Company's Internal Financial Controls were adequate and operating effectively for the financial year ended March 31, 2022.

10. 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.

11. 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 amounts outstanding on account of principal or interest on public deposits as on March 31, 2022.

12. 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.

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, 2022 is part of the Annual Report. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, during the financial year 2021-22, the Statutory Auditors have not reported any instances of fraud to the Audit Committee or Board under Section 143 (12) of the Act.

The Audit Committee at its meeting held on May 30, 2022 has proposed and the Board of Directors has recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as statutory auditors of the Company for a period of five consecutive years, in place of M/S. BSR & Co. LLP, (ICAI Firm Registration No. 101248W/W100022), to hold office from the conclusion of the 100th Annual General Meeting scheduled to be held on August 10, 2022 till the conclusion of the 105th Annual General Meeting to be held in the year 2027. The first year of audit will be of the financial statements for the year ending March 31, 2023.

The Company has received written consent and certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants that the appointment if made, shall be in accordance with the terms as prescribed in the Act and shall be within the limits laid down under the Act.

A resolution seeking the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants forms part of the Notice convening the Annual General Meeting and the same is recommended for your consideration and approval.

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 Companies Act, 2013 (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, 2023. The Cost Auditor has confirmed that they are not disqualified pursuant to the provisions of Section 141 of the Act read with Section 139 and 148 of the Act. M/s. Ashish Bhavsar & Associates, being eligible, have provided their consent to act as the Cost Auditors of the Company for the financial year 2022-23. 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 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 2021 – 22. 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 March 31, 2022.

The Secretarial Audit Report for the financial year ended March 31, 2022 pursuant to section 204(1) of the Act and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in the Annexure – D to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Secretarial Compliance Report for the financial year ended March 31, 2022, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A(2) of SEBI Listing Regulations, is set out in Annexure-D1 to this report.

13. SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

14. SHARE CAPITAL

The Company has only one class of share viz. equity share with a face value of Rs.10 each. During the year under review, there is no change in the issued and subscribed capital of your Company. The outstanding capital as on March 31, 2022 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. The Audit Reports are placed on the table of the Board Meeting and duly forwarded to the stock exchanges where the equity shares of your Company are listed.

15. ANNUAL RETURN

The Annual Return of the Company for the financial year 2021-22, as required under Section 92(3) read with Section 134(3)(a) of the Act, is available on the website of the Company and can be accessed on the Company's website www.irco.com

16. BOARD MEETINGS

A minimum of four Board Meetings are held each year to review the quarterly financial results and operating performance of the Company. Apart from this, additional Board Meetings were also convened to address specific needs of the Company.

During the current financial year, due to COVID-19 pandemic, all the meetings were held over video conferencing.

The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the meeting. All the agenda items are backed by agenda notes and relevant supporting papers to ensure adequate information is provided to enable the Directors to have focused discussions at the meeting and take informed decisions. All relevant information as mentioned in Part A of Schedule II of the SEBI Listing Regulations were tabled before the Board.

The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2021-22 are given in the Corporate Governance Report, which forms part of this Annual Report. The maximum interval between any two consecutive Board meetings did not exceed 120 days, as prescribed in the Act.

17. 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.

18. 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 community development. 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 2021-22, your Company incurred CSR Expenditure of Rs. 233.08 lakhs and the details of the same is set out in Annexure - B forming part of this report.

19. INDEPENDENT DIRECTORS

The Board has an optimum combination of Independent and Non-Independent Directors. In line with the requirements of the SEBI Listing Regulations, half of the Board's strength comprise of Independent Directors. As on March 31, 2022, 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 shareholders at the Annual General Meeting held on September 2, 2021 approved the re-appointment of Mr. Sekhar Natarajan as an independent director for a second term of five years from July 27, 2021.

The Company has received Declarations of Independence as stipulated under Section 149 (7) of the Act and Regulation 25 of SEBI Listing Regulations 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.
- He/she has complied with the Code of Conduct laid down under Schedule IV of the Act.
- 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 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.

All the independent directors have confirmed that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority. 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 will contribute to the overall growth of the Company.

20. AUDIT COMMITTEE

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations. The matters relating to the composition, meetings, and functions of the Audit Committee are included in the Corporate Governance Report, forming part of this report. The Board has accepted the Audit Committee's recommendations during the year wherever required and hence no disclosure is required under Section 177(8) of the Act with respect to rejection of any recommendations of Audit Committee by Board.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. DIRECTORS:

Mr. Amar Kaul (DIN: 07574081), upon taking up a global role within Ingersoll Rand group as Vice President and General Manager, ITS MEIA and Global High Pressure business, resigned as Managing Director of the Company effective close of business hours on October 14, 2021. He continues to be Chairman of the Board. Based on the recommendations of the Nomination and Remuneration Committee and subject to approval the shareholders of the Company, the Board of Directors approved the resignation of Mr. Amar Kaul from the post of Managing Director and re-designated him as the Non-Executive Director cum Chairman of the Board effective October 15, 2021.

Mr. Amar Kaul retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board recommends the appointment and re-designation of Mr. Amar Kaul as Non-Executive Director.

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

B. KEY MANAGERIAL PERSONNEL:

The Board of Directors at their meeting held on September 20, 2021 on the recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing Annual General Meeting, has appointed Mr. Inder Arora as Manager of the Company under the Act, for a period of 5 years with effect from October 15, 2021 up to October 14, 2026.

The terms and conditions of appointment and remuneration payable to Mr. Inder Arora as approved by the Board shall be subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. An appropriate resolution in regard to appointment of Mr. Inder Arora as Manager under the Act has been set out at item no. 5 of the Notice of the Annual General Meeting. The Board recommends the appointment of Mr. Inder Arora as Manager under the Act.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are

Sl. No.	Name	Designation
1.	Ms. Preeti Mohanty	Executive Director designated as Chief Financial Officer
2.	Mr. P. R. Shubhakar	General Manager – Corp. Finance & Company Secretary
3.	Mr. Inder Arora	Manager under the Act

22. 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 this 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, this Report and Financial Statements are being sent to the Members of the Company excluding the statement of particular 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.

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

Your Company is committed to conducting its business with the highest standards of ethics, integrity, and transparency across its operations, in compliance with the applicable laws and regulations. In line with a strong commitment to governance and compliance, the Company has instituted a robust Vigil Mechanism framework encompassing various elements and components in an integrated manner.

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. An Ethics Committee has been constituted to administer this Policy.

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. This policy covers reporting of any violation, wrongdoing or non-compliance, including without limitation, those relating to the Code of Conduct, policies and standard procedures of the Company, and any incident involving leak or suspected leak of unpublished price sensitive information (UPSI) or unethical use of UPSI in accordance with (or under) the SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

Detailed update on the functioning of the Whistle-Blower Policy and compliance with the Code of Conduct has also been provided in the Corporate Governance Report, forming part of this report.

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

24. 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.

The 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 approved 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

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

Pursuant to the provisions of the Act, SEBI Listing Regulations and the Remuneration Policy of the Company, 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 at 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 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. Further, in a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and its Chairman was evaluated as stipulated under the SEBI Listing Regulations.

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

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

27. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 accordance with the 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 Independent Directors who are members of the Audit Committee in accordance with the SEBI Listing Regulations and are in accordance with the Policy on Related Party Transactions, formulated and adopted by the Company. Prior omnibus approval of the Independent Directors who are members 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 No.35 to the Financial Statements of the Company. The Company in terms of Regulation 23 of the SEBI Listing Regulations submits within stipulated time from the date of publication of its financial results, disclosures of 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.

28. CORPORATE GOVERNANCE

At the Company, we ensure that we comply with the corporate governance guidelines and best practices, 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 read with Schedule V 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.

29. BUSINESS RESPONSIBILITY REPORT

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

30. RISK MANAGEMENT POLICY

Pursuant to the requirement of Regulation 21 of the SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC), consisting of Board members and senior executives of the Company. The Audit Committee has additional oversight in the area of financial risks and controls. The Company has in place a Risk Management framework to identify, evaluate business risks and challenges.

31. 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. All employees, consultants, trainees, volunteers, third parties and/or visitors at all business units or functions of the Company are covered by the said policy. An Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

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 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.

32. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations provided to them, your Directors, pursuant to Section 134 (3) (c) 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, 2022 and of the profit and loss of the Company for the year ended March 31, 2022;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. ACKNOWLEDGEMENTS

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
(DIN: 07574081)

Date : May 30, 2022
Place: Dubai

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. The solar roof top project has started helping reduce power consumption from grid. For period Apr-21 to Mar-22, solar produced 788000 KWH. The plant used 32% of its energy from Solar and rest was from grid.
2. Below actions are implemented in financial year 2021-22 and other identified actions are planned in financial year 2022-23 under A (ii). Overall savings of 10% electricity consumption was achieved.
 - a) Drive to arrest leakages of compressed air in the plant
 - b) Installation of High Volume Low Speed fans to improve effective optimization of HVAC.
 - c) Use of AC energy savers in split ACs
3. Attained 5% reduction in fresh water consumption by reuse of treated domestic water through process improvements and continued leveraging Zero Liquid Discharge system.

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

1. Replacement of cleaning machine for parts and plant compressor with high efficiency drive with in built VFD and associated dryers
2. Optimization of AHU blowers for test cells using VFD drive
3. The percentage of energy consumed from Solar generation is forecasted to increase to more than 40%.

(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. Heatless desiccant Dryer
2. Heat of compression dryers

Annexure - A (Contd..)

3. High pressure air compressors
4. Hydrogen compressors
5. Small and Large Reciprocating air-cooled and Water-Cooled – Single and Multi-stage
6. Contact Cooled Rotary Screw & Oil Free Rotary Screw – Single and Multi-stage
7. Engine driven compressors
8. Centrifugal
9. 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. Enhanced existing product portfolio with new series of rotary compressor and centrifugal compressor with targeted weight optimization and manufacturing process simplification in view of reducing raw material consumption
2. Introduced next generation energy efficient 55-75kW rotary compressor
3. Launched energy efficient heatless desiccant air dryer and large capacity refrigerated cyclic and non-cycling air dryers having the best in class energy consumption.
4. Enhance speed of product development cycle
5. Futuristic design keeping environmental impact
6. Digital connectivity for keeping higher uptime
7. Strong reputation in front of customer for energy efficiency and reliability
8. Value offering for different application

Annexure - A (Contd..)

(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	2021	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. Nil
(ii) Recurring	Rs. 265.87 Lakhs
(iii) Total	Rs. 265.87 Lakhs
(iv) Total R & D expenditure as a percentage of total turnovers	0.29%

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.		19,670.35
(ii)	Value of imports calculated on FOB basis	21,547.35	
(iii)	Expenditure in foreign currency on account of travelling, royalty and others	4,100.92	25,648.27
Net Earnings / (Outgo) in Foreign Exchange			(5,977.92)

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

Amar Kaul
Chairman
(DIN: 07574081)

Date: May 30, 2022
Place: Dubai

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	Chairman / Chairman of the Board	2	2
2	Ms. Jayantika Dave	Member / Independent, Non-Executive Director	2	2
3	Mr. Sekhar Natarajan	Member / Independent, Non-Executive Director	2	2
4	Mr. Naveen Samant	Member / Non-Independent, Non-Executive Director	2	2

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. 11,512.41 lakhs

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

Rs. 230.25 lakhs

Annexure - B (Contd..)

(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.230.25 lakhs as CSR expenditure during the financial year 2021-22.

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
233.08	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against 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		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:

Sl. 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.	Building of shelter with beds for differently abled and senior citizens	Clause (iii) – setting up old age homes and such other facilities for senior citizens	Yes	Haryana	Gurgaon	91.48	No	Earth Saviours Foundation	CSR00002026
2.	Sponsorship program for engineering students	Clause (ii) – promoting education	Yes	Gujarat	Ahmedabad	13.20	No	Foundation for Excellence	CSR00002053

Annexure - B (Contd..)

Sl. 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.
3	Setting up of e-learning centers	Clause (ii) – promoting education, including special education	Yes	Maharashtra	Mumbai	10.95	No	Engineers Without Borders	CSR00012150
				Karnataka	Bengaluru	10.95			
4.	Provision of laptop computers to enable virtual learning for underprivileged children	Clause (ii) – promotion of education	Yes	Gujarat	Gandhi Nagar	12.00	No	IIT Gandhinagar	CSR00012226
5.	Smile on Wheels – increasing access to primary healthcare facilities	Clause (i) – promoting health care	Yes	Gujarat	Ahmedabad	7.00	No	Smile Foundation	CSR00001634
6.	Increasing green cover through eco restoration	Clause (vi) – ensuring environment sustainability	Yes	Haryana	Gurgaon	20.50	No	I am Gurgaon	CSR00000018
7.	Community development through lake revival	Clause (vi) – ensuring environment sustainability	Yes	Haryana	Gurgaon	67.00	No	Sustainable Environment and Ecological Development Society (SEEDS)	CSR00001691
Total						233.08			

(d) Amount spent in 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.233.08 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)	230.25
(ii)	Total amount spent for the Financial Year	233.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.83
(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)]	2.83

Annexure - B (Contd..)

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 2021-22

Focus Towards STEM

Sponsorship Program for Engineering Students

Three years ago, Ingersoll Rand took an innovative step and supported 30 students for sponsorship program. These students have secured admission based on merit in engineering colleges in Gujarat, but were unable to pursue due to lack of funds. Candidates were selected 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 3rd year of their engineering academic education and we will continue our support to these students until they complete their fourth and final year of engineering study.

Provision of laptop computers to enable virtual learning for underprivileged children

Under the prevailing COVID-19 scenario, IIT Gandhinagar has been conducting classes virtually. As a known fact, meritorious students from all sections of society including underprivileged economic background get into the IITs and excel in their academics. Hence, a number of the students needed computer devices and gadgets, primarily laptops in order to:

- Attend virtual classes
- Access the course content
- Carry out their course/ assignment work in an effective manner

The laptops were provided to 30 identified underprivileged students in order to continue uninterrupted learning experience whose studies disrupted due to Covid-19.

Setting up of E-Learning Centers

Strengthening our belief in the need for sparking creativity and building interest in STEM (Science, Technology, Engineering and Mathematics). The project with Engineers without borders India is to build a better world that empower communities to meet their basic needs. This year, we collaborated with Engineers without Borders team in India to build e-learning centers in 4 Govt. Schools across Maharashtra and Karnataka.

Over 2,500 students in these 4 schools will be benefitted through this initiative. These centers are well equipped with latest amenities such as computer, projector, screen, sound box, UPS, infrastructure of the center, online study material and books that would help teachers to take classes in a better manner and also cultivate students interest in studies innovatively.

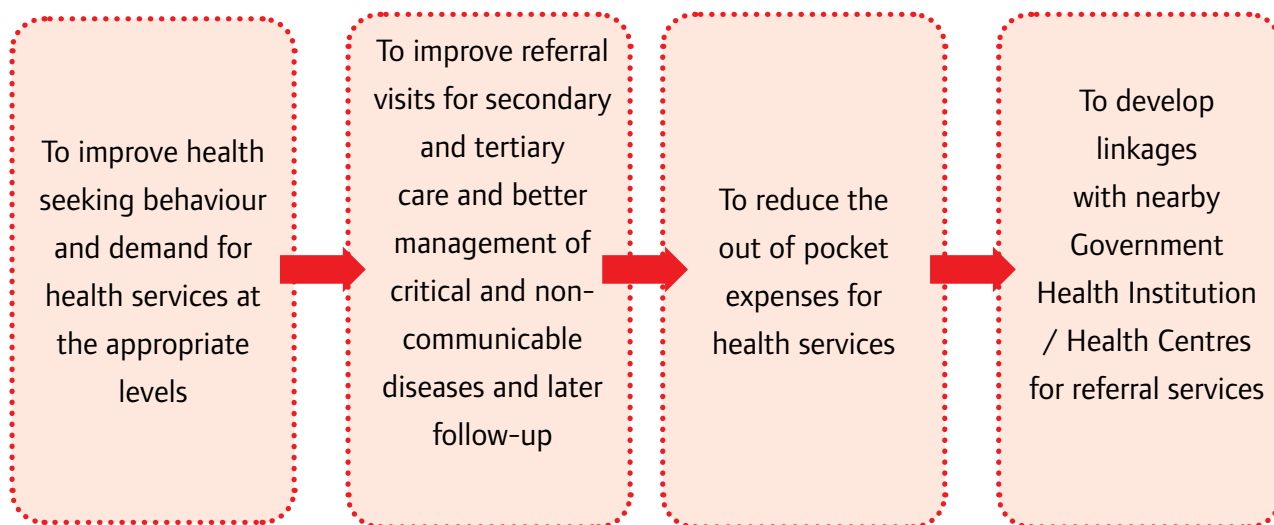
Annexure - B (Contd..)

Provide Healthcare

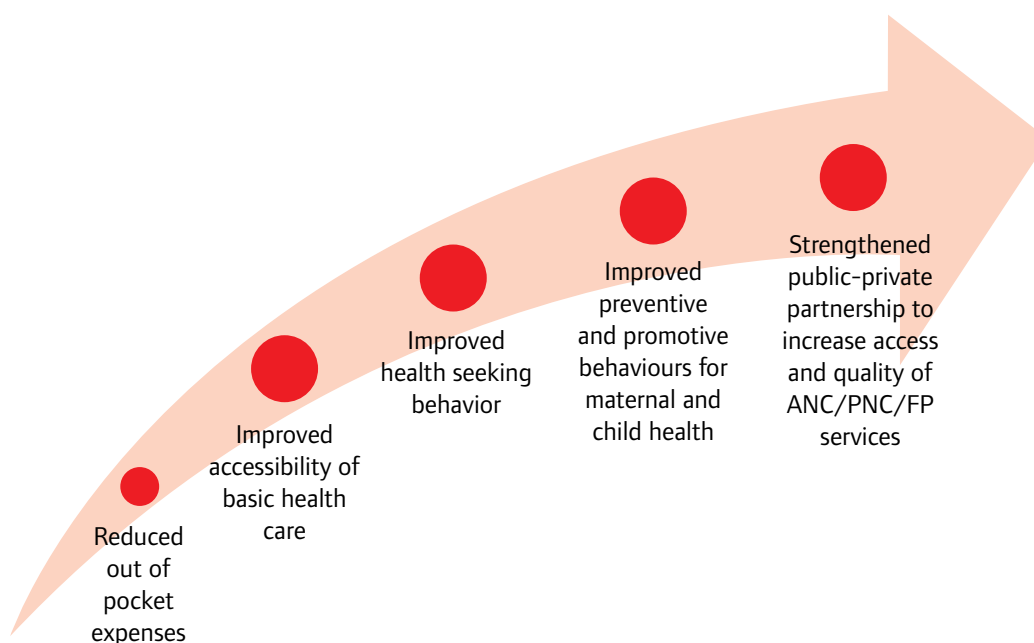
Increasing Access to Primary Healthcare Services

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 (SoW) treated a population of over 8800, including men, women and children. Along with normal OPDs, the SoW team took multiple preventive measures during the lockdown phase.

Annexure - B (Contd..)

Preventive Measures:

Individual/ one to one counseling:

During OPDs, individual counseling and awareness programs were carried by Medical staff provided basic and right information regarding the disease and the symptoms of the virus infection.

Mask distribution 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.

Community Development Initiatives

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 I am Gurgaon 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 GMDA (Gurugram Metropolitan Development Authority) towards the forest restoration.

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
- Awareness program towards environmental sustainability: using recycling/ jute bags and terminate plastic usage

Community Development through Lake Revival

Another great step through Public-Private-Partnership by collaborating with GMDA (Gurugram Metropolitan Development Authority) to build Lake View Park adjacent to the Lake in Gurgaon, Haryana. The project is with the aim of mobilizing nature to render urban areas more resilient to the threat of climate change. The park covers 2 acres of land surrounded by high-rise buildings and opposite to a waterbody of 18 acres - a first step towards three years commitment of Lake Revival.

The park is designed to not only operate as a carbon sink, but also to provide visitors with a playground and multi-gym equipment for recreational exercises. Benches have been installed for visitors to rest and socialize in the park. There is a prefabricated toilet complex installed along with specially designed walkways that can be used for jogging or walking. Lake View Park which is open to residents will not only enhance social cohesion and but will help in urban regeneration.

Building shelters with beds for Differently-abled and Senior Citizens

This year, we collaborated with the Earth Saviours Foundation to reduce inequalities in the society and supported through four shelters and beds that will accommodate over 400 differently abled and senior citizens.

The Earth Saviours Foundation undertook the responsibility by starting an old age home in Gurgaon. Stretching across nearly 2 acres of land, comprising an old age home, medical centre, home for deprived women and a center for the differently abled - a large community of senior, mentally disabled and bedridden citizens along with the socially and financially underprivileged people. Due to increased loneliness, lack of emotional care and medical attention and neglect from family members in old age, these are abandoned by their families or even develop severe mental and physical illnesses.

This small step will create a safe, nurturing and positive environment for these residents.

Annexure - B (Contd..)

Employee Volunteering

Our employees are an essential 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. Our extended CSR network in offices across India, works with local NGO partners to ensure support for our programs in their location along with effective monitoring and employee engagement.

This year again, we committed through our employee volunteering efforts who championed various causes in order to make life better for local communities. Activities included interaction with STEM project (Foundation for Excellence) beneficiaries, serving meal to differently abled community members, participation at earth day activities and various CSR launch events.

The Ingersoll Rand employee volunteer supports the organization to further create a real impact in the society, consistently engaged, inspire and believe in making life better for communities around us.

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

Amar Kaul
Chairman
(DIN: 07574081)

Date: May 30, 2022

Place: Dubai

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 21-22 (INR Lakhs)	% increase in remuneration in FY 21-22	Ratio of remuneration of each director to median remuneration of employees for FY 21-22	Comparison of remuneration of KMP against the performance of the Company
1.	Mr. Amar Kaul – Chairman & Non-Executive Director	324.52	14.52%	Not Applicable	Refer Note No.2
2.	Ms. Jayantika Dave, Independent 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	---	-	Not Applicable	Not Applicable
6.	Ms. Preeti Mohanty – Whole Time Director and Chief Financial Officer	147.70	10.00%	Not Applicable	Refer Note No.2
7.	Mr. P. R. Shubhakar – General Manager – Corp. Finance & Company Secretary	141.97	8.00%	Not Applicable	Refer Note No.2
8.	Mr. Inder Arora, Manager*	62.98	-	Not Applicable	Refer Note No.2

*Appointed as Manager under the Companies Act, 2013 effective October 15, 2021

Notes:

1. The Company does not pay any remuneration to non-executive directors other than commission.
2. Salaries of employees of the Company are driven by the Company's Remuneration Policy basis the performance of respective product groups, market situation, forecast for the ensuing financial year and the comparative information as available with Company.
 - (ii) The percentage increase in the median remuneration of 14.82% employees in the financial year.
 - (iii) The number of permanent employees on the rolls of company. 536
 - (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. Average percentage increase in the salaries of employees other than the managerial personnel is 9.10% as against average percentage increase in salaries of managerial personnel is 9.00%
 - (v) The key parameters for any variable component of remuneration availed by the directors. The key parameter for variable remuneration availed by directors include financial performance, time spent in attending meetings, time spent participating in strategy development, advice given to management on strategic matters etc.

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

Amar Kaul
Chairman
(DIN: 07574081)

Date: May 30, 2022

Place: Dubai

Annexure - D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[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,
Bangalore - 560029, Karnataka, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ingersoll-Rand (India) Limited (hereinafter called 'the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 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;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB).
- (v) The following Regulations and Guidelines are 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 clients;
- (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

Secretarial Audit Report (Contd..)

4. Competition Act, 2002
5. Contract Labour (Regulation and Abolition) Act, 1970
6. Customs Act, 1962
7. Employees' Provident Funds & Miscellaneous Provisions Act, 1952
8. Employees' State Insurance Act, 1948
9. Environment Protection Act, 1986
10. Factories Act, 1948
11. Foreign Exchange Management Act, 1999
12. Income Tax Act, 1961
13. Indian Contract Act, 1872
14. Industrial Disputes Act, 1947
15. Industrial Employment (Standing Orders) Act, 1946
16. Industries (Development & Regulation) Act, 1951
17. Labour Welfare Fund Act of various States
18. Payment of Gratuity Act, 1972
19. Sale of Goods Act, 1930
20. The Central Goods and Services Tax Act, 2017
21. The Integrated Goods and Services Tax Act, 2017
22. Shops and Establishments Acts of various States
23. Water (Prevention and Control of Pollution) Act, 1974
24. The Employees Compensation Act, 1923
25. Registration Act, 1908
26. Applicable Stamp Act(s) and the Rules made thereunder
27. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
28. Respective State GST Act
29. 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 and 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 the proper balance of Executive Directors, Non-Executive Directors, Women Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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 : 25.05.2022

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835D000382903

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

Secretarial Audit Report (Contd..)

Annexure A

The Members
INGERSOLL-RAND (INDIA) LIMITED
First Floor, Subramanya Arcade,
No. 12/1, Bannerghatta Main Road,
Bangalore - 560029, Karnataka, India.

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

- (1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure those 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, and standards is the responsibility of management. My examination was limited to the verification of procedures on a 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 : 25.05.2022

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835D000382903

Annexure - D1

SECRETARIAL COMPLIANCE REPORT OF INGERSOLL-RAND (INDIA) LIMITED

FOR THE YEAR ENDED 31ST MARCH 2022

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 2022 (“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, and guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder, and the Regulations, circulars, and guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
- (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 clients;

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.

Place : Bangalore
Date : 25.05.2022

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835D000382947

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 arm's length transactions under third proviso thereto

- 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, 2022 which were not at arms length basis.
- 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, 2022 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 Recharge of expenses Dividend paid	13,946.87 1,009.49 700.80	1st April 2021 to 31st March 2022	The Related Party Transactions (RPTs) entered into during the year were in the ordinary course of business, on arms length basis and repetitive in nature	Shareholders had vide postal ballot approved the RPTs for a period upto 31st March 2025. Necessary approvals were granted by the Audit Committee from time to time.	Nil
Ingersoll-Rand Industrial Ireland Limited, Ireland Fellow Subsidiary	Purchase of raw materials, components and traded goods Sale of finished goods Recovery of freight, insurance and packing charges	7,011.64 3,443.05 65.31	1st April 2021 to 31st March 2022	The Related Party Transactions (RPTs) entered into during the year were in the ordinary course of business, on arms length basis and repetitive in nature	Shareholders had vide postal ballot approved the RPTs for a period upto 31st March 2025. Necessary approvals were granted by the Audit Committee from time to time.	Nil
Gardner - Denver Engineered Products India Private Limited Fellow Subsidiary	Purchase of raw materials, components and traded goods Purchase of capital goods Sale of finished goods Rendering of services Rent received	1,510.59 44.56 2,298.14 18.60 7.00	1st April 2021 to 31st March 2022	The Related Party Transactions (RPTs) entered into during the year were in the ordinary course of business, on arms length basis and repetitive in nature	Shareholders had vide resolution passed at AGM approved the RPTs for a period upto 31st March 2026. Necessary approvals were granted by the Audit Committee from time to time.	Nil

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

Date: May 30, 2022
Place: Dubai

Amar Kaul
Chairman
(DIN:07574081)

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”)

Your Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2022

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 to benchmarking itself with global standards of Corporate Governance. The Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder trust. The Company has always believed in and followed the best business practices, and has been compliant with all the laws, exercised fairness and integrity in all its dealings, thereby reiterated its commitment to enhancement of stakeholders’ value. The Company has a defined set of guidelines for its internal governance based on business ethics, legal compliance, ethical behavior and professional conduct. The Company has been transparent in its accounting practices and procedures, in framing and adhering to policies and guidelines, in insisting on responsibility and accountability by regular audit of its policies and procedures. The Company endeavors to ensure that highest standards of ethical and responsible conduct are met at all levels of 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:

The Company has a balanced and diverse Board of Directors (“Board”). The Company’s Board has an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (the ‘Act’). As on March 31, 2022, the Board consists of Six Directors comprising one Executive Director, two Non-Executive Non-Independent Directors and three Non-Executive Independent Directors. The Board comprises three women Directors, of whom two are Non-Executive Independent Directors.

Number of Board Meetings:

Six Board Meetings were held during the financial year 2021-22 and the gap between two consecutive meetings did not exceed 120 days. The meetings were held on May 31, 2021, August 13, 2021, September 20, 2021, November 12, 2021, February 9, 2022 and March 25, 2022. Necessary quorum was present throughout all the meetings.

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

Name of Director	Status i.e., Executive and Non-Executive & Independent	Number of Board Meetings		Attendance at the last AGM (September 2, 2021)
		Held during the year	Attended during the year	
Mr. Amar Kaul* (Chairman)	Non-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	5	Yes

Report on Corporate Governance (Contd..)

Name of Director	Status i.e., Executive and Non-Executive & Independent	Number of Board Meetings		Attendance at the last AGM (September 2, 2021)
		Held during the year	Attended during the year	
Mr. Naveen Samant	Non-Executive & Non-Independent	6	6	Yes
Ms. Preeti Mohanty	Executive & CFO	6	6	Yes

*Resigned as Managing Director effective October 14, 2021 and re-designated as Non-Executive Director cum Chairman effective October 15, 2021.

As per disclosure received from the Directors,

- None of the Directors of the Company for the financial year ended on March 31, 2022, 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 March 31, 2022, 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, which is annexed herewith.

None of the Independent Directors are Promoters or related to Promoters or the Promoter Group. 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)	NIL	NIL
Ms. Jayantika Dave	1	1
Mr. Sekhar Natarajan	2	3
Ms. Vijaya Sampath	6	4
Mr. Naveen Samant	NIL	NIL
Ms. Preeti Mohanty	NIL	NIL

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

The Board at its meeting held on May 30, 2022 confirmed

- The names of the listed entities in which he/she is a director and category of directorship held (as below)
- That Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

Report on Corporate Governance (Contd..)

Sl. No.	Name of the director	Name of the listed entities where the person is a director as on March 31, 2022	Category of Directorship	Original date of appointment
1	Mr. Amar Kaul (Chairman)	Ingersoll Rand (India) Limited	Chairman and Non-Executive 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 Cropsience Limited	Independent Director	October 01, 2019
		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
5	Mr. Naveen Samant	VA Tech Wabag Limited	Independent Director	July 31, 2020
		Ingersoll-Rand (India) Limited	Non-Executive Director	February 10, 2020
6	Ms. Preeti Mohanty	Ingersoll-Rand (India) Limited	Executive Director	February 10, 2020

During the year 2021-22, information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its review.

Familiarization Program for Independent Directors:

It is the general practice of the Company to notify the changes in the applicable laws from time to time at regular Board Meetings. Formal familiarization programs are conducted regarding the amendments in the Act, Rules prescribed thereunder and SEBI Listing Regulations as and when necessary.

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.

Key Board Qualifications, expertise and attributes:

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:

Report on Corporate Governance (Contd..)

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 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 the key skills and experience set out above.

No 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, 2022 are given below:

Name of Director	Category	No. of shares held as on March 31, 2022
Mr. Amar Kaul, (Chairman)	Non – Executive & Non-Independent	NIL
Ms. Jayantika Dave	Non – Executive & Independent	NIL
Mr. Sekhar Natarajan	Non – Executive & Independent	NIL
Ms. Vijaya Sampath	Non – Executive & Independent	NIL
Mr. Naveen Samant	Non – Executive & Non-Independent	NIL
Ms. Preeti Mohanty	Executive	NIL

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non- Executive Independent Directors during the year.

None of the Directors were issued ESOPs by the Company during the year.

Meeting of independent directors:

Pursuant to Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of your Company met once on March 25, 2022 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 the 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.

Report on Corporate Governance (Contd..)

C. COMMITTEES OF THE BOARD

As on March 31, 2022, 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 Board has constituted a well-qualified independent Audit Committee which considers all matters specifically referred to it by the Board in addition to mandatory matters as per Section 177 of the Act read with Regulation 18 of the SEBI Listing Regulations. The Committee acts as a link between the management, external and internal auditors and the Board. All the members of the Committee are Independent Directors including the Chairman, except Mr. Amar Kaul, who is a non-executive non-independent director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc.

During the year under review, the Committee met five times on May 31, 2021, August 13, 2021, November 12, 2021, February 9, 2022 and March 25, 2022. The gap between two consecutive committee meetings did not exceed 120 days. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of the Member/Director	Category	No. of meetings held	No. of meetings attended
Mr. Sekhar Natarajan, Chairman	Independent Director	5	5
Mr. Amar Kaul	Non-Executive Director	5	5
Ms. Vijaya Sampath	Independent Director	5	4
Ms. Jayantika Dave	Independent Director	5	5

The previous AGM of the Company was held on September 2, 2021 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.

Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. 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 Act 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 and auditor's report 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, other stock exchange and legal requirements relating to quarterly / annual financial statements;
 - o Matters to be included in the director's responsibility statement;
 - o The going concern assumption;
- 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 fixing their fees;

Report on Corporate Governance (Contd..)

- 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;
- Reviewing any findings of any financial irregularities or failure of internal control systems and reporting to the Board;
- 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.

The Committee is also responsible to look into any substantial defaults in payments of dividends, deposits or to creditors.

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

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

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("the NRC") is constituted in compliance with the requirements of Regulation 19 of the SEBI Listing Regulations and section 178 of the Act.

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 4 times during the year on May 31, 2021, September 20, 2021, February 9, 2022 and March 25, 2022

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

Report on Corporate Governance (Contd..)

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 Act.
- Decide the actual salary, allowances, perquisites, retivals and increments of Managing Director/Executive Director/Manager under the Act.
- Decide the amount of commission/bonus payable to Managing Director/Executive Director/Manager under the provisions of Act.

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

The remuneration policy of the Company can be accessed on the Company's website at www.irco.com

Performance Evaluation of Non-Executive and Independent Directors

Pursuant to the provisions of the Act and Regulation 37(10) of the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee. A peer review was done by all the Directors evaluating every other Director. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance. Feedback on the appraisal has been provided to the board members.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in compliance with the provisions of Section 178(5) of the Act read with Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations.

As of March 31, 2022, the Stakeholders Relationship Committee comprise of

Name of the Member/Director	Designation
Mr. Naveen Samant	Chairman
Mr. Amar Kaul	Member
Ms. Jayantika Dave	Member

Committee held four meetings during the year on May 31, 2021, August 13, 2021, November 12, 2021 and February 9, 2022.

The Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting of the Company held on September 2, 2021

The terms of reference of the Stakeholders Relationship Committee are set out as per the 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;

Report on Corporate Governance (Contd..)

- 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

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

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.

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 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, 187 grievances / queries were received from shareholders / investors and 2 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 were no outstanding complaints at the end of the year or on date of this report.

All valid requests for share transfers received during the year have been acted upon and there are no share transfer requests pending as on March 31, 2022.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As of March 31, 2022, the CSR Committee comprised of Mr. Amar Kaul, Chairman, Mr. Sekhar Natarajan, Ms. Jayantika Dave and Mr. Naveen Samant. The composition of the Committee and its terms of reference meets the requirements of section 135 of the Act. The Committee met twice during the year under review i.e., on August 13, 2021 and February 9, 2022.

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 CSR projects for the financial year 2021-22 approved by the Board have also been disclosed on the Company's website (www.irco.com).

TERMS OF REFERENCE

- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- To recommend the amount of expenditure to be incurred on CSR activities.
- To monitor the CSR Policy of the Company from time to time.

Report on Corporate Governance (Contd..)

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 Committee believes it has performed effectively and carried out the role assigned to it. 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 risks 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 terms of reference of the Committee cover the areas of developing a formal risk management structure along with formation and delegation of responsibility to an executive management team which defines risk across the organization, monitors the material risks to which your organization is exposed and appropriately implements the mitigation plan on sustainable and continuous basis.

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.

The role of the committee:

1. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
3. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
4. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

As of March 31, 2022, the Committee comprised of Mr. Amar Kaul, Chairman, Ms. Jayantika Dave, Director, Mr. Naveen Samant, Director and Ms. Preeti Mohanty, Director and Chief Financial Officer.

The Committee held two meetings during the year viz. on December 21, 2021 and on March 30, 2022.

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and other employees, in accordance with the provisions of the Act and SEBI Listing Regulations. The Nomination and Remuneration policy is uploaded on 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, Manager 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, Manager 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 not adopted Employee Stock Options Policy to reward the employees in the form of non-cash incentives.

Report on Corporate Governance (Contd..)

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 Act.

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 financial year 2021-22 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^	39.61	284.91*	-
Ms. Preeti Mohanty	39.16	77.35	31.19

^ Up to October 14, 2021 and re-designated as Non-Executive Director effective from October 15, 2021.

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

E. GENERAL BODY MEETINGS

Location and time for last three AGMs held and the Special Resolutions, if any, passed thereat, are as given below:

Year	Date	Time	Venue	No. of special Resolutions passed
2020-21	September 2, 2021	12.00 Noon	Meeting was held through Video Conferencing/Other Audio Video Means (OAVM)	1 - Re-appointment of Mr. Sekhar Natarajan as an Independent Director of the Company for second term of 5 years.
2019-20	September 24, 2020	12.00 Noon		Nil
2018-19	August 29, 2019	12.00 Noon	Vivanta By Taj, 41/3, Mahatma Gandhi, Bengaluru - 560 001	Nil

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

Report on Corporate Governance (Contd..)

POSTAL BALLOT

During the year under review, no postal ballot was conducted by the Company.

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. The audit committee is entrusted with responsibility of approval or any subsequent modification of transactions with the related parties. All material related party transactions have been approved by the shareholders through ordinary resolution. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or otherwise which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in accordance with the Accounting Standards in Note No. 35 to the financial statements in the Annual Report. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such a contract or arrangement in Form AOC-2 form a part of the Report.

The related party transactions for the half year ended March 31, 2022 in the format prescribed by SEBI is uploaded on the website of the Company www.irco.com.

The Board approved policy for related party transactions is uploaded on the website of the Company www.irco.com.

Reconciliation of Share Capital Audit Report:

A firm of qualified Practicing Company Secretaries carried out a Share Capital audit to reconcile the total admitted equity share capital with the National Securities 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. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. 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,

Report on Corporate Governance (Contd..)

capex requirement etc. The policy aims to ensure a regular dividend income for the shareholders and long-term capital appreciation 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 contractual obligations, taxation policy, statutory covenants, historical financial performance, future financial outlook, current year profits and outlook, operating cash flows, possibilities of alternate usage of cash, providing for unforeseen events and contingencies etc.

The Board can modify/amend the policy depending on business needs and external environment.

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. 2019-20, 2020-21 and 2021-22. 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

Mr. Amar Kaul is Chairman and Non-Executive Director.

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

The Company has published its quarterly, half yearly and annual 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, 2022.

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 Manager under Act and Chief Financial Officer on the integrity of the financial statements and other matters of the Company for the financial year ended March 31, 2022 was placed before the Board at its meeting held on May 30, 2022.

K. RISK MANAGEMENT

The Board has established a risk assessment and minimization procedure which is reviewed by the Risk Management Committee/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.

Report on Corporate Governance (Contd..)

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	Published 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	August 10, 2022
	-	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 2022 to March 2023
(a) First Quarter Results			Second week of August 2022
(b) Second Quarter Results			Second week of November 2022
(c) Third Quarter Results			Second week of February 2023
(d) Results for the year ending March 2021			Last week of May 2023
Date of Book Closure			The Company's Register of Members and Share Transfer Books will remain closed for the purpose of 100th Annual General Meeting- from July 12, 2022 to July 14, 2022 (Both days inclusive).
Dividend payment date			On or after August 18, 2022 (if approved in the ensuing Annual General Meeting)

Report on Corporate Governance (Contd..)

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 2022 - 23 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 2021 to March 2022

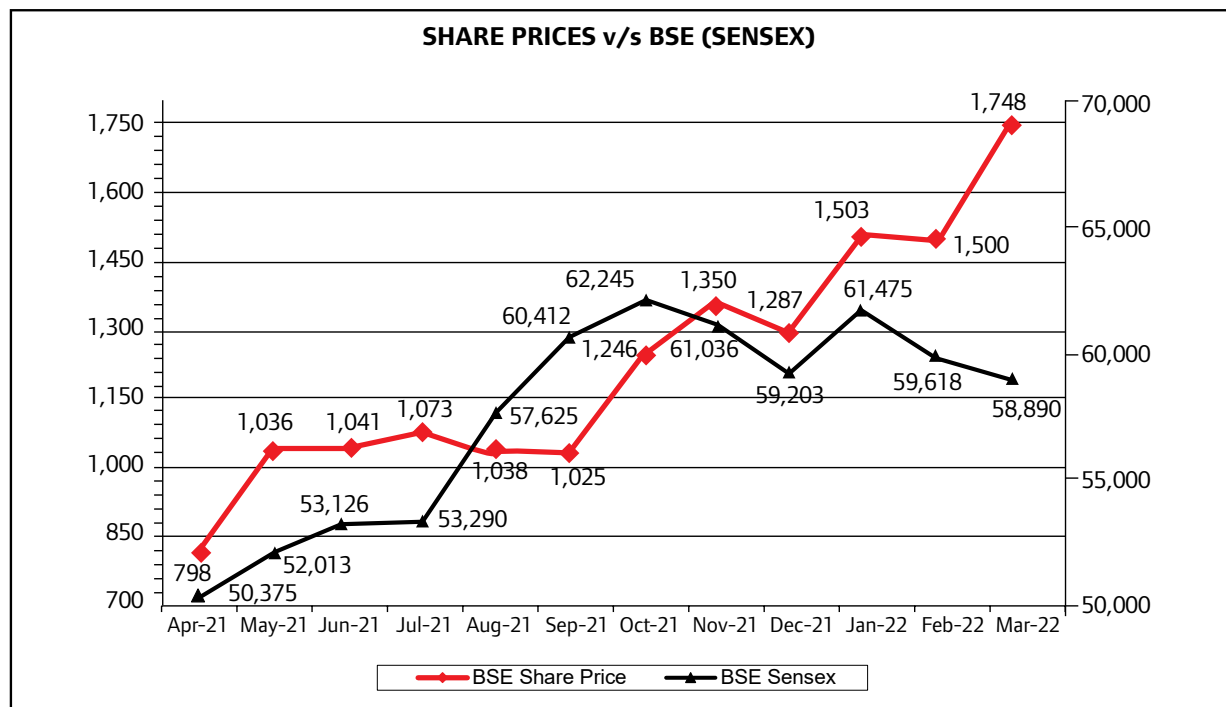
(in Rupees)

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
Apr-21	798	675	798	675
May-21	1,036	724	1,036	732
Jun-21	1,041	920	1,043	918
Jul-21	1,073	959	1,074	958
Aug-21	1,038	900	1,040	899
Sep-21	1,025	909	1,028	906
Oct-21	1,246	978	1,248	972
Nov-21	1,350	1,117	1,350	1,110
Dec-21	1,287	1,122	1,290	1,123
Jan-22	1,503	1,149	1,503	1,146
Feb-22	1,500	1,263	1,503	1,250
Mar-22	1,748	1,278	1,747	1,277

Securities of the Company listed on any stock exchanges have never been suspended from trading during the previous financial year 2021-22 under review.

Report on Corporate Governance (Contd..)

Stock Performance in comparison to BSE Sensex:



Registrars & Share Transfer Agents

Name and Address

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

Contact Person

Ms. Supriya Mirashi /Ms. Smita Rao

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 Consultants Private Limited during Monday to Friday 10.00 a.m. - 5.00 p.m. excluding Bank Holidays:

Place	Name and Address	Contact Person	Phone / Email
Bengaluru	TSR 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 : csg-unit@tcplindia.co.in
Kolkata	TSR Consultants Private Limited C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503 5th Floor, 6, Brabourne Road Kolkata - 700001	Mr. Tapas Sarkar	Tel: +91-33-40081986 Email : csg-unit@tcplindia.co.in

Report on Corporate Governance (Contd..)

Place	Name and Address	Contact Person	Phone / Email
New Delhi	TSR 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. Vishal Kumar	Tel: +91-11-49411030 Email : csg-unit@tcplindia.co.in
Jamshedpur	TSR Consultants Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur - 831001	Mr. Subrata Das	Tel: +91-657-2426937 Email : csg-unit@tcplindia.co.in
Ahmedabad	TSR 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 Meeting for ratification.

Share transfers are registered by TSR 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 715

Distribution of shares as on March 31, 2022

No. of equity shares held	No. of folios	%	No. of shares	%
Up to 5,000	33,471	99.71%	42,17,411	13.36%
5,001 – 10,000	49	0.14%	3,58,083	1.13%
10,001 – 20,000	19	0.06%	2,52,923	0.80%
20,001 – 30,000	6	0.02%	1,54,325	0.49%
30,001 – 40,000	3	0.01%	1,07,904	0.34%
40,001 – 50,000	6	0.02%	2,72,594	0.86%
50,001 – 100,000	4	0.01%	2,45,465	0.78%
100,001 and above	10	0.03%	2,59,59,295	82.24%
Total	33,568	100.00%	3,15,68,000	100.00%
No. of shareholders in physical mode	943	2.81%	1,98,374	0.63%
No. of shareholders in electronic mode	32,625	97.19%	3,13,69,626	99.37%

Report on Corporate Governance (Contd..)

Shareholding pattern as on March 31, 2022 is as follows:

Category	No. of shares	%
Promoter and Promoter Group	2,36,76,000	75.00%
Foreign Portfolio Investor	1,25,541	0.40%
Non-Resident Indians	1,24,304	0.39%
Insurance Companies	50	0.00%
Financial Institutions / Banks	1,950	0.01%
Mutual Funds	17,14,192	5.43%
Domestic Companies	13,63,950	4.32%
Trusts	2,989	0.01%
Alternative Investment Funds	20,011	0.06%
Directors and their relatives	0	0.00%
IEPF	43,499	0.14%
General Public	44,95,514	14.24%
TOTAL	3,15,68,000	100.00%

Top Ten equity shareholders of the Company as on March 31, 2022:

Sl. No.	Name of Shareholder	No. of equity shares held	% holding
1	Ingersoll-Rand Industrial U S Inc.	2,33,60,000	74.00%
2	Plutus Wealth Management LLP	9,50,000	3.01%
3	SBI Large & Midcap Fund	8,70,000	2.76%
4	Ingersoll Rand Inc.	3,16,000	1.00%
5	SBI Contra Fund	2,29,555	0.73%
6	SBI Infrastructure Fund	1,29,866	0.41%
7	Inevsco India Smallcap Fund	1,03,874	0.33%
8	ICICI Prudential Mnc Fund	70,256	0.22%
9	Mahindra Manulife Flexi Cap Yojana	69,605	0.22%
10	Tata Infrastructure Fund	53,000	0.17%

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, 2022, 99.37 % 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

Report on Corporate Governance (Contd..)

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 – 560 029
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 – NIL

There were no credit ratings obtained by the entity or any revisions thereto during the financial year 2021-22 either for any debt instruments, fixed deposit program or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad.

N. OTHER DISCLOSURES

Details of total fees paid by the Company 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 2021-22			
	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 Assurance and Consulting Services LLP	Nil	2.51	Nil	2.51

Disclosure in relation with sexual harassment at workplace:

The Company has mandated all employees to undergo online training on Prevention of Sexual Harassment (POSH) and also conducted workshops during the year. The annual return 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 were pending as on the end of financial year.

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

- Mr. Amar Kaul, Chairman of the Board is a Non-Executive Director and Mr. Inder Arora is the Manager under the Act effective October 15, 2021. Mr. Amar Kaul and Mr. Inder Arora are not inter se related to each other.
- Reporting of the Internal Auditor: The internal auditor of the Company reports directly to the audit committee.
- There are no Shares lying in Demat Suspense Account. Hence, disclosure with this regard has not been provided.
- There are no non-compliances of any requirement of corporate governance report of sub-para (2) to (10) of Part C of Schedule V.

Report on Corporate Governance (Contd..)

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

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

Place: Dubai
Date: May 30, 2022

Amar Kaul
Chairman
(DIN: 07574081)

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 of the Board of Directors, 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, 2022.

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

Place: Dubai
Date: May 30, 2022

Amar Kaul
Chairman
(DIN: 07574081)

Report on Corporate Governance (Contd..)

CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 a registered office at the 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 2022, 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

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bangalore
Date : 25.05.2022

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835D000382969

Report on Corporate Governance (Contd..)

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 with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 01, 2021, to March 31, 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

Compliance with 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 compliance with 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 : 25.05.2022

Natesh K
Practicing Company Secretary
FCS No. 6835; CP No. 7277
UDIN : F006835D000382980

Annexure - G

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2022 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 organization.

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. Year of incorporation: 1921
4. Registered address : 1st Floor, Subramanya Arcade, No. 12/1, Bannerghatta Road, Bangalore - 560029 Karnataka
5. Corporate address: Same as above
6. Website : www.irco.com
7. E-mail id : p_r_shubhakar@irco.com
8. Telephone: 080 46855100
9. Financial Year for which reporting is being done: 2021 -22
10. Name of the Stock Exchange(s) where shares are listed: BSE and NSE
11. Paid – up capital: INR 31,56,80,000/-
12. 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.

13. 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

14. 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 7

15. 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.3,156.80 lakhs
2. Total Turnover Rs.90,991.93 lakhs
3. Total profit after taxes Rs.11,437.80 lakhs
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.	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 (rupees in Lakhs)	Name of implementing agency
				State	District		
1.	Building of shelter with beds for differently abled and senior citizens	Clause (iii) – setting up old age homes and such other facilities for senior citizens	Yes	Haryana	Gurgaon	91.48	Earth Saviours Foundation
2.	Sponsorship program for engineering students	Clause (ii) – promoting education	Yes	Gujarat	Ahmedabad	13.20	Foundation for Excellence
3	Setting up of e-learning centers	Clause (ii) – promoting education, including special education	Yes	Maharashtra	Mumbai	10.95	Engineers Without Borders
				Karnataka	Bengaluru	10.95	Engineers Without Borders
4.	Provision of laptop computers to enable virtual learning for underprivileged children	Clause (ii) – promotion of education	Yes	Gujarat	Gandhi Nagar	12.00	IIT Gandhinagar
5.	Smile on Wheels – increasing access to primary healthcare facilities	Clause (i) – promoting health care	Yes	Gujarat	Ahmedabad	7.00	Smile Foundation
6.	Increasing green cover through eco restoration	Clause (vi) – ensuring environment sustainability	Yes	Haryana	Gurgaon	20.50	I am Gurgaon
7.	Community development through lake revival	Clause (vi) – ensuring environment sustainability	Yes	Haryana	Gurgaon	67.00	Sustainable Environment and Ecological Development Society (SEEDS)
Total						233.08	

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies: No
2. 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
3. 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

1. Details of Director/Directors responsible for BR

a) Details of the Director/Manager responsible for implementation of the BR policy/policies:

- Name: Mr. Inder Arora
- Designation: Manager under the Companies Act

b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Inder Arora
3.	Designation	Manager under the Companies Act
4.	Telephone number	91 124 6729000
5.	e-mail id	Inder.Arora@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?	Yes. The policies are approved by the Management and noted by the Board. The Board authorises Senior Management 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. The senior management of the Company oversees the implementation of the policy.								
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) • Human resources • Anti-Bribery & Corruption • Data Privacy • Global Trade and Compliance • Conflicts of Interest • Maternity, Medical Leave • Information Technology • Intellectual Property 								

No	Question	P 1	P2	P3	P4	P5	P6	P7	P8	P9
		<p>Following policies/reports are available on the Company's website at www.irco.com</p> <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 • Code of Fair Disclosure 								
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								
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 Customer Support Center is used as a platform for external grievance handling by customers and channel partners. They can lodge grievance by just sending a mail or a call on the dedicated toll free number and it acts as a single point of contact for all queries and complaints. This is a robust customer support service having end-to-end tracking mechanism 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 / service request 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 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 Corporate Social Responsibility Committee of the Board assess the BR Performance of the Company more than once a year and reports to the Board. The Board assesses the report on Business. The BR performance is reviewed 'Annually' by Chairman.

- b) Does the Company publish a BR or a Sustainability Report? : What is the hyperlink for viewing this report? How frequently is it published?

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. Does the policy relating to ethics, bribery and corruption cover only the Company?

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Ethics, transparency and accountability are the basic pillars as 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/NGO.

Your Company is committed to doing business only on the merits, based on the value proposition of the Company's brand and the superiority of its products offerings. Therefore, consistent with its core value, your Company prohibits its Dealers, Business Partners from engaging in the bribery, which also violates Anti-Corruption and Bribery Laws.

Ingersoll Rand holds the highest standards of integrity and behavior, ensuring compliance and adherence to the law and internal regulations. Ingersoll Rand has zero tolerance for corruption and violations of the principles of fair competition. Suppliers have to sign a code of conduct before transacting with the Company that they will not engage in unethical behaviour and will not bribe or attempt to bribe Company officials

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.

There were no complaints on ethics, transparency or accountability during the 2021-22

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) Enhanced existing product portfolio with new series of rotary compressor and centrifugal compressor with targeted weight optimization and manufacturing process simplification in view of reducing raw material consumption.

- b) Introduced next generation energy efficient 55-75kW rotary compressor.

- c) Launched energy efficient heatless desiccant air dryer and large capacity refrigerated cyclic and non-cycling air dryers having the best in class energy consumption.

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) Centrifugal compressor redesign with reduction of 0.5T steel from the overall package design.

- b) Next Generation RS55-kw compressors deliver 9% improved efficiency and 7% greater airflow capacity.

- c) Efficient cyclic air dryer models reduced the energy consumption by average 35% at rated load condition.

3. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes. Customers using Next Generation R series compressors achieved power savings of 10% compared to standard compressor. Promoted compressors with Variable Frequency Drives (VFDs) for better energy efficiency at part load conditions.

4. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so

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

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

5. 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. 50% 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.

6. 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 process and sewage water are treated with in-house ETP and STP plant to help recycle and use for sanitary and gardening application.
 - b) Use of water saving taps and fittings and monitoring through water balance chart to stay in control of fresh water consumption.
 - c) The plant also uses a zero liquid discharge system which helps eliminate disposing any liquid waste and only remnant solid waste is disposed or recycled responsibly.
 - (ii) Ingersoll Rand has also taken Initiatives to reduce packing consumables (non-hazardous and plastic waste) in manufacturing facility by reduction of packaging waste and plastic waste through use of returnable pallets for components in a high volume lines.

Overall 5-10% recycling of products and waste is being undertaken.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.
Your Company has 536 employees (excluding contractual) as on March 31, 2022.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
A total of 106 employees were hired on contractual basis during this period.
3. Please indicate the Number of permanent women employees.
42 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.
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?
100% of the Permanent Associates (hourly) of our manufacturing plant are members of this association and they are 30.40% 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

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

The trainings were given to all employees on EHS, competency development & career development and safety awareness during the year under review.

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 firmly believes that business sustainability is possible only by taking along all stakeholders, internal as well as external and has mapped them 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 stakeholders are mapped through various sales and marketing activities such as trade shows, customer contact programs, channel partner meets, trainings, technology days, etc. Company participates in the events organized by trade associations and contributes by providing inputs when requested. The Company reaches out to Shareholders at AGM and through press releases, wherever necessary.

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?

The Policy extends to Covers everybody who deals with the Company.

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 too. Policies apply to the Company, its Suppliers and Customers.

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.

The Company does have specific initiatives to address climate change and global warming. Energy conservation measures are an ongoing exercise and annually, the initiatives are spelt out in the Company's annual report. 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 and our environment as well as increase industrial 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. The Company has a mechanism to identify and assess potential environmental risks in its plants and projects. The Company is consistently putting in efforts to improve the environment protection measures further. 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?

No. The Company does not have any project related to clean development mechanism.

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.

We are taking additional initiative for improving energy efficiency & reduction of power consumption in manufacturing facility.

Initiatives to reduce energy in manufacturing facility.

- i. The solar roof top project has started helping reduce power consumption from grid. For period Apr-21 to Mar-22, solar produced 788000 KWH. The plant used 32% of its energy need from Solar and rest was from grid.
- ii. Below actions are implemented in 2021-22 and other identified actions are planned in 2022-23 Overall savings of 10% electricity consumption.
 - a) Drive to arrest leakages of compressed air in the plant
 - b) Installation of High Volume Low Speed fans to improve effective optimization of HVAC.
 - c) Use of AC energy savers in split ACsAttained 5% reduction in fresh water consumption by reuse of treated domestic water through process improvements and continued leveraging Zero Liquid Discharge system.
- iii. Energy audit was conducted in Jan-2021 and action taken in the year 2021-22. There was overall savings of 10% electricity consumption during the reporting period.
 - 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
- iv. Naroda factory complies Environmental and Occupational Health & Safety Management Systems in accordance with ISO 14001:2015 and ISO 45001:2018

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- v. Attained 5% reduction in fresh water consumption by reuse of treated domestic water through process improvements and implementation of a Zero Liquid Discharge System The company is in compliance with applicable EHS laws & regulations.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- Yes, air emissions and waste generated by the Company are well within the permissible limits prescribed by the environmental regulators and reported for the last financial year.
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 EHS legal notices received from CPCB/SPCB which are pending for the reporting period 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) Confederation of Indian Industry (CII)
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 and conferences organized by these associations and participate in memorandums submitted by CII.

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. 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, livelihoods and community development.
- Few project examples as below:
- Strengthening our belief in the need for sparking creativity and building interest in STEM (Science, Technology, Engineering and Mathematics). The project with Engineers without borders India is to build a better world that empower communities to meet their basic needs. This year, we collaborated with Engineers without Borders team in India to build e-learning centers in 4 Govt. Schools across Mumbai and Bangalore.
- Over 2500 students in these 4 schools will be benefitted through this initiative. These centers are well equipped with latest amenities such as computer, projector, screen, sound box, UPS, infrastructure of the center, online study material

and books that would help teachers to take classes in a better manner and also cultivate students interest in studies innovatively

Healthcare with Smile Foundation:

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 Meeting nutritional requirements and promoting education.

3. Have you done any impact assessment of your initiative? No

None of our project require impact assessment to be carried out as per CSR Rules. Nevertheless, we have an internal team who regularly monitor and visit projects, and analyze the impact through reports (monthly, quarterly, closure reports) submitted by NGO partners.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? The Company has spent Rs. 233.08 during the year 2021-22 on CSR Projects. For details of the projects please refer Sr. Nos. 1 to 7 under 8 (c) of Annexure 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.

Community Development through Lake Revival

Another great step through Public-Private-Partnership by collaborating GMDA (Gurugram Metropolitan Development Authority) to build Lake View Park adjacent to the Lake in Gurgaon, Haryana. The project is with the aim of mobilizing nature to render urban areas more resilient to the threat of climate change. The park covers 2 acres of land surrounded by high-rise buildings and opposite to a waterbody of 18 acres - a first step towards three years commitment of Lake Revival.

Reducing Inequalities Faced by Differently-abled and Senior Citizens

This year, we collaborated with the Earth Saviours Foundation to reduce inequalities in the society and supported through four shelters and beds that will accommodated over 400 differently abled and senior citizens.

Employee Volunteering

Our employees are an essential 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. Our extended CSR network in offices across India, works with local NGO partners to ensure support for our programs in their location along with effective monitoring and employee engagement.

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.

The Company has an on-line system of addressing consumer complaints that are attended to promptly. We have a strong customer care system in place with clear benchmarked targets for on time and reliable resolution with built escalation process. Since the complaints redressal mechanism is an on-going process, the number of complaints at any given point in time may not convey the correct picture. The Company strives to resolve all complaints to the satisfaction of its customers. There are no customer complaints/ consumer cases that have any material impact on the financials of the Company.

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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 nameplate.

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?

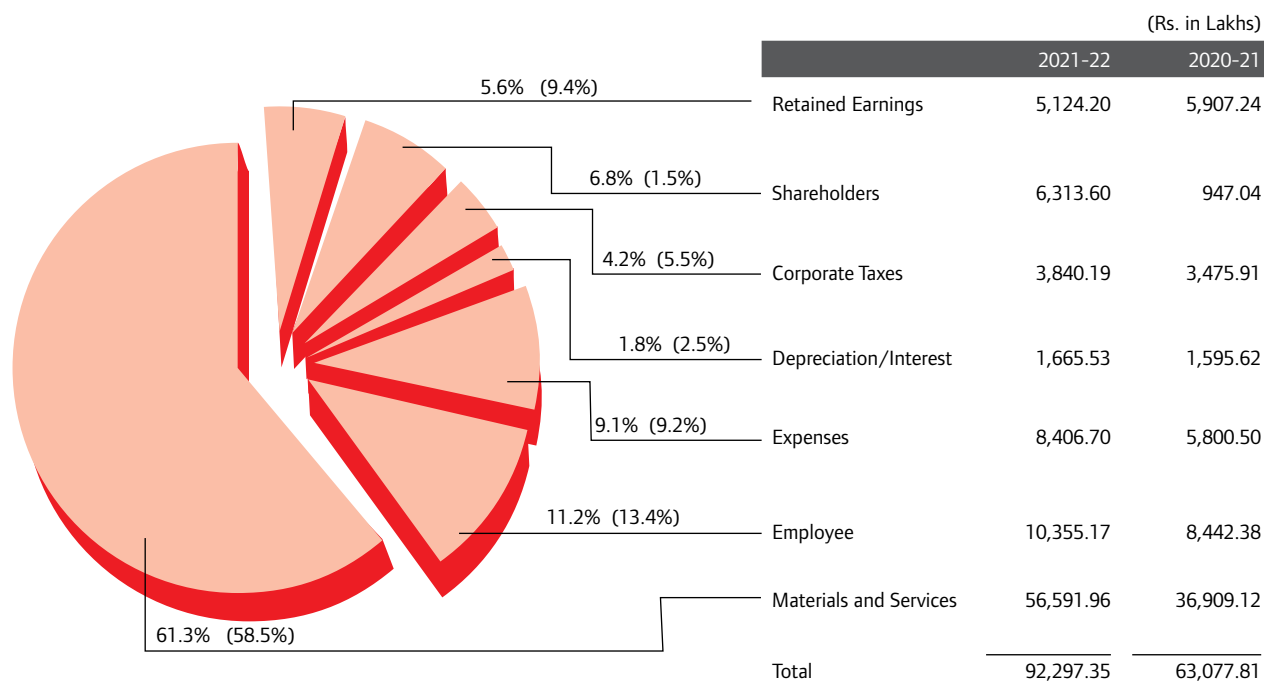
Yes. FY 2021-22 also saw a significant improvement in the CSI (Customer Satisfaction Index) for our distributors as well as direct customers. Continuous improvement in the areas of parts fulfillment, service response time is enabling positive customer feedback and satisfaction with our offerings and customer service levels.

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

Place: Dubai
Date: May 30, 2022

Amar Kaul
Chairman
(DIN: 07574081)

Distribution of Income

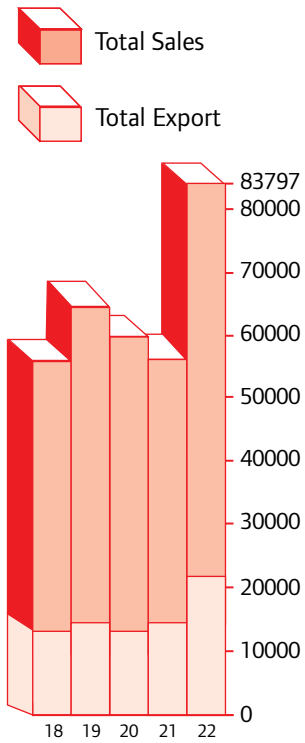


Ten years at a glance

	(Rs. in Lakhs)	2021-22	2020-21	2019-20
1. Sales		83,796.77	55,885.73	59,140.28
2. Other Income		8,500.58	7,192.08	15,035.16
3. Total Income		92,297.35	63,077.81	74,175.44
4. CAGR For Total Income (%)		3.23%	-	-
5. Manufacturing and Other Expenses		75,796.39	50,704.20	60,684.97
6. Depreciation		1,410.20	1,426.45	1,826.11
7. Interest		255.33	169.17	260.01
8. Profit Before Depreciation & Income Tax		16,688.19	11,756.64	12,744.59
9. Profit Before Tax		15,277.99	10,330.19	10,918.48
10. Tax		3,840.19	3,475.91	2,945.53
11. Profit After Tax		11,437.80	6,854.28	7,972.95
12. CAGR For Profit After Tax (%)		4.35%	-	-
13. Dividend		6,313.60	947.04	9,786.08
14. Dividend - Rs. per share		20.00	3.00	31.00
15. Fixed Assets (Net)		10,946.48	10,669.77	11,085.19
16. Current Assets, Financial Assets etc.		74,845.55	56,558.85	44,135.74
17. Total Assets		85,792.03	67,228.62	55,220.93
18. Share Capital		3,156.80	3,156.80	3,156.80
19. Market Price Per Share (in Rs.): 52 Weeks High & Low in BSE		H 1,747.80	H 911.15	H 729.85
(H - High ; L - Low)		L 674.90	L 555.40	L 569.00
20. Reserves and Surplus		52,031.84	41,910.48	34,956.11
21. Net Worth		55,188.64	45,067.28	38,112.91
22. Loans (Secured and Unsecured)		-	-	-

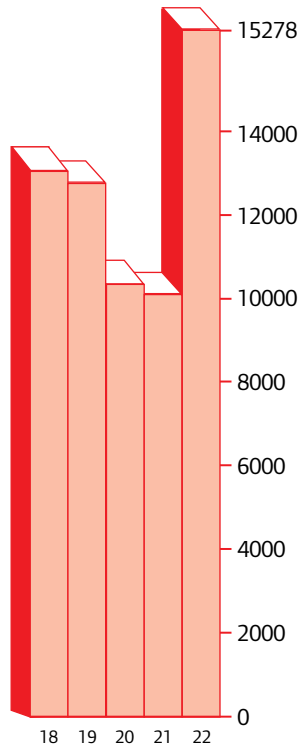
GROSS SALES

(in Rs. Lakhs)



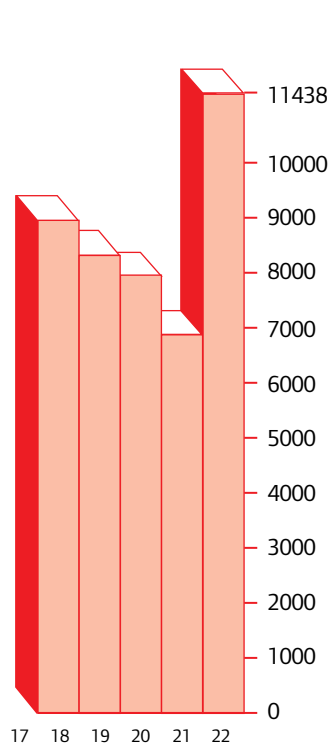
PROFIT BEFORE TAX

(in Rs. Lakhs)



PROFIT AFTER TAX

(in Rs. Lakhs)



	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	
	64,429.70	54,869.52	59,010.20	58,998.61	65,264.50	58,778.51	58,983.71	1.
	12,870.18	14,797.54	14,473.90	12,366.60	12,886.70	10,744.60	10,374.80	2.
	77,299.88	69,667.06	73,484.10	71,365.21	78,151.20	69,523.11	69,358.51	3.
	-	-	-	-	-	-	-	4.
	63,368.74	55,450.84	60,786.60	62,101.30	61,099.20	53,342.40	53,182.50	5.
	1,137.34	1,259.71	1,180.00	977.60	1,155.90	810.60	517.60	6.
	49.01	(208.02)	78.80	46.70	207.80	118.70	109.00	7.
	13,872.76	14,450.29	12,435.30	9,217.21	11,250.50	10,654.11	11,632.50	8.
	12,735.42	13,190.58	11,255.30	8,239.61	10,094.60	9,843.51	11,114.90	9.
	4,648.40	4,284.73	3,647.90	2,128.00	3,480.00	3,147.80	3,320.60	10.
	8,087.02	8,905.85	7,607.40	6,111.61	6,614.60	6,695.71	7,794.30	11.
	-	-	-	-	-	-	-	12.
	1,894.08	65,661.44	1,894.08	1,894.08	1,894.08	1,894.08	1,894.08	13.
	6.00	208.00	6.00	6.00	6.00	6.00	6.00	14.
	11,910.63	12,196.16	12,804.40	7,754.90	15,494.90	11,632.41	10,202.81	15.
	48,034.04	1,16,684.38	1,08,432.01	1,08,328.40	97,620.30	97,705.61	91,756.40	16.
	59,944.67	1,28,880.54	1,21,236.41	1,16,083.30	1,13,115.20	1,09,338.02	1,01,959.21	17.
	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	3,156.80	18.
	H 914.90	H 940.00	H 789.00	H 1,125.00	H 1,107.80	H 473.95	H 543.70	19.
	L 472.35	L 651.90	L 621.50	L 583.00	L 420.00	L 301.00	L 383.05	
	38,698.97	1,09,691.46	1,02,999.30	97,609.20	92,565.10	88,303.61	83,823.94	20.
	41,855.77	1,12,848.26	1,06,156.10	1,00,766.00	95,721.90	91,460.41	86,980.74	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 2022, 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 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 2022, and its 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 obtained by us 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) (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 creates a provision or makes a contingent liability disclosure in the Financial Statements that reflects Management's best estimate of the 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

We have verified the evidence of review of such tax litigation matters by General Manager Finance and also reviewed the views from Company's tax consultants on those matters. 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 Auditor's 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.

Management's and Board of Directors' Responsibilities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Independent Auditors' Report (Contd.)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Financial Statements 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditors' Report (Contd.)

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) the Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Financial Statements - Refer Note 12 and 25 to the Financial Statements.
 - b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d)
 - (i) the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
 - e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act 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: 22063980AJXIRB8704

Place: Bengaluru
Date: 30 May 2022

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 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (i) (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the year.
- (i) (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions when requested by the bank, are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(ii)(a) to 3(ii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Service Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of income tax and provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales Tax, Service Tax, Duty of Excise, Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	186.56 (173.33)*	AY 2003-04 and AY 2005- 06	High Court of Karnataka
Income Tax Act, 1961	Tax/ Interest	687.46	AY 2017-18	Commissioner of Income tax (Appeals), Bengaluru
Income Tax Act, 1961	Tax/ Interest	303.27 (289.93)*	AY 2004-05 AY 2006- 07 AY 2007-08 and AY 2009-10	Assessing Officer- Income tax, Bengaluru
Income Tax Act, 1961	Tax	326.72	AY 2018-19	Dispute Resolution Panel, Bangalore
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	1,643.11	2008-2013	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad
The Finance Act, 1994	Service tax	794.54 (39.55)*	2008-2016	CESTAT, 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	CESTAT, Ahmedabad
The Finance Act, 1994	Service tax	7.67 (0.46)	2015-2017	CESTAT, Ahmedabad
The Central Sales Tax, 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	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 explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sanjay Sharma
Partner
Membership No.: 063980
UDIN: 22063980AJXIRB8704

Place: Bengaluru
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the Financial Statements of Ingersoll-Rand (India) Limited for the year ended 31 March 2022

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 2022 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 2022, 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.

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

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

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: 22063980AJXIRB8704

Place: Bengaluru
Date: 30 May 2022

Balance Sheet

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	As at	
		March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	10,303.11	10,224.36
Capital work-in-progress	4A	617.91	412.11
Right-of-use assets	32B(a)	748.78	912.66
Intangible assets	4	25.46	33.30
Financial assets			
(i) Other financial assets	5.4	359.80	368.93
Deferred tax assets (net)	6	50.77	111.95
Income tax assets (net)	9	1,543.39	1,569.03
Other non-current assets	7	509.47	546.39
Total non-current assets		14,158.69	14,178.73
Current assets			
Inventories	8	16,073.29	9,500.44
Financial assets			
(i) Trade receivables	5.1	24,136.93	18,215.66
(ii) Cash and cash equivalents	5.2	29,168.54	22,916.73
(iii) Bank balances other than above	5.3	206.48	219.04
(iv) Other financial assets	5.4	347.40	574.58
Other current assets	7	1,700.70	1,623.44
Total current assets		71,633.34	53,049.89
Total assets		85,792.03	67,228.62
Equity and Liabilities			
Equity			
Equity share capital	10.1	3,156.80	3,156.80
Other equity	10.2	52,031.84	41,910.48
Total equity		55,188.64	45,067.28
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	11.2	459.77	600.83
(ii) Other financial liabilities	11.1	-	-
Provisions			
Employee benefit obligations	12	10.81	15.28
Other non-current liabilities	13	-	710.47
Other non-current liabilities	15	272.76	125.97
Total non-current liabilities		743.34	1,452.55
Current liabilities			
Financial liabilities			
(i) Lease liabilities	11.2	314.78	353.32
(ii) Trade payables	14		
Total outstanding dues to micro enterprises and small enterprises		3,030.22	2,985.83
Total outstanding dues to creditors other than micro enterprises and small enterprises		16,950.62	11,254.69
(iii) Other financial liabilities	11.1	1,561.12	1,167.22
Provisions			
Employee benefit obligations	12	341.42	521.59
Income tax liabilities (net)	13	509.28	617.59
Other current liabilities	15	547.26	142.64
Total current liabilities		29,860.05	20,708.79
Total liabilities		30,603.39	22,161.34
Total equity and liabilities		85,792.03	67,228.62

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: 30-May-2022

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

Amar Kaul
Chairman
DIN: 07574081
Place: Dubai
Date: 30-May-2022

Preeti Mohanty
Chief Financial Officer
Place: Bengaluru
Date: 30-May-2022

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: 30-May-2022

Inder Arora
Manager
Place: Gurugram
Date: 30-May-2022

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 30-May-2022

Statement of Profit and Loss

(All amounts in Rupees Lakhs, unless otherwise stated)

	Notes	Year ended	
		March 31, 2022	March 31, 2021
Income			
Revenue from operations	16	90,991.93	61,772.96
Other income	17	1,305.42	1,304.85
Total income		<u>92,297.35</u>	<u>63,077.81</u>
Expenses			
Cost of materials consumed	18	57,506.75	35,301.06
Purchases of stock-in-trade		1,711.88	1,220.39
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	(2,626.67)	387.67
Employee benefits expense	20	10,355.17	8,442.38
Finance costs	23	255.33	169.17
Depreciation and amortisation expense	21	1,410.20	1,426.45
Other expenses	22	8,849.26	5,352.70
Total expenses		<u>77,461.92</u>	<u>52,299.82</u>
Profit before tax		14,835.43	10,777.99
Tax expenses	24		
Current tax		3,833.81	2,955.74
Deferred tax		61.18	(148.39)
Current tax relating to prior years (net)		(73.99)	735.30
Total tax expenses		<u>3,821.00</u>	<u>3,542.65</u>
Profit for the year		<u>11,014.43</u>	<u>7,235.34</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		76.24	(265.18)
Gain/ (loss) on actuarial valuation of Provident fund corpus and interest		366.32	(182.62)
Income tax relating to this item credit/ (charge)		(19.19)	66.74
		<u>423.37</u>	<u>(381.06)</u>
Other comprehensive income, net of income tax		<u>423.37</u>	<u>(381.06)</u>
Total comprehensive income for the year		<u>11,437.80</u>	<u>6,854.28</u>
Earnings per equity share			
[Nominal value per share Rs.10 (March 31, 2021: Rs.10)]			
Basic and Diluted	26	34.89	22.92

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: 30-May-2022

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

Amar Kaul

Chairman

DIN: 07574081

Place: Dubai

Date: 30-May-2022

Preeti Mohanty

Chief Financial Officer

Place: Bengaluru

Date: 30-May-2022

Sekhar Natarajan

Director

DIN: 01031445

Place: Mumbai

Date: 30-May-2022

Inder Arora

Manager

Place: Gurugram

Date: 30-May-2022

P. R. Shubhakar

Gen. Manager-Corp. Finance
and Company Secretary

Place: Bengaluru

Date: 30-May-2022

Statement of Changes in Equity

(All amounts in Rupees Lakhs, unless otherwise stated)

					Amount
A. Equity share capital					
As at April 1, 2020					3,156.80
Changes in equity share capital					-
As at March 31, 2021					3,156.80
Changes in equity share capital					-
As at March 31, 2022					<u>3,156.80</u>
B. Other equity					
	Reserves and surplus		Items of OCI		Total other equity
	General reserve	Retained earnings	Other reserves	Remeasurements of the net defined benefit plan	
Balance at April 1, 2020	30,301.90	4,854.45	367.65	(567.89)	34,956.11
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
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>
Profit for the year	-	11,014.43	-	-	11,014.43
Other comprehensive income	-	-	-	423.37	423.37
Total comprehensive income for the year	-	11,014.43	-	423.37	11,437.80
Dividends paid (Refer note 43)	-	(947.04)	-	-	(947.04)
Employee stock option compensation	-	-	835.93	-	835.93
Employee stock option compensation to be reimbursed to ultimate holding company	-	-	(1,205.33)	-	(1,205.33)
	-	(947.04)	(369.40)	-	(1,316.44)
Balance at March 31, 2022	<u>30,301.90</u>	<u>22,157.18</u>	<u>98.34</u>	<u>(525.58)</u>	<u>52,031.84</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: 30-May-2022

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

Amar Kaul

Chairman

DIN: 07574081

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Date: 30-May-2022

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Manager

Place: Gurugram

Date: 30-May-2022

P. R. Shubhakar

Gen. Manager-Corp. Finance

and Company Secretary

Place: Bengaluru

Date: 30-May-2022

Statement of Cash Flows

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
A. Cash flow from operating activities		
Profit before income tax	14,835.43	10,777.99
Adjustments for:		
Depreciation and amortisation expense	1,410.20	1,426.45
Interest expense (net)	255.33	169.17
Interest income	(734.75)	(507.91)
Net (gain)/ loss on disposal of property, plant and equipment	(9.35)	(4.56)
Employee share based payments expense	129.80	100.09
Unrealised foreign exchange (gain)/ loss	(87.18)	91.40
Change in operating assets and liabilities		
Changes in trade receivables	(5,873.57)	(3,893.82)
Changes in inventories	(6,572.85)	(1,614.40)
Changes in other financial assets	266.99	42.43
Changes in other non-current assets	1.56	(31.49)
Changes in other current assets	(77.26)	(223.33)
Changes in trade payables	5,280.60	2,822.31
Changes in provisions	(184.64)	(50.95)
Changes in employee benefit obligations	(376.22)	(22.18)
Changes in other financial liabilities	282.38	277.31
Changes in other current liabilities	2,778.92	1,034.55
Changes in other non-current liabilities	146.79	125.97
Cash generated from operations	11,472.18	10,519.03
Income taxes paid (net of refunds)	(3,381.77)	(2,868.73)
Net cash inflow from operating activities	<u>8,090.41</u>	<u>7,650.30</u>
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,224.90)	(668.30)
Proceeds from sale of property, plant and equipment	18.55	52.23
Interest received	672.48	482.73
Net cash (outflow) / inflow from investing activities	<u>(533.87)</u>	<u>(133.34)</u>

Statement of Cash Flows (Contd.)

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
C. Cash flows from financing activities		
Dividends paid	(947.23)	-
Repayment of lease liabilities	(295.72)	(388.68)
Interest paid	(61.79)	(56.42)
Net cash outflow from financing activities	(1,304.74)	(445.10)
Net Increase/ (decrease) in cash and cash equivalents	6,251.80	7,071.86
Cash and Cash equivalents at the beginning of the year	22,916.73	15,844.87
Cash and Cash equivalents at the end of the year	29,168.54	22,916.73
Cash and cash equivalents comprise of:		
Balances with banks (including demand deposits)	29,169.08	22,900.46
Effect of exchange differences on balances with banks in foreign currency	(0.54)	16.27
Total	29,168.54	22,916.73

Notes:

- 1 Refer note 32B for reconciliation of movement of lease liabilities to cash flows arising from financing activities.
- 2 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss for the year ended on that date.
- 3 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.
- 4 Prior year's figures have been regrouped/ reclassified wherever necessary in order to conform with current year's classification.

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

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: 30-May-2022

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

Amar Kaul
Chairman
DIN: 07574081
Place: Dubai
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Chief Financial Officer
Place: Bengaluru
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DIN: 01031445
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Manager
Place: Gurugram
Date: 30-May-2022

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 30-May-2022

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 30, 2022.

(ii) Basis of measurement

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

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

(iii) Use of estimates and judgements

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

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

The area involving critical estimates or judgements is:

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

(iv) Functional and presentation currency

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

(v) Rounding of amounts

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

3 Significant accounting policies

3.1 Segment reporting

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

3.2 Foreign exchange transactions and translations

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

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

3.3 Revenue recognition

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

(a) Sale of goods

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

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

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(b) Sale of services

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

Revenue from services are disclosed exclusive of tax.

(c) Business support and auxiliary services:

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

(d) Government grants - Export incentives:

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

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

(f) Use of significant judgements in revenue recognition

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

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

3.4 Income tax

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

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

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

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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 non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

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

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(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.

(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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

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 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

- (ii) The Company operates the following post-employment schemes:
- (a) defined benefit plans such as gratuity and provident fund (upto January 31, 2022), 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 upto January 31, 2022 was made to a Trust administered by the Company till January 31, 2022. The trust invested in specific designated instruments as permitted by Indian law. The remaining portion was contributed to the government administered pension fund. The rate at which the annual interest was payable to the beneficiaries by the trust was being administered by the Government. The Company carried an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Trust surrendered the Provident Fund exemption granted to the Company under Employees' Providents Fund & Miscellaneous Provisions Act, 1956 on its own volition w.e.f. February 01, 2022. Post February 01, 2022, contribution towards provident fund is being made to Government administered provident fund scheme.

Contribution towards provident fund for certain employees upto January 31, 2022 and all employees from February 01, 2022 is made to the regulatory authorities which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with a Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

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 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 share based compensation plan is recognised

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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)

4 Property, plant and equipment and Intangible assets

	Year ended March 31, 2021											Intangible assets - Computer software
	Land - leasehold	Buildings	Leasehold improvements	Plant and machinery	Computer systems	Electrical installations	Furniture, fixtures and equipment	Vehicles	Small tools	Office equipment	Total tangible assets	
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	-	-	133.94	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	-	-	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	64.97	3,553.97	195.19	774.52	139.20	0.20	267.24	99.92	10,224.36	33.30
Net carrying amount as at March 31, 2021	61.30	5,067.85	133.94	1,870.08	910.46	977.28	149.95	10.32	270.57	174.87	5,390.70	13.73
Year ended March 31, 2022	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
Gross carrying amount	-	2.22	-	841.52	107.35	99.90	73.80	-	45.75	7.80	1,178.34	-
Opening gross carrying amount	-	-	-	(160.08)	(97.75)	-	(27.93)	-	(5.96)	(21.01)	(312.73)	-
Additions	-	-	-	6,105.49	1,115.25	1,851.70	335.02	10.52	377.60	261.58	16,480.67	47.03
Disposals / adjustments	-	-	-	1,870.08	910.46	977.28	149.95	10.32	70.57	174.87	5,390.70	13.73
Accumulated depreciation	-	215.88	26.80	451.58	123.40	179.09	40.08	-	24.02	25.50	1,086.35	7.84
Opening accumulated depreciation	-	-	-	(153.71)	(97.75)	-	(22.50)	-	(5.60)	(19.93)	(299.49)	-
Depreciation charge during the year	-	-	95.77	2,167.95	936.11	1,156.37	167.53	10.32	88.99	180.44	6,177.56	21.57
Disposals / adjustments	-	-	38.17	3,937.54	179.14	695.33	167.49	0.20	288.61	81.14	10,303.11	25.46
Closing accumulated depreciation	-	1,374.08	183.02	6,105.49	1,115.25	1,851.70	335.02	10.52	377.60	261.58	16,480.67	47.03
Net carrying amount as at March 31, 2022	61.30	4,854.19	183.02	1,870.08	910.46	977.28	149.95	10.32	270.57	174.87	5,390.70	13.73

Notes:

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

	Plant and machinery	
	Year ended 31-Mar-22	31-Mar-21
Gross carrying amount	232.78	250.39
Opening gross carrying amount	128.87	-
Additions	(83.59)	(17.61)
Disposals / adjustments	278.06	232.78
Closing gross carrying amount	183.02	197.88
Accumulated depreciation	39.25	2.75
Opening accumulated depreciation	(83.59)	(17.61)
Depreciation charge during the year	138.66	183.02
Disposals / adjustments	139.38	49.76
Closing accumulated depreciation	139.38	49.76
Net carrying amount	143.64	148.12

(2) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

4A Capital work in progress

	As at	
	March 31, 2022	March 31, 2021
Capital work in progress	617.91	412.11
Total Capital work in progress	617.91	412.11

(A) Capital work in progress ageing schedule

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	559.24	58.67	-	-	617.91

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	385.87	24.79	1.45	-	412.11

(B) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2022 and as on 31 March 2021.

(C) Projects which are overdue as per original plan -

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
Project 1	55.30	-	-	-	55.30
Project 4	93.95	-	-	-	93.95
Project 5	93.14	-	-	-	93.14
Project 6	44.56	-	-	-	44.56
Project 7	42.57	-	-	-	42.57

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
Project 1	-	49.00	-	-	49.00
Project 2	32.30	-	-	-	32.30
Project 3	220.00	-	-	-	220.00

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

5 Financial assets

5.1 Trade receivables (Unsecured)

	As at	
	March 31, 2022	March 31, 2021
Billed		
Considered good		
Receivables from related parties (refer note 35)	10,471.62	5,544.60
Others	13,517.46	12,522.83
Credit impaired		
Others	777.28	574.10
(Less): Allowance for doubtful receivables	(777.28)	(574.10)
Unbilled		
Considered good		
Unbilled receivables	147.85	148.23
Total receivables	<u>24,136.93</u>	<u>18,215.66</u>
Current portion	24,136.93	18,215.66

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

Trade receivables ageing schedule

As at March 31, 2022

Outstanding for following periods from due date of payments

	Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables								
(i) Considered good	147.85	8,722.68	14,697.54	259.35	142.72	18.27	25.16	24,013.57
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	43.34	107.76	24.00	13.91	89.70	293.50	572.21
(b) Disputed Trade receivables								
(i) Considered good	-	-	74.53	2.07	9.83	1.21	35.72	123.36
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	19.91	31.80	153.36	205.07
(Less): Allowance for doubtful receivables								(777.28)
Total								<u>24,136.93</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

As at March 31, 2021

Outstanding for following periods from due date of payments

	Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables								
(i) Considered good	148.23	8,925.37	7,681.59	426.60	680.90	173.21	89.82	18,125.72
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	81.54	20.30	3.99	77.31	48.96	309.94	542.04
(b) Disputed Trade receivables								
(i) Considered good	-	-	0.63	23.93	24.55	17.33	23.50	89.94
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	0.81	6.26	12.28	12.71	32.06
(Less): Allowance for doubtful receivables								(574.10)
Total								<u>18,215.66</u>

5.2 Cash and cash equivalents

	As at	
	March 31, 2022	March 31, 2021
Balances with banks		
- in current accounts	179.56	344.13
- in Export Earners' Foreign Currency (EEFC) accounts	90.98	1,519.60
Deposits with original maturity of less than three months	28,898.00	21,053.00
Total cash and cash equivalents	<u>29,168.54</u>	<u>22,916.73</u>

5.3 Bank balances other than above

	As at	
	March 31, 2022	March 31, 2021
Unpaid dividend accounts	206.48	219.04
Total other bank balances	<u>206.48</u>	<u>219.04</u>

5.4 Other financial assets

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Unsecured, considered good:				
From related parties (refer note 35)				
Other receivables*	163.49	-	122.22	-
From others				
Interest accrued on deposits with banks	110.20	-	47.93	-
Security and other deposits	73.71	359.80	404.43	368.93
Total other financial assets	<u>347.40</u>	<u>359.80</u>	<u>574.58</u>	<u>368.93</u>

* Other receivables pertains to Recharge of expenses and sub lease rentals

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	As at	
	March 31, 2022	March 31, 2021
The balance comprises temporary differences attributable to:		
(A) Deferred tax assets arising from:		
Allowance for doubtful debts: trade receivables, advances and other receivables	212.83	181.11
Provisions: Warranties, employee benefits expenses and other provisions	296.62	369.43
Others	6.49	10.44
Total deferred tax assets	515.94	560.98
(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	(465.17)	(449.03)
Total deferred tax (liabilities)	(465.17)	(449.03)
Net deferred tax assets / (liabilities)	50.77	111.95

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, 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	(449.03)	369.43	181.11	10.44	111.95
(Charged)/ credited to profit or loss	(16.14)	(72.81)	31.72	(3.95)	(61.18)
As at March 31, 2022	(465.17)	296.62	212.83	6.49	50.77

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

7 Other current and non-current assets

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	-	-	-	35.36
Balance with government authorities	632.48	154.23	549.93	-
Indirect taxes paid under protest (refer note 25(i))	-	248.03	-	511.03
Sales tax refund receivable	-	107.21	-	-
Prepaid expenses	441.94	-	259.75	-
Advances to suppliers				
Considered good	567.57	-	667.35	-
Considered doubtful	27.67	-	24.80	-
(Less): Provision for doubtful advances	(27.67)	-	(24.80)	-
Export incentives receivable				
Considered good	58.71	-	146.41	-
Considered doubtful	40.70	-	120.70	-
(Less): Provision for doubtful export incentive receivables	(40.70)	-	(120.70)	-
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	1,700.70	509.47	1,623.44	546.39

8 Inventories

	As at	
	March 31, 2022	March 31, 2021
Raw materials	10,880.28	6,934.10
Work-in-progress	1,120.75	577.39
Finished goods	4,033.36	1,973.12
Traded goods	38.90	15.83
Total inventories	16,073.29	9,500.44
Stock in transit (included above)		
Raw materials	2,132.31	1,302.73
Finished goods	1,808.24	747.55
Total stock in transit	3,940.55	2,050.28

The total inventories are net of provision for obsolescence amounting to Rs.1,774.98 (March 31, 2021: Rs.1,965.05).

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

9 Income tax assets (net)

	As at	
	March 31, 2022	March 31, 2021
Advance income tax and tax deducted at source, net	1,080.12	1,049.88
Income-tax paid under protest (refer note 25(i)(e))	463.27	519.15
	<u>1,543.39</u>	<u>1,569.03</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, 2021, 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, 2022, 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, 2022, 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, 2020	320.00	3,200.00
Change during the year	-	-
As at March 31, 2021	<u>320.00</u>	<u>3,200.00</u>
Change during the year	-	-
As at March 31, 2022	<u>320.00</u>	<u>3,200.00</u>
(i) Movements in Issued, Subscribed and Fully paid up equity share capital		
As at April 1, 2020	315.68	3,156.80
Change during the year	-	-
As at March 31, 2021	<u>315.68</u>	<u>3,156.80</u>
Change during the year	-	-
As at March 31, 2022	<u>315.68</u>	<u>3,156.80</u>

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, 2022	March 31, 2021
Ingersoll-Rand Inc., USA, the Ultimate holding company	31.60	31.60
Ingersoll-Rand Industrial US Inc., USA, the immediate holding company	2,336.00	2,336.00
Total	2,367.60	2,367.60

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

	As at	
	March 31, 2022	March 31, 2021
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, 2022, 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.

(vii) Disclosure of shareholding of promoters and promoters group

Disclosure of shareholding of promoters and promoters group as at March 31, 2022 is as follows:

Sl	Name	As at March 31, 2022		As at March 31, 2021		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Ingersoll-Rand Inc., USA, the ultimate holding company	3,16,000	1.00%	3,16,000	1.00%	0.00%
2	Ingersoll-Rand Industrial US Inc., USA, the immediate holding company	2,33,60,000	74.00%	2,33,60,000	74.00%	0.00%
	Total	2,36,76,000	75.00%	2,36,76,000	75.00%	0.00%

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Disclosure of shareholding of promoters and promoters group as at March 31, 2021 is as follows:

Sl	Name	As at March 31, 2021		As at March 31, 2020		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Ingersoll-Rand Inc., USA, the ultimate holding company	3,16,000	1.00%	-	0.00%	1.00%
2	Ingersoll-Rand Industrial US Inc., USA, the immediate holding company	2,33,60,000	74.00%	2,33,60,000	74.00%	0.00%
Total		2,36,76,000	75.00%	2,33,60,000	74.00%	1.00%

10.2 Other equity

	As at	
	March 31, 2022	March 31, 2021
General reserve	30,301.90	30,301.90
Retained earnings	22,157.18	12,089.79
Other reserves	98.34	467.74
Other items of other comprehensive income consists of remeasurement of net defined plan	(525.58)	(948.95)
Total other equity	52,031.84	41,910.48

(i) General reserve

	As at	
	March 31, 2022	March 31, 2021
Opening balance	30,301.90	30,301.90
Add: Change during the year	-	-
Closing balance	30,301.90	30,301.90

(ii) Retained earnings

	As at	
	March 31, 2022	March 31, 2021
Opening balance	12,089.79	4,854.45
Net profit for the year	11,014.43	7,235.34
Dividends (Refer note 43)	(947.04)	-
Closing balance	22,157.18	12,089.79

(iii) Other reserves

	As at	
	March 31, 2022	March 31, 2021
Opening balance	467.74	367.65
Employee stock option compensation	835.93	461.25
Employee stock option compensation to be reimbursed to ultimate holding company	(1,205.33)	(361.16)
Closing balance	98.34	467.74

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

(iv) Other items of other comprehensive income

	As at	
	March 31, 2022	March 31, 2021
Opening balance	(948.95)	(567.89)
Appropriations during the year	423.37	(381.06)
Closing balance	<u>(525.58)</u>	<u>(948.95)</u>

Notes:

General reserve

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

Other reserve

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

11.1 Other financial liabilities

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Unpaid dividends (refer note below)	213.05	-	225.41	-
Employee benefits payable	447.21	-	472.85	-
Employee share based payments expense to be reimbursed to ultimate holding company	669.18	-	361.16	-
Creditors for capital goods:				
- payable to related parties (refer note 35)	39.37	-	1.18	-
- payable to others	192.31	-	106.62	-
Total other financial liabilities	<u>1,561.12</u>	<u>-</u>	<u>1,167.22</u>	<u>-</u>

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

11.2 Lease liabilities

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Lease liabilities (refer note 32B(b))	314.78	459.77	353.32	600.83
	<u>314.78</u>	<u>459.77</u>	<u>353.32</u>	<u>600.83</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

12 Provisions

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Litigations/ disputes	75.98	-	57.31	-
Warranties	222.44	10.81	214.28	15.28
Provision for sales tax	43.00	-	250.00	-
Total provisions	<u>341.42</u>	<u>10.81</u>	<u>521.59</u>	<u>15.28</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, 2021	57.31	229.56	250.00
Charged/ (credited) to profit or loss:			
- additional provisions recognised / (written back)	18.67	214.82	(207.00)
- amounts utilised	-	(211.13)	-
As at March 31, 2022	<u>75.98</u>	<u>233.25</u>	<u>43.00</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, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Compensated absences	376.35	-	360.37	-
Gratuity [refer note 20(a)]	132.93	-	257.22	-
Provident Fund trust [refer note 20(a)]	-	-	-	710.47
Total employee benefit obligations	509.28	-	617.59	710.47

14 Trade payables

	As at	
	March 31, 2022	March 31, 2021
Current:		
Total outstanding dues of micro enterprises and small enterprises (refer Note 29)	3,030.22	2,985.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	2,517.52	1,542.54
- Trade payables	8,270.80	6,610.60
- Trade payables to related parties (refer note 35)	6,162.30	3,101.55
Total trade payables	19,980.84	14,240.52

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

Trade payables ageing schedule

As at March 31, 2022

Outstanding for following periods from due date of payments

	Unbilled	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,647.76	1,325.57	46.53	1.69	8.67	3,030.22
(ii) Others	2,596.69	7,906.12	6,349.20	43.51	26.80	28.30	16,950.62
(iii) Disputed dues to MSME	-	-	-	-	-	-	-
(iv) Disputed dues to Others	-	-	-	-	-	-	-
Total	2,596.69	9,553.88	7,674.77	90.04	28.49	36.97	19,980.84

As at March 31, 2021

Outstanding for following periods from due date of payments

	Unbilled	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	2,274.25	687.74	22.90	0.14	0.80	2,985.83
(ii) Others	1,712.53	3,701.53	5,350.41	442.51	35.08	12.63	11,254.69
(iii) Disputed dues to MSME	-	-	-	-	-	-	-
(iv) Disputed dues to Others	-	-	-	-	-	-	-
Total	1,712.53	5,975.78	6,038.15	465.41	35.22	13.43	14,240.52

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

15 Other current and non-current liabilities

	As at			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Contract liabilities				
Income billed in advance	3,059.95	272.76	1,568.56	125.97
Advance from customers	2,238.12	-	1,133.02	-
Statutory dues including provident fund and tax deducted at source	808.23	-	625.80	-
Others - Interest payable to MSMED (refer note 29)	499.05	-	338.53	-
Total other current liabilities	6,605.35	272.76	3,665.91	125.97

16 Revenue from operations

	Year ended	
	March 31, 2022	March 31, 2021
Sale of finished goods	83,796.77	55,885.73
Sale of services		
Installation, commissioning and maintenance	4,884.28	3,974.12
Business support and auxiliary services	1,009.49	916.72
Other operating revenue		
Recovery of freight, insurance and packing expenses	695.54	433.25
Export incentives	289.57	331.42
Sale of scrap	102.75	63.53
Lease rentals - equipment	213.53	168.19
Total revenue from operations	90,991.93	61,772.96

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 is Rs. 14,956.36 for the year ended 31 March 2022 (Ingersoll-Rand Industrial US Inc., USA for the FY 2020-21: Rs.11,049.76) which contributes more than 10% of the Company total revenue.
- (c) Contract balances:

	As at	
	March 31, 2022	March 31, 2021
Trade receivables	24,136.93	18,215.66
Contract liabilities		
Income received in advance	3,332.71	1,694.53
Advance from customers	2,238.12	1,133.02

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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

	Income received in advance	
	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,694.53	1,075.31
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,204.85)	(836.18)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	2,843.03	1,455.40
Translation exchange difference	-	-
Balance at the end of the year	3,332.71	1,694.53

	Advance from customers	
	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,133.02	1,001.45
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,133.02)	(1,001.45)
Increase due to invoicing / advance received during the year, excluding amounts recognised as revenue during the year	2,238.12	1,133.02
Balance at the end of the year	2,238.12	1,133.02

Expected revenue recognition from remaining performance obligations:

	As at	As at
	March 31, 2022	March 31, 2021
- Within one year	5,298.07	2,701.58
- More than one year	272.76	125.97
	5,570.83	2,827.55

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, 2022 that have an original expected duration of one year or less, as allowed by Ind AS 115.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

17 Other income

	Year ended	
	March 31, 2022	March 31, 2021
Interest Income on:		
Deposits with banks	722.44	498.05
On Income tax refund	12.31	-
Others	-	9.86
Recharge of expenses to fellow subsidiaries	446.07	467.29
Recharge of expenses to others	-	12.56
Sub lease rentals from office facilities	101.93	286.59
Net gain/ (loss) on disposal of property, plant and equipment	9.35	4.56
Unwinding of discount on security deposits	13.32	25.94
Total other income	1,305.42	1,304.85

18 Cost of materials consumed

	Year ended	
	March 31, 2022	March 31, 2021
Raw materials at the beginning of the year	6,934.10	4,932.03
Add: Purchases of raw materials	60,701.55	36,804.86
(Less): Raw materials at the end of the year	(10,880.28)	(6,934.10)
Cost of raw materials consumed during the year	<u>56,755.37</u>	<u>34,802.79</u>
Packing materials consumed	751.38	498.27
Total cost of materials consumed	57,506.75	35,301.06

Notes:

(i) Includes write back of provision for inventory obsolescence Rs.190.07 (March 31, 2021: Provision for inventory obsolescence Rs.121.03).

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

	Year ended	
	March 31, 2022	March 31, 2021
(a) Opening inventories		
Work-in progress	577.39	1,084.18
Finished goods	1,973.12	1,860.66
Traded goods	15.83	9.17
Total opening balance	<u>2,566.34</u>	<u>2,954.01</u>
(b) Closing inventories		
Work-in progress	1,120.75	577.39
Finished goods	4,033.36	1,973.12
Traded goods	38.90	15.83
Total closing balance	<u>5,193.01</u>	<u>2,566.34</u>
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	<u>(2,626.67)</u>	<u>387.67</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense

	Year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	8,658.09	7,225.87
Post-employment benefits:		
Contribution to provident fund and other funds (refer notes below)		
Defined benefit plan	195.39	249.97
Defined contribution	174.15	122.06
Gratuity (refer notes below)	149.95	109.66
Compensated absences	122.80	75.16
Employee share based payments expense	835.93	461.25
Staff welfare expenses	218.86	198.41
Total employee benefits expense	10,355.17	8,442.38

(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 was managed by the Company through the "Ingersoll-Rand Employees Provident Fund Trust" ('the Trust') for part of the year up to January 31, 2022. In line with the Provident Fund and Miscellaneous Provisions Act, 1952, the plan guaranteed interest at the rate notified by the Provident Fund authorities. The contributions were 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 was payable to employees at the time of their separation from the Company or retirement, whichever is earlier.

During the year, the Company made an application to Employee's Provident Fund Organisation (EPFO) for surrender of Provident Fund exemption ('the surrender') w.e.f. 01 February 2022. The EPFO vide their letter no. MH/Mumbai(Powai)/Exemption/35 dated December 14, 2021 accepted the surrender request and permitted the Company to comply as un-exempted establishment with effect from February 01, 2022 and make the contribution equal to a specified percentage of the eligible employee's salary directly to the Government administered fund as an un-exempted establishment.

The surrender involved liquidation of investments held by the Trust and payment of past accumulation (i.e., employer and employee contribution towards provident fund managed by the Trust including interest thereon) to EPFO. The investments held by the trust up to the date of surrender were liquidated and the proceeds thereof were transferred (including loss on sale of investments of Rs. 344.14 contributed by the Company) to EPFO towards past accumulation. Effective, February 01, 2022, the contributions are made directly to the Government administered fund.

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 for the year ended March 31, 2021 only and the below disclosures are not required for the year ended March 31, 2022 as the Trust no longer exists.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(i) Change in defined benefit obligations

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance at the beginning of the year	2,359.09	1,948.07	8,159.93	9,246.28
Add: Current service cost	141.59	122.29	-	218.06
Add: Interest cost	143.42	122.25	-	539.49
Add: Actuarial (gain)/ loss - experience	(7.27)	121.46	-	122.49
Add: Actuarial (gain)/ loss - demographic assumptions	8.32	(1.87)	-	16.02
Add: Actuarial (gain)/ loss - financial assumptions	(55.84)	181.50	-	123.10
Add: Transfer in / (out)	-	-	(8,159.93)	-
Add: Employee contribution	-	-	-	800.64
(Less): Benefits paid from plan assets	(87.40)	(134.61)	-	(2,906.15)
Balance at the end of the year	2,501.91	2,359.09	-	8,159.93

(ii) Change in plan assets

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	2,101.87	1,871.51	7,449.46	8,755.41
Add: Interest income	135.06	134.88	-	507.60
Add: Contributions	198.00	200.00	-	212.97
Add: Return on plan assets greater/ (lesser) than discount rate	21.45	35.91	-	78.99
Add: Transfer in / (out)	-	(5.82)	(7,449.46)	-
Add: Employee contribution	-	-	-	800.64
(Less): Benefits paid	(87.40)	(134.61)	-	(2,906.15)
Balance at the end of the year	2,368.98	2,101.87	-	7,449.46
Actual return on plan assets (%)	6.90	6.50	-	8.50

(iii) Assets and Liabilities recognised in the Balance Sheet

	Gratuity (#)		Provident Fund (#)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	2,501.91	2,359.09	-	8,159.93
Less: Fair value of plan assets	2,368.98	2,101.87	-	7,449.46
Amounts recognised as liability/ (asset)	132.93	257.22	-	710.47
Recognised/ Disclosed under:				
Short term provision (refer note 13)	132.93	257.22	-	-
Long term provision (refer note 13)	-	-	-	710.47
Total	132.93	257.22	-	710.47

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Reconciliation of Net Balance Sheet Position

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net defined benefit asset/ (liability) at end of prior period	(257.22)	(76.56)	(710.47)	(490.86)
Less: Current service cost	(141.59)	(122.29)	-	(218.06)
Add: Net interest on net defined benefit (liability)/ asset	(8.36)	12.63	-	(31.90)
Add: Amount recognised in other comprehensive income	76.24	(265.18)	366.32	(182.62)
Add: Acquisition (cost)/ credit	-	(5.82)	-	-
Add: Contributions	198.00	200.00	-	212.97
Add: Benefits paid directly by the Company	-	-	344.15	-
Net defined benefit asset/ (liability) at end of the year	(132.93)	(257.22)	-	(710.47)

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

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current service cost	141.59	122.29	-	218.06
Add: Net interest on net defined benefit liability/ (asset)	8.36	(12.63)	-	31.89
Total expense/ (surplus) recognised in statement of profit or loss	149.95	109.66	-	249.95

Remeasurements

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Gains)/ losses from experience assumptions	(7.27)	121.46	-	122.49
(Gains)/ losses from demographic and financial assumptions	(47.52)	179.63	-	139.12
Return on plan assets (greater)/less than discount rate	(21.45)	(35.91)	-	(78.99)
Other adjustment - difference between the market value and the book value of the Investment	-	-	(366.32)	-
Total Expense/ (Income) recognised in other comprehensive income	(76.24)	265.18	(366.32)	182.62

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

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash (including Special Deposits)	2.61%	4.32%	0.00%	8.29%
Government Securities	38.10%	38.89%	0.00%	50.30%
Corporate bonds	59.29%	56.79%	0.00%	41.41%
Others	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	0.00%	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 6.15 years old (2021: 8 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, 2022	356.05	292.20	936.31	2,575.47	4,160.03
March 31, 2021	305.33	280.14	1,003.98	1,453.72	3,043.17
Provident Fund					
March 31, 2022	-	-	-	-	-
March 31, 2021	1,113.79	784.53	2,449.12	3,083.94	7,431.38

(vii) Significant Actuarial Assumptions

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate per annum	6.90%	6.50%	0.00%	6.50%
Expected rate of Return on Plan Assets	6.90%	6.50%	0.00%	8.50%
Expected salary increase per annum	(#)	(#)	NA	(#)
Attrition rate	10.00%	11.00%	0.00%	11.00%

(#) Hourly employees: 6% for three years and 5% thereafter, Others: 10% (2021: Hourly employees: 6% for three years and 5% thereafter, Others: 10%).

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. The Trust surrendered the Provident Fund exemption granted to the Company under Employees' Providents Fund & Miscellaneous Provisions Act, 1956 on its own volition w.e.f. February 01, 2022.

(viii) Sensitivity analysis

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Effect on DBO due to 0.5% (2020-21 : 1%) increase in discount rate	(145.88)	(129.21)	-	-
Effect on DBO due to 0.5% (2020-21 : 1%) decrease in discount rate	162.83	144.02	-	-
Effect on DBO due to 0.5% (2020-21 : 1%) increase in salary escalation rate	135.80	122.30	-	-
Effect on DBO due to 0.5% (2020-21 : 1%) decrease in salary escalation rate	(129.48)	(116.49)	-	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

Sensitivity analysis (Contd.)

	Gratuity		Provident Fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Effect on DBO due to 0.0% (2020-21 : 1%) increase in withdrawal rate	-	(7.82)	-	-
Effect on DBO due to 0.0% (2020-21 : 1%) decrease in withdrawal rate	-	8.35	-	-
Effect on DBO due to 0.5% increase in Expected Return on Exempt Fund		-	-	(193.44)
Effect on DBO due to 0.5% decrease in Expected Return on Exempt Fund			-	263.78

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, 2022	March 31, 2021
Gratuity	200.00	260.00

(b) Defined contribution plans

Contribution towards provident fund for certain employees upto January 31, 2022 and all employees from February 01, 2022 is made to the regulatory authorities which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

	Year ended	
	March 31, 2022	March 31, 2021
Amount recognised in the Statement of profit and loss		
(i) Provident fund paid to the authorities	89.20	42.37
(ii) Pension fund paid to the authorities	75.45	74.41
(iii) Others	9.50	5.28
	<u>174.15</u>	<u>122.06</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

20 Employee benefits expense (Contd.)

(c) 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.
- (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.

(d) Share - based payments

2017 Omnibus Incentive Plan ("2017 plan")

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

A Employee option plan

Certain executives of the Company are eligible to participate in the employee share based payment plans of Ingersoll-Rand Inc., 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.

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

Particulars	As at	
	March 31, 2022	March 31, 2021
	Number of options	Number of options
Opening balance	15,244	8,961
Granted during the year	3,500	6,283
Exercised during the year	-	-
Forfeited during the year due to employee cessation	(11,601)	-
Closing balance	<u>7,143</u>	<u>15,244</u>

Note 1: No options 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.)

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

Plan	Grant Date	Expiry date	Exercise price USD	Share options As at March 31, 2022	Share options As at March 31, 2021
2017 plan	1-Mar-20	29-Feb-24	24.87	-	6,190
2017 plan	25-Mar-20	24-Mar-24	24.87	-	2,771
2017 plan	23-Feb-21	22-Feb-25	45.58	3,643	6,283
2017 plan	22-Feb-22	21-Feb-26	53.09	3,500	-
				<u>7,143</u>	<u>15,244</u>
Weighted average remaining contractual life of options outstanding at the end of period				8.63 years	9.33 years

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2022 was USD 45.78 per option (March 31, 2021: USD 24.77). 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, 2022 are listed below.

	As at	
	March 31, 2022	March 31, 2021
Grant date	22-Feb-22	23-Feb-21
Expiry date	21-Feb-26	22-Feb-25
Share price at grant date (USD)	53.09	45.58
Expected price volatility of the company's shares	38.6% - 39.4%	24.6% - 41.1%
Expected dividend yield	0.0% - 0.1%	0.00%
Risk-free interest rate	0.9% - 1.3%	0.4% - 1.5%

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, 2022		As at March 31, 2021	
	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	33.09	7,524	29.31	6,373
Granted during the year	45.76	1,398	33.40	2,469
Redeemed during FY 21-22 / FY 20-21	51.90	(486)	45.18	(1,318)
Forfeited during the year due to employee cessation	-	(5,032)	-	-
Closing balance		3,404		7,524

Note 1: 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	Exercise price USD	RSU's as at March 31, 2022	RSU's as at March 31, 2021
2017 plan	1-Mar-20	29-Feb-24	29.31	-	4,356
2017 plan	25-Mar-20	24-Mar-24	29.31	-	805
2017 plan	23-Feb-21	22-Feb-25	45.58	2,006	2,363
2017 plan	22-Feb-22	21-Feb-26	53.09	1,398	-
				<u>3,404</u>	<u>7,524</u>
Weighted average remaining contractual life of RSUs outstanding at the end of period				8.21 years	9.20 years

The model inputs for options granted during the year ended March 31, 2022 are listed below.

	As at	
	March 31, 2022	March 31, 2021
Grant date	22-Feb-22	23-Feb-21
Expiry date	21-Feb-26	22-Feb-25
Share price at grant date (USD)	53.09	45.58
Expected price volatility of the company's shares	38.6% - 39.4%	24.6% - 41.1%
Expected dividend yield	0.0% - 0.1%	0.00%
Risk-free interest rate	0.9% - 1.3%	0.4% - 1.5%

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, 2022		As at March 31, 2021	
	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	-	45,491	-	-
Granted during the year	53.09	245	34.71	46,048
Vested during the year	-	(22,366)	-	-
Forfeited during the year due to employee cessation	-	(1,109)	-	(557)
Closing balance		<u>22,261</u>		<u>45,491</u>

Note 1: 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	Exercise price USD	RSU's as at March 31, 2022	RSU's as at March 31, 2021
2017 plan	20-Aug-20	20-Aug-22	34.71	22,016	45,491
2017 plan	22-Feb-22	22-Feb-24	53.09	245	-
				<u>22,261</u>	<u>45,491</u>

Weighted average remaining contractual life of RSUs outstanding at the end of period	1.9 years	1.39 years
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The model inputs for options granted during the year ended March 31, 2022 are listed below.

Particulars	As at	
	March 31, 2022	March 31, 2021
Grant date	22-Feb-22	20-Aug-20
Expiry date	22-Feb-24	20-Aug-22
Share price at grant date (USD)	53.09	34.71
Expected price volatility of the company's shares	38.6% - 39.4%	24.6% - 41.1%
Expected dividend yield	0.0% - 0.1%	0.00%
Risk-free interest rate	0.9% - 1.3%	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:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Employee option plan	79.11	59.79
Restricted stock units - Executives	50.69	40.30
Restricted stock units - All employees	706.13	361.16
Total	<u>835.93</u>	<u>461.25</u>

21 Depreciation and amortisation expense

	Year ended	
	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment	1,086.35	1,003.86
Amortisation of right-of-use assets [refer note 32B(a)]	316.01	414.75
Amortisation on intangible assets	7.84	7.84
Total depreciation and amortisation expense	<u>1,410.20</u>	<u>1,426.45</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses

	Year ended	
	March 31, 2022	March 31, 2021
Rent (refer note 32)	45.00	71.19
Rates and taxes	54.31	60.53
Insurance	232.44	238.13
Power and fuel	277.83	259.72
Repairs and maintenance:		
Buildings	39.28	80.96
Plant and machinery	511.01	181.24
Others	4.29	1.56
Engineering services - product design, development, etc.	45.68	9.00
Information technology infrastructure	96.33	148.63
Royalty expenses (refer note 35)	2,753.10	567.09
Directors commission	36.00	36.00
Communication	78.01	130.05
Travel and conveyance	650.80	344.29
Freight, insurance and handling	1,041.26	731.74
Dealer commission	140.99	123.44
Advertising	8.62	-
Warranty	214.82	145.80
Legal and professional fees	605.10	515.58
Contractor charges	896.47	638.87
Net foreign exchange (gain)/ loss	(41.45)	43.28
Provision/ (write back) for doubtful debts (net)	203.18	136.59
Provision for doubtful advances (net)	(77.13)	26.83
Bad debts written off	-	0.73
Payments to auditors:		
Statutory audit fees	34.50	34.50
Tax audit fees	2.50	2.50
Limited reviews	33.00	33.00
Out of pocket expenses	3.00	3.00
Expenditure towards Corporate Social Responsibility (CSR) activities [refer note (a) below]	233.08	249.82
Miscellaneous expenses	727.24	538.63
Total other expenses	8,849.26	5,352.70

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

22 Other expenses (Contd.)

	Year ended	
	March 31, 2022	March 31, 2021
Notes:		
(a) CSR expenditure:		
Gross amount required to be spent by the Company during the year	230.25	249.82
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	233.08	249.82
Yet to be paid in cash	-	-
	<u>233.08</u>	<u>249.82</u>
Excess of CSR expenses incurred	(2.83)	-
Nature of CSR expenses incurred		
Healthcare/ community development	98.48	156.02
Education/ STEM	47.10	35.46
Environmental sustainability	87.50	58.34
	<u>233.08</u>	<u>249.82</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, 2022	March 31, 2021
Interest expense on lease liability [refer note 32B(b)]	61.79	56.42
Interest expense on income tax	33.02	-
Others (Including writeback of provision for Interest on MSMED)	160.52	112.75
Total finance costs	<u>255.33</u>	<u>169.17</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

24 Tax expenses

	Year ended	
	March 31, 2022	March 31, 2021
(a) Tax expenses		
Current tax		
Current tax on profits for the year	3,833.81	2,955.74
Adjustments for current tax of prior periods	(73.99)	735.30
Total current tax expense	3,759.82	3,691.04
Deferred tax		
Changes in deferred tax assets	45.04	(182.01)
Changes in increase in deferred tax liabilities	16.14	33.62
Total deferred tax expense/(benefit)	61.18	(148.39)
Tax expenses	3,821.00	3,542.65

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

	Year ended	
	March 31, 2022	March 31, 2021
Profit before tax expense	14,835.43	10,777.99
Tax at the Indian tax rate of 25.17% (2020-21: 25.17%)	3,733.78	2,712.60
Tax effect of amounts which are not deductible (taxable) in calculating taxable Income:		
Expenditure towards Corporate Social Responsibility (CSR) activities	58.66	62.87
Employee share-based payments expense	32.67	25.19
Finance costs	55.95	42.58
Reversal of earlier year sales tax provision	-	(38.73)
Adjustments for tax of prior periods	(73.99)	735.30
Other items	13.93	2.84
Tax expenses	3,821.00	3,542.65

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

25 Contingent liabilities and commitments (to the extent not provided for)

	As at	
	March 31, 2022	March 31, 2021
(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)	85.76	106.01
(b) Value added tax/ Sales tax matters in dispute (Relates to demand on account of non-submission of statutory forms to the department substantiating the levy of concessional tax rate to customers. In connection with a dispute, the Company has furnished a Bank guarantee of Rs.252.15 (March 31, 2021: Rs.372.30)]. The Company has paid Rs.175.24 (March 31, 2021: Rs.439.34) 'under protest' to the relevant statutory authorities this regard).	262.69	380.17
(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, 2021: Rs.Nil) 'under protest' to the relevant statutory authorities in this regard).	1,863.07	1,863.07
(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, 2021: Rs.72.79) 'under protest' to the relevant statutory authorities in this regard).	1,643.33	1,657.20
(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 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. 463.27 (March 31, 2021: Rs.519.15) 'under protest' to the relevant statutory authorities in this regard).	1,504.02	1,233.19
(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.	-	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Contingent liabilities and commitments (Contd.)

	As at	
	March 31, 2022	March 31, 2021
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.	5,200.60	4,624.14
(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	514.13	176.68
Note: Refer note 32 for disclosure relating to lease commitment		

26 Earnings per share

	Year ended	
	March 31, 2022	March 31, 2021
(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	34.89	22.92
(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:	11,014.43	7,235.34
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	31,568,000	31,568,000

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

27 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements as at March 31, 2022 and March 31, 2021. 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, 2022			
Financial assets			
Trade receivables	25,270.60	(1,133.67)	24,136.93
Total	25,270.60	(1,133.67)	24,136.93
Financial liabilities			
Trade payables	21,114.51	(1,133.67)	19,980.84
Total	21,114.51	(1,133.67)	19,980.84
March 31, 2021			
Financial assets			
Trade receivables	18,892.73	(677.07)	18,215.66
Total	18,892.73	(677.07)	18,215.66
Financial liabilities			
Trade payables	14,917.59	(677.07)	14,240.52
Total	14,917.59	(677.07)	14,240.52

Offsetting arrangements

Trade receivables and payables:

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

28 Fair value measurements

	As at	
	March 31, 2022 Amortised cost	March 31, 2021 Amortised cost
Financial instruments by category		
Financial assets		
Trade receivables	24,136.93	18,215.66
Cash and cash equivalents	29,168.54	22,916.73
Other bank balances	206.48	219.04
Other financial assets - Current	347.40	574.58
Other financial assets - Non Current	359.80	368.93
Total financial assets	54,219.15	42,294.94
Financial liabilities		
Lease liabilities	774.55	954.15
Other financial liabilities	1,561.12	1,167.22
Trade payables	19,980.84	14,240.52
Total financial liabilities	22,316.51	16,361.89

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

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 2022 and 31 March 2021 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, 2022 Current	March 31, 2021 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	3,030.22	2,985.83
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end for the year	20.70	0.39
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	12,281.57	8,423.73
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	158.17	137.57
Further interest remaining due and payable for earlier years	320.18	200.57

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

30 Financial Risk Management

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

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

A Credit risk

Credit risk arises from cash and cash equivalents, 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.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

30 Financial Risk Management (Contd.)

A : High quality assets, negligible credit risk.

B : Low quality assets, high credit risk.

C : Doubtful assets, credit-impaired.

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

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

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

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

(ii) Provision for expected credit losses

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

Internal rating	Category	Description	Basis for recognition of expected credit loss 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 loss for trade receivables under simplified approach.

Customer category	Public sector undertaking	Direct customers	Related Parties	Distributors	Total
Year ended As at March 31, 2022					
Gross carrying amount	2,368.08	8,536.06	10,471.62	3,538.45	24,914.21
Expected loss rate	15.67%	4.55%	0.00%	0.51%	3.12%
Expected credit loss (loss allowance provision)	371.03	388.22	-	18.03	777.28
Carrying amount of trade receivables (net of impairment)	1,997.05	8,147.84	10,471.62	3,520.42	24,136.93
Year ended As at March 31, 2021					
Gross carrying amount	2,678.42	6,440.27	5,544.60	4,126.47	18,789.76
Expected loss rate	16.08%	2.17%	0.00%	0.09%	3.06%
Expected credit loss (loss allowance provision)	430.78	139.53	-	3.79	574.10
Carrying amount of trade receivables (net of impairment)	2,247.64	6,300.74	5,544.60	4,122.68	18,215.66

Reconciliation of loss allowance provision - Trade receivables

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening provision for loss allowance	574.10	437.51
Add: Additional provision	203.18	137.32
Less: Utilisation/ (reversal)	-	(0.73)
Closing provision	777.28	574.10

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, 2022			
Lease liabilities (refer note 32B(b))	314.78	459.77	774.55
Trade payables	19,980.84	-	19,980.84
Other financial liabilities	1,561.12	-	1,561.12
Total	21,856.74	459.77	22,316.51
As at March 31, 2021			
Lease liabilities (refer note 32B(b))	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

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, 2022		As at March 31, 2021	
		Foreign currency	Indian rupees	Foreign currency	Indian rupees
Financial assets					
Trade receivables	USD	111.51	8,452.51	75.20	5,499.55
Trade receivables	EUR	1.45	121.23	0.01	0.80
Bank balance (EEFC)	USD	1.20	90.98	20.78	1,519.60
Financial liabilities					
Trade payables	USD	100.64	7,628.55	56.07	4,100.98
Trade payables	EUR	2.49	208.94	6.57	563.61
Trade payables	JPY	24.47	15.24	18.07	11.94
Trade payables	GBP	0.00	0.03	0.01	1.08

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, 2022	March 31, 2021
USD sensitivity		
INR/ USD - Increase by 1% (March 31, 2021: 1%)	6.17	10.47
INR/ USD - Decrease by 1% (March 31, 2021: 1%)	(6.17)	(10.47)
EUR sensitivity		
INR/ EUR - Increase by 1% (March 31, 2021: 1%)	(0.66)	(4.21)
INR/ EUR - Decrease by 1% (March 31, 2021: 1%)	0.66	4.21

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, 2022	March 31, 2021
Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a dividend of Rs. 20 per fully paid equity share (March 31, 2021: Rs.3). This dividend is subject to the approval of shareholders in the ensuing annual general meeting.	6,313.60	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, 2022	March 31, 2021
Total rental expense relating to short term operating leases	45.00	71.19
Minimum lease payments in relation to short term operating lease	56.11	72.50

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

	As at	
	March 31, 2022	March 31, 2021
Within one year	28.47	17.88
Later than one but not later than five years	23.58	41.28
Later than five years	-	-
	<u>52.05</u>	<u>59.16</u>

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

B Ind AS 116

- (a) 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. The Company also leases vehicles for its employees where the leases typically run from 2 to 5 years.

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

Right-of-use assets

Right-of-use assets related to leased assets

	Buildings		Vehicles		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i. Opening Balance - Gross Carrying amount	1,218.65	1,144.33	-	-	1,218.65	1,144.33
ii. Opening Balance - Accumulated depreciation	(305.99)	(366.66)	-	-	(305.99)	(366.66)
iii. Additions to right of use asset	162.18	555.37	66.88	-	229.06	555.37
iv. Amortisation for the year	(312.42)	(414.75)	(3.59)	-	(316.01)	(414.75)
v. De-recognition of right of use assets	(178.33)	(481.05)	-	-	(178.33)	(481.05)
vi. Accumulated depreciation on "v" above	101.40	475.42	-	-	101.40	475.42
vii. Closing Balance - Net carrying amount	<u>685.49</u>	<u>912.66</u>	<u>63.29</u>	<u>-</u>	<u>748.78</u>	<u>912.66</u>

- (b) Lease liabilities

Maturity analysis – contractual discounted cash flows

	Carrying amount	Contractual cash flows			
		Total	0-1 years	1-5 years	5 years and above
March 31, 2022					
Lease liabilities - current	314.78	314.78	314.78	-	-
Lease liabilities - non current	459.77	459.77	-	459.77	-
March 31, 2021					
Lease liabilities - current	353.32	353.32	353.32	-	-
Lease liabilities - non current	600.83	600.83	-	600.83	-

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

	Buildings		Vehicles		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i. Opening Balance	954.15	793.19	-	-	954.15	793.19
ii. Additions	129.54	555.37	66.87	-	196.41	555.37
iii. Finance cost accrued during the period	60.46	56.42	1.33	-	61.79	56.42
iv. De-recognition	(80.29)	(5.73)	-	-	(80.29)	(5.73)
v. Payment of lease liabilities	<u>(353.19)</u>	<u>(445.10)</u>	<u>(4.32)</u>	<u>-</u>	<u>(357.51)</u>	<u>(445.10)</u>
vi. Closing Balance	<u>710.67</u>	<u>954.15</u>	<u>63.88</u>	<u>-</u>	<u>774.55</u>	<u>954.15</u>

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

Geographical information

Particulars	Total	
	March 31, 2022	March 31, 2021
Revenue		
India	71,321.58	47,558.17
Outside India		
United States	14,972.07	11,049.76
Ireland	3,443.06	1,765.23
Srilanka	630.33	825.08
Singapore	224.64	186.73
France	127.05	147.59
Others	273.20	240.40
	<u>90,991.93</u>	<u>61,772.96</u>
Non-Current assets (excluding deferred tax assets)		
India	14,107.92	14,066.78
Outside India	-	-
	<u>14,107.92</u>	<u>14,066.78</u>

Major customer

Revenue from one customer i.e. Ingersoll-Rand Industrial US Inc., USA is Rs. 14,956.36 for the year ended 31 March 2022 (Ingersoll-Rand Industrial US Inc., USA for the FY 2020-21: Rs.11,049.76) which contributes more than 10% of the Company total revenue.

34 Events occurring after the reporting period

On 30 May 2022, the Board of Directors of the Company has proposed a dividend of Rs. 20 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, 2022	March 31, 2021
Ingersoll-Rand Inc.	Ultimate holding company	USA	1%	1%
Ingersoll-Rand Industrial US Inc.	Immediate holding company	USA	74%	74%

(b) Key management personnel compensation

	Year ended	
	March 31, 2022	March 31, 2021
Salaries and other employee benefits	318.96	389.08
Contribution to provident fund	11.03	10.79
Employee share-based payment	205.21	255.58
Total compensation	535.20	655.45

(c) Transactions with related parties

	Year ended			
	March 31, 2022		March 31, 2021	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
Sales and purchases of goods and services				
Sale of finished goods	13,946.87	6,196.50	10,133.04	2,317.74
Business support and auxiliary services	1,009.49	-	916.72	-
Recovery of freight, insurance and packing expenses	-	65.31	-	31.94
Purchase of raw materials, components and traded goods	-	14,353.52	-	7,877.42
Purchase of materials in transit	-	2,132.31	-	1,302.73
Other transactions				
Recharge of expenses	-	446.07	21.41	445.88
Sale of property, plant and equipment	-	4.57	19.43	-
Recharge of expenses in IT infrastructure	-	-	51.47	-
Rent received	-	101.93	181.50	121.59
Purchase of property, plant and equipment	-	-	-	17.03
Purchase - Capital work in progress	-	44.56	-	-
Expenses recharged by other companies:				
(i) Royalty expenses	-	2,753.10	-	567.09
(ii) Professional fees	-	421.26	-	288.90
(iii) Repairs and maintenance - plant & machinery	-	28.05	-	5.87
(iv) R&D expenses	-	-	-	0.26
(v) Other miscellaneous expenses	-	1.91	-	121.28
Dividend paid including Ultimate Holding company	710.28	-	-	-
Contributions made to gratuity fund	-	198.00	-	200.00
Contributions made to provident fund	-	539.53	-	212.97
Employee share based payments expense to be reimbursed to ultimate holding company	706.13	-	361.16	-

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

35 Related party transactions: (Contd.)

(d) Balances with related parties

	As at	
	March 31, 2022	March 31, 2021
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	669.18	361.16
Other receivables	68.97	-
Holding company		
Trade receivables	6,684.90	4,877.53
Trade payables	914.76	1.05
Other receivables	-	21.61
Fellow subsidiaries		
Trade receivables	3,786.72	667.07
Other receivables	94.52	100.61
Trade payables	5,247.54	3,100.50
Creditors for capital goods	39.37	1.18

(e) Remuneration paid to key management personnel

	Year ended	
	March 31, 2022	March 31, 2021
Remuneration Paid:		
Amar Kaul, Chairman and Managing Director (Upto 15-Oct-2021)		
Salaries and other employee benefits	134.25	270.64
Contribution to provident fund	4.75	6.46
Employee share-based payment	185.52	255.58
Inder Arora, Manager (From 15-Oct-2021)		
Salaries and other employee benefits	54.53	-
Contribution to provident fund	1.58	-
Employee share-based payment	6.87	-
Preeti Mohanty, CFO		
Salaries and other employee benefits	130.18	118.44
Contribution to provident fund	4.70	4.33
Employee share-based payment	12.82	-
Total compensation	<u>535.20</u>	<u>655.45</u>

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).

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, 2022	March 31, 2021
Sales and purchases of goods and services		
(a) Sale of finished goods		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	3,443.06	1,733.30
-Ingersoll Rand Air Solutions Hibon SARL, France	127.05	147.59
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	220.28	160.44
-Gardner Denver Engineered Products India Pvt Ltd, India	2,298.14	218.05
(b) Recovery of freight, insurance and packing expenses		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	65.31	31.93
(c) Purchase of raw materials, components and traded goods		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	6,507.65	4,901.60
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	3,841.85	2,268.93
-Gardner Denver Engineered Products India Pvt Ltd, India	1,503.75	94.22
(d) Purchase of materials in transit		
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	556.29	374.55
-Ingersoll-Rand Industrial Ireland Limited, Ireland	500.14	690.60
-Gardner Denver International Ltd, United Kingdom	502.12	-
-Gardner Denver Deutschland GMBH, Germany	272.88	-
Other transactions		
(a) Recharge of expenses to fellow subsidiaries		
-Ingersoll-Rand Technologies and Services Private Limited, India	399.75	418.56
-Ingersoll-Rand International (India) Private Limited, India	27.73	27.32
(b) Sale of property, plant and equipment		
-Ingersoll Rand Company South Africa Pty Limited, South Africa	4.57	-
(c) Rent received		
-Ingersoll-Rand Technologies and Services Private Limited, India	85.09	114.25
-Ingersoll-Rand International (India) Private Limited, India	9.84	7.34
(d) Purchase of property, plant and equipment		
-Ingersoll-Rand Technologies and Services Private Limited, India	-	17.03
(e) Purchase - Capital work in progress		
-Gardner Denver Engineered Products India Pvt Ltd, India	44.56	-
(f) Expenses recharged by other companies		
-Ingersoll-Rand Global Ventures, USA	2,753.10	567.09
-Ingersoll-Rand Technologies and Services Private Limited, India	141.19	110.06
-Ingersoll-Rand International (India) Private Limited, India	295.44	288.90

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

Other transactions

	Year ended	
	March 31, 2022	March 31, 2021
(g) Contributions made to gratuity fund		
-Ingersoll-Rand Employees Gratuity Trust, India	198.00	200.00
(h) Contributions made to provident fund		
-Ingersoll-Rand Employees Provident Fund Trust, India (upto 31 Jan 2022)	539.53	212.97

	As at	
	March 31, 2022	March 31, 2021
Balances with related parties:		
(a) Trade receivables		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	1,611.46	410.37
-Ingersoll Rand Singapore Enterprises Pte Ltd, Singapore	23.44	69.71
-Gardner Denver Engineered Products India Pvt Ltd, India	2,122.83	129.05
(b) Other receivables		
-Ingersoll-Rand Technologies and Services Private Limited, India	87.75	94.06
(c) Trade payables		
-Ingersoll-Rand Industrial Ireland Limited, Ireland	1,289.59	1,191.24
-Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	1,075.43	893.16
-Ingersoll-Rand Global Ventures, USA	597.30	445.28
-Gardner Denver Deutschland GMBH, Germany	628.30	-
-Gardner Denver International Ltd, United Kingdom	558.38	-
(d) Creditors for capital goods		
-Ingersoll-Rand Technologies and Services Private Limited, India	-	1.18
-Gardner Denver Engineered Products India Pvt Ltd, India	39.37	-

(g) Terms and conditions

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

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

36 Ratio

Sl	Ratio	Numerator	Denominator	Year ended		% Variance
				March 31, 2022	March 31, 2021	
1	Current Ratio (in times)	Current Assets	Current Liabilities	2.40	2.56	-6.35%
2	Debt- Equity Ratio (in times)	Debt (Borrowings)	Equity	Not applicable as the Company does not have any debt	Not applicable as the Company does not have any debt	-
3	Debt Service coverage ratio (in times)	Profit for the year + Depreciation and amortisation expense + Finance costs	Debt Service (Principal repayment + Interest payment)	Not applicable as the Company does not have any debt	Not applicable as the Company does not have any debt	-
4	Return on Equity ratio (in %) *	Profit for the year	Average Equity = (Opening Equity + Closing Equity)/2	21.97	17.40	26.30%
5	Inventory turnover ratio	Cost of goods sold Cost of goods sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of WIP, Traded Goods and FG	Average Inventory Average Inventory = (Opening Stock + Closing Stock)/2	4.43	4.25	4.24%
6	Trade receivables turnover ratio	Turnover (Revenue from operations)	Average trade receivables = (Opening trade receivable + Closing trade receivable)/2	4.30	3.81	12.83%
7	Trade payables turnover ratio	Net credit purchases (COGS + Other expenses)	Average trade payables = (Opening trade payables + Closing trade payables)/2	3.82	3.30	15.92%
8	Net capital turnover ratio	Turnover (Total income)	Average amount of Working capital = (Opening Working Capital + Closing Working Capitals)/2 Working Capital = Current Assets - Current Liabilities	2.49	2.23	11.83%

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Sl	Ratio	Numerator	Denominator	Year ended		%
				March 31, 2022	March 31, 2021	
9	Net profit ratio (in %)	Profit for the year	Turnover (Total income)	11.93	11.47	4.04%
10	Return on capital employed (in %)	Profit for the year before Interest and Taxes	Capital Employed Capital Employed = Tangible net worth (Total Equity - Intangible assets) + Lease Liability + Deferred tax Liability	26.98	23.80	13.33%
11	Return on Investment (RoI) (in %)	Interest income on Deposits with banks	Average Investment in bank deposits = (Opening bank deposits + Closing bank deposits) / 2	2.89	2.91	-0.58%

* The increase in Return on equity is due to increase in Net profit as result of higher turnover as compared to previous year

- 37 The Company does not have any Benami property or any proceeding which is pending against the Company for holding any Benami property.
- 38 The Company has sanctioned working capital limits in excess of Rs.500 from banks or financial institutions on the basis of security of current assets, the quarterly returns or statements filed by the Company with such banks or financial institutions when requested by the bank, are in agreement with the books of account of the Company.
- 39 The Company has filed charges and satisfaction of charges with Registrar of Companies, where ever it is applicable.
- 40 (i) The Company has not invested funds in any entity with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other entities by or on behalf of the company (ultimate beneficiaries) or
 - provide any guarantee or security to or on behalf of the ultimate beneficiaries.
- (ii) The Company has not received any fund from entities with an understanding that the Company shall:
- lend or invest in other entities identified by or on behalf of the funding Party (ultimate beneficiaries) or
 - provide any guarantee or security on behalf of the ultimate beneficiaries.

Notes to the Financial Statements

(All amounts in Rupees Lakhs, unless otherwise stated)

41 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

42 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

43 **Dividends:**

The Company paid dividend of Rs. 3.00 per equity share during the year ended March 31, 2022 towards final dividend for the year ended March 31, 2021. There was no dividend paid during the year ended March 31, 2021.

Dividend declared by the Company are based on profits available for distribution. On May 30, 2022, the Board of Directors of the Company have proposed a dividend of Rs. 20.00 per equity share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a Cash out flow of approximately Rs. 6,313.60 Lakhs.

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

Sanjay Sharma
Partner
Membership Number: 063980
Place: Bengaluru
Date: 30-May-2022

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

Amar Kaul
Chairman
DIN: 07574081
Place: Dubai
Date: 30-May-2022

Preeti Mohanty
Chief Financial Officer
Place: Bengaluru
Date: 30-May-2022

Sekhar Natarajan
Director
DIN: 01031445
Place: Mumbai
Date: 30-May-2022

Inder Arora
Manager
Place: Gurugram
Date: 30-May-2022

P. R. Shubhakar
Gen. Manager-Corp. Finance
and Company Secretary
Place: Bengaluru
Date: 30-May-2022



Ingersoll-Rand (India) Limited
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