Annual Report
2012-13

Engineering India's tomorrow

Ingersoll Rand
Inspiring Progress™

Ingersoll-Rand (India) Limited

Ingersoll-Rand (India) Limited

BOARD OF DIRECTORS

Mr. Venkatesh Valluri	Chairman
Mr. Hemraj C. Asher	
Mr. Darius C. Shroff	

OFFICERS

Mr. B. Jayaraman	Vice President - Finance
Mr. Prasad Y. Naik	Vice President - Information Technology
Mr. Amar Kaul	Vice President & General Manager - Air Solutions *(Manager under Companies Act., 1956)*

COMPANY SECRETARY

Mr. P. R. Shubhakar

AUDITORS

Price Waterhouse
Bangalore

SOLICITORS

Crawford Bayley & Co.
Mumbai

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

REGISTERED OFFICE & CORPORATE OFFICE

Plot No. 35,
KIADB Industrial Area,
Bidadi,
Bangalore - 562 109

REGIONAL AND OTHER OFFICES

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

MANUFACTURING FACILITY

22-29, G.I.D.C. Estate,
Naroda,
Ahmedabad - 382 330

Plot No. 61, 8th Avenue,
1st Cross Road, Mahindra World City,
Chengalpattu Taluk,
Kancheepuram District,
Tamil Nadu - 603 002

Highlights of the Year

		2012-13			2011-12	
Domestic Sales	Rs.	4,703.72	million	Rs.	4,822.61	million
Export Sales	Rs.	1,194.65	million	Rs.	1,174.53	million
(Less): Excise Duty	Rs.	(443.45)	million	Rs.	(392.71)	million
Other Revenue from Operations	Rs.	358.77	million	Rs.	315.79	million
Total Revenue from operations	Rs.	5,813.69	million	Rs.	5,920.22	million
Profit before tax	Rs.	1,111.49	million	Rs.	1,232.44	million
As a % of revenue		19.12			20.82	
Profit after tax	Rs.	779.43	million	Rs.	827.63	million
As a % of revenue		13.41			13.98	
Return on total resources (%)		7.64			8.74	
Net worth per share	Rs.	275.53		Rs.	257.84	
Earnings per share	Rs.	24.69		Rs.	26.22	
Price earnings ratio		15.76	times		17.70	times
Dividend per share	Rs.	6.00		Rs.	24.00	
Cover		4.1	times		1.1	times
Net sales/total assets		0.5	times		0.6	times
Profit after tax/gross fixed assets (%)		78.97			92.75	
No. of employees		637			701	
No. of shareholders		20,878			20,962	

Distribution Schedule of Shareholdings

	Number of Shares	Percentage(%)	
Principals	23,360,000	74%	
Institutional Investors (Includes Govt./Govt. sponsored Financial Institutions/Foreign Banks/ Other Banks/Mutual Funds)	2,441,671	8%	
Bodies Corporate and Trusts	712,685	2%	
Directors and their relatives	86,600	0%	*
Others	4,967,044	16%	
Total	31,568,000	100%	

* Less than 1%

Contents

Vision

A world of sustainable progress and enduring results.

Purpose

We advance the quality of life by creating and sustaining safe, comfortable and efficient environments.

Values

Integrity: We act with the highest ethical and legal standards in everything we do.

Respect: We respect and value the worth of all people, cultures, viewpoints and backgrounds.

Teamwork: We work together and share resources to provide greater value to our customers, employees, business partners and shareholders.

Innovation: We use our diverse skills, talents and ideas to develop customer-driven, innovative and imaginative solutions.

Courage: We speak up for what we believe is right and take measured risks to create progress.

With an aim to pursue the highest horizon of success, this year, once again, we weaved our potential and focus together to set a new example for times to come. Envisioning what lies ahead, we at Ingersoll Rand learn from the past and nurture the present to eventually land at a future that's much brighter.

Michael W. Lamach, Chairman and CEO, Ingersoll Rand, Venkatesh Valluri, Chairman, Ingersoll Rand India and the global leadership team with employees at the launch of the Chennai Manufacturing Facility.

From the Chairman's desk

Dear Shareholders,

The financial year 2012 -2013 has indeed been a year of many challenges. The macroeconomic fundamentals have been subdued. Our growth was impacted because of the difficult economic environment. Despite the unfavorable conditions our revenues remained almost flat compared to the previous financial year. We ensured that we delivered on our profitability goals and made progress on our operational efficiencies. I am pleased to inform that we maintained a robust profit after tax ratio of 13.4%, similar to the earlier year ratio of 13.9%. There has been a dramatic slowdown on the capital spend in the industry segments where we operate. We achieved margin improvement despite lower revenues. This was driven through strong productivity measures, operational excellence, localization, value analysis and value engineering initiatives.

With an established presence of around 100 years in the country and strengthened customer intimacy programs, Ingersoll Rand continues to be a leader in the Indian air-compressors industry. Sustainable growth is key and we aim to achieve that by focusing on local innovations to build a strong pipeline for induction of new products in our current portfolio. The recently launched Evolution™ range of compressors is gaining traction to further increase our market share.

This year, we sustained our investment in human capital, infrastructure and innovation. We expect 2013 to be a slow growth economy but we continue to create new markets through our innovations for emerging economies and enhanced focus on services. Our new green field manufacturing site in Chennai went on stream. We intend to manufacture products for our Climate Solutions business through this plant. This has been a major landmark for our company, which has now expanded its manufacturing footprint in the southern region of India.

Financial Highlights

We recorded revenues of Rs. 581.37 crores during the financial year ending March 31, 2013. This was 2% lower compared to the revenues of the previous year. Our profits after tax stood at Rs. 77.94 crores, which were at 13.4% of revenues.

Growth through Local Innovations & Enhanced Manufacturing Footprint

We are gradually redefining our market approach from being a 'Product Centric Company' to a 'Solution Centric Company' and using 'Convergence' as the backbone of our strategy in India. Our approach has been to build relevant innovations for emerging markets like ours using our global technology platforms. To us, an important objective is to create markets in India – *"For India…By India"*. Our engineers not only work on global platform technologies and learn from the world today but also create products and solutions for India using the technology and innovation convergence approach.

In addition to the acceptance of our Evolution™ range of compressors, we also inaugurated our local manufacturing facility in Chennai this year. The new facility, spread over a green belt area of 15,200 sq. mtrs., is a part of the company's overall growth strategy to drive Technology Innovation and Product Development to serve local and global markets.

Michael W. Lamach, Chairman and CEO, Ingersoll Rand and Venkatesh Valluri, Chairman, Ingersoll Rand India inaugurating the Chennai Manufacturing Facility on March 20, 2013.

Ingersoll Rand Manufacturing Facility at Chennai

For the unique strategy development and implementation, we won the prestigious Mint-Institute for Competitiveness Strategy Award in 2012 that honors Indian companies demonstrating exemplary strategic acumen. We surpassed all the companies in the "Industrial" category with our ability to deliver converged solutions for the Indian market.

Operational Excellence

We have made significant progress in achieving Operational Excellence by establishing many key initiatives. A shared back-end services function was created to support growth and productivity. In order to support local product development and to leverage the opportunities in the industry, investments were also made in the Engineering functional team to enhance people and technological capabilities. We set up IT led e-enabled platforms that helped digitize many back-end processes. We are currently in the process of enhancing our ERP systems which would aid in creating an integrated "Order to Delivery" cycle. We also consolidated the supplier base to increase the scale of operations of our quality vendors. We continue to work towards enhancing productivity in all areas of operation.

Achieving a Progressive, Diverse and Inclusive Culture

We believe in channelizing our energies by building a PDI (Progressive, Diverse, and Inclusive) culture as part of our enterprise strategy. We initiated various progressive people policies and practices like Flexible Work Options, Total Rewards (to address market competitiveness) and new Employee Engagement Practices. Our results from the employee engagement survey have been at an all-time high this year. We focused on building organizational capability by promoting, recruiting, retaining and developing a diverse workforce. We are also proud to have some of the most innovative leadership development programs in the industry today. The SHRM (Society for Human Resource Management) Award of Merit for Ingersoll Rand India for our noteworthy performance in 'Developing the Leaders of Tomorrow' is a testimony to our success!

Engineering our Future

In the years to come, our strategy in this market will continue to be 'Converge, Collaborate and Create'. In order to lead in this volatile environment, we continue to drive innovation by designing new processes, products and services. Collaboration and partnering are helping us create new markets.

These are going to be exciting and challenging times in emerging economies like ours and with continued support from our employees, customers and shareholders, we are poised for growth and success.

Venkatesh Valluri
Chairman

Taking Social Convergence ahead the Ingersoll Rand way

Ingersoll Rand continues to pursue perfection through our commitment to innovation, superior technology and our dedication to corporate citizenship and sustainability. While marching ahead in our journey to provide the best products, services and solutions, the company endeavours to minimize the environmental impact of its actions. The organization is proud of the progress it is making in the area of sustainability which helps support our customers in their undertaking to improve their sustainability score.

In India and across the world, Ingersoll Rand is involved with organizations that are making a difference in the world such as Red Cross, Alliance to Save Energy, Forum for the Future, USGBC (US Green Building Council) and IGBC (Indian Green Building Council), UNFCCC (United Nations Framework Convention on Climate Change), United Way, TERI (The Energy and Resources Institute), among others.

The employees of the company religiously volunteer to improve the communities and environment within which we operate. In India, Ingersoll Rand participates in several initiatives and partnerships that help drive improved performance for the company and the greater community. We continue to be active participants in industry forums on sustainability and contribute to public dialogue on climate change and energy efficiency. Our commitment to sustainability extends to our day-to-day operations and we have evolved our operating practices in India to become more environment friendly starting with basic steps like greening our campuses, reusing resources and adopting energy efficient practices.

We believe that there are great opportunities for growth through customer-focused innovations that improve the quality of life and our environment, including many that advance sustainable business practices.

It is one of our business imperatives to make a social impact. India houses two of Ingersoll Rand's five Global Engineering Technology Centres in the world. Fifty per cent of this engineering talent is actually focused on developing Green Innovations for Emerging Economies such as ours. All the products and solutions that these Centres of Excellence in India develop are products that will have a positive social impact on the community and create a greener footprint for us and our customers businesses.

As part of the 'Social Convergence' initiative, we are working in the areas of Environmental Preservation (waste management, water & energy conservation and preservation of lakes) through a Public–Private Partnership (PPP) approach.

Lake Conservation, Bangalore

United Way, the Government, and many NGOs and corporate houses in the city joined hands with Ingersoll Rand to adopt Lake Uttarahali to maintain and preserve it. The maintenance of the lake has potentially resulted into a lot of benefits right from water birds returning to the lakes and increase in level of ground water to environmental conservation. By involving employees, their families, civil society and NPOs (Not for Profit Organizations), we are demonstrating a model of successful public-private partnership to create greater understanding of environment and resources and awareness about environmental sustainability. We continue to monitor and look after the overall well-being of the lake and environment around, and we are considering ways of taking the "Save the Lake" program further in the coming years.

Lighting a Billion Lives

In partnership with TERI (The Energy and Resources Institute), we brought safe, clean and affordable solar lighting to 1,000 people providing 200 lanterns across villages. These villages lacked or had limited/unreliable energy access and we were able to provide these villages with solar energy through the dissemination of efficient and cost effective solar lanterns recharged from solar charging stations. The initiative has been implemented on the basis of an entrepreneurial model of energy service delivery, especially targeting the BOP (base of pyramid) population.

Employee Giving Campaign

The Employee Giving campaign launched in partnership with United Way of India is rolled out every year across our offices in India. The campaign allows the employees to voluntarily contribute a portion of their salary and pledge support to an NGO of their choice and location. The Employee Giving campaign gives the freedom to an employee to choose the cause they believe in and to choose the amount that they would like to donate towards their cause. The amount donated by the employees is then matched by the organization and donated to the respective NGOs in each city. In 2012, the campaign supported over 20 NGOs across the country that run projects in the area of Environment, Resource Conservation, Education, Healthcare and Improving Livelihoods.

Spirit of Volunteering

Our employees continue to carry forward our spirit of volunteerism by working with communities across the country helping the disadvantaged, marginalized and those in distress. We work with old age homes, eye banks, blood banks, orphanages and provide relief and rehabilitation in times of natural disasters.

Through these and more, we believe that we have great opportunities for growth through innovations that improve the quality of life and our environment, including many that advance sustainable business practices.

Notice

Notice is hereby given that the Ninety-first Annual General Meeting of the members of Ingersoll-Rand (India) Limited (the "Company") will be held at Eagleton-The Golf Resort, 30th km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109 at 12.00 noon on Friday, July 19, 2013 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2013 and Profit and Loss Account for the year ended on March 31, 2013 together with the reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend for the year ended March 31, 2013.

3. To appoint a Director in place of Mr. Hemraj C. Asher, who retires by rotation, and, being eligible, offers himself for reappointment.

4. To appoint Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration. The retiring auditors M/s. Price Waterhouse, Chartered Accountants, [Firm Registration No.: 301112E] have expressed their unwillingness to be re-appointed. The Company has received a Special Notice from a member of the Company under Section 225 read with Section 190 of the Companies Act, 1956 signifying the intention to propose the following resolution:

   "RESOLVED THAT M/s. Price Waterhouse & Co., Bangalore, Chartered Accountants, [Firm Registration No.: 007567S] be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration and other charges as shall be fixed by the Board of Directors of the Company."

NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(b) The Register of Members and the Share Transfer Books of the Company will remain closed from July 2, 2013 to July 5, 2013, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.

(c) The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2013, if declared at the meeting, will be paid:

   (i) in respect of shares held in electronic form on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on July 1, 2013.

   (ii) in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar and Share Transfer Agents on or before July 1, 2013. The Company will dispatch the dividend warrants from July 24, 2013 onwards.

(d) 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 Participants (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned members. Members who hold shares in dematerialized form must therefore give instructions regarding their bank account details to their DPs. The Company will not act on any request received directly from shareholders 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.

(e) In terms of Section 205A read with Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor

Education and Protection Fund of the Central Government. Accordingly, the Company would be transferring the Final Dividend 2005-06 for the year ended March 31, 2006 and the Interim Dividend 2006-07 for the year ended March 31, 2007 on or before July 31, 2013 and November 11, 2013 respectively. Members are requested to ensure that they claim the dividends referred to above, before it is transferred to the said Fund. Members are requested to make their claims to the Company/Registrar and Share Transfer Agents immediately. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Investor Education and Protection Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the due date of payment and no payment shall be made in respect of any such claims.

(f) Pursuant to Section 109A of the Companies Act, 1956, members holding shares in demat form may file nomination in the prescribed Form 2B (in duplicate) with the respective Depository Participants and in respect of shares held in physical form, such nomination may be filed with the Company's Registrar and Share Transfer Agents.

(g) The Ministry of Company Affairs (MCA) has taken a Green Initiative in Corporate Governance allowing paperless compliance by Companies through electronic mode. Taking advantage of this Green Initiative of the MCA, your Company has decided to send all correspondences like notices of general meetings, abstracts, audited financial statements (Annual Report) through electronic means to the registered e-mail addresses of the shareholders made available to the Company. Please note that the said documents would also be available on the Company's website www.ingersollrand.co.in from where it can be downloaded by the members. In case you desire to receive the above mentioned documents in physical form you are requested to send an e-mail to the Company's Registrar and Share Transfer Agents to csg-unit@tsrdarashaw.com.

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

(i) Members who wish to attend the meeting are requested to bring attendance slip sent herewith, duly filled in, and the copy of the Annual Report. Copies of Annual Report will not be distributed at the meeting.

(j) Members are requested to affix their signature at the place provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the place of the Meeting. The identity/signature of the members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such members are advised to bring the Depository Participant (DP ID) and account number (client ID) to the meeting for recording of attendance at the meeting.

(k) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Secretary of the Company so as to reach atleast seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.

(l) As required under Clause 49 of the Listing Agreement of the Stock exchanges, the relevant details of person seeking re-appointment as director, has been furnished in the Corporate Governance Report forming part of this Annual Report.

By Order of the Board of Directors

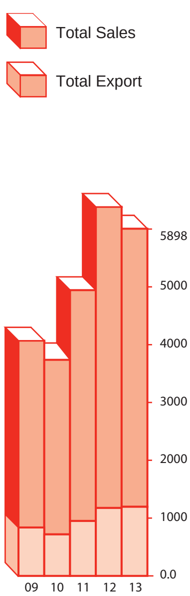
For INGERSOLL – RAND (INDIA) LIMITED

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

Bangalore, May 03, 2013

Director's Report

SALES
(in Millions of Rs.)



To
THE MEMBERS,
INGERSOLL-RAND (INDIA) LIMITED

Your Directors are pleased to submit the Ninety-first Annual Report along with the Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2013.

1. FINANCIAL RESULTS

(Rupees in Million)

		2012 – 2013		2011 – 2012
Gross Profit		1,174.15		1,287.51
Less: Depreciation		(51.76)		(50.36)
Less: Interest		(10.90)		(4.71)
Profit before taxation and extraordinary items		1,111.49		1,232.44
Less: Provision for Current Tax	(335.44)		(411.00)	
Deferred Tax for the year	3.38	(332.06)	6.19	(404.81)
Net Profit		779.43		827.63
Add: Balance brought forward from Balance Sheet		4,938.64		5,074.56
		5,718.07		5,902.19
Appropriations:				
Interim Dividend (including tax thereon)		110.07		110.07
Special Dividend (including tax thereon)		–		660.41
Proposed Final Dividend (including tax thereon)		110.80		110.07
Transfer to General Reserve Account		78.00		83.00
Balance carried to Balance Sheet		5,419.20		4,938.64
		5,718.07		5,902.19

2. MANAGEMENT DISCUSSION AND ANALYSIS

a. **Industry Structure and Development:** The Indian economy growth has been slow through the year 2012-13 owing to various factors including lack of policy initiatives and high inflation restricting the scope for Central Bank to soften interest rates. The year was marked by overall sluggishness in the economy.

Your Company's products are primarily sold to industries in the automotive, metals, pharmaceutical and textile sectors and the lack of or negative growth in these sectors has impacted the revenue growth this year. Efforts to manage the costs especially material costs yielded good results and hence, there was no significant reduction in the profitability.

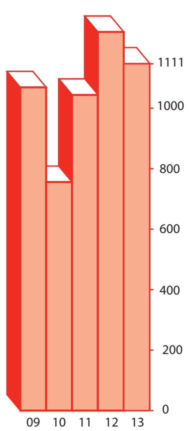
b. **Segment-wise operational performance:** Air Solutions continues to be the major segment in your Company's operations.

The gross revenues of Air Solutions business this year were lower by 1% at Rs. 6,015 million as against Rs. 6,097 million last year. Despite the difficult economic environment, your Company continues to focus on increasing the local manufacturing content, innovation and market-centric product development for the emerging markets.

The gross revenue from contract manufacturing of bus air-conditioners was marginally higher at Rs. 182 million as against Rs. 171 million in the previous financial year.

The profit before tax is Rs. 1,111 million as against Rs. 1,232 million in the previous year.

PROFIT BEFORE TAX
(in Millions of Rs.)



c. **Outlook:** The US economy is showing signs of moderate growth and this augurs well. However, Asia continues to show problems of growth. The forecast of GDP growth in India is around 6% and with general elections in 2014, there may not be any major policy initiatives taken to spur growth. Your Company is focusing on specific sectors like power, pharmaceuticals and textiles to grow the revenues through value added services. Cost reduction will continue to be a focus area to ensure profitability. With the Chennai plant expected to be operational by May of this year, the revenues are expected to grow during the coming year.

d. **Threat and concerns:** The primary threat continues to be price pressures by competition. However, superior product quality and strong brand image have helped your Company secure customer orders despite these price pressures. Our focus on innovation ensures that we stay ahead of competition. The weakening of the Rupee has increased the cost of imports. Localisation of components, value analysis and value engineering initiatives has helped offset inflation and differentiate your Company's products from the competition.

e. **Internal control systems and their adequacy:** Your Company has effective and adequate internal control systems, which ensure reliable financial reporting, safeguarding of assets and adherence to management policies. The internal controls are commensurate with the size, scale and complexity of our operations. They are constantly assessed and strengthened with new/revised standard operating procedures and robust internal and information technology controls.

As a subsidiary of a corporation that is publicly listed on the New York Stock Exchange, your Company complies with the requirements of the Sarbanes Oxley Act of 2002. The internal audit team and an internal team of managers check the adequacy of internal controls and its implementation once every quarter.

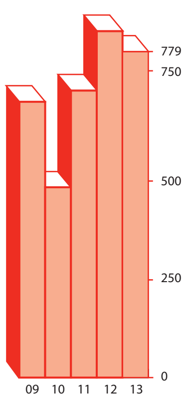
The internal audit team objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system.

f. **Risk Management:** The Company's internal control process covers, amongst others, process for identification, assessment and mitigation of various business related risks, including operational, product and financial risks. Such risks are reviewed and discussed at regular management review meetings, wherein members of the senior management are present. The identified risks and opportunities are integrated into the business plan and a detailed action plan to mitigate these business risks is drawn up and its implementation monitored. The business risks that are continuously monitored include, but are not limited to, product, price, cost trends, competition, financing, technical changes, product liability, warranty and insurance risks.

Standard foreseeable risks to the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are conducted regularly.

g. **Safety, Health and Environment:** Your Company continues to operate with increased focus on the vision of an 'Incident Free' and 'Zero Environment Incidents' organisation. The senior management is committed to conducting the company's business in a sustainable manner with stringent procedures around safety systems and processes. Several measures have been implemented to revitalize safety systems and processes especially across the extended Supply Chain operations (starting with suppliers). Task risk assessments were conducted in the manufacturing plant at Naroda and actions were taken as a key focus area during the year. Employees across the Company were extensively trained and educated on safety awareness, process safety management and road safety measures. On occupational health perspective, employee health checkup is conducted every year and hygiene studies are also conducted. On the energy conservation front, your Company achieved substantial savings by carrying out energy audits and implementing key projects to save energy.

PROFIT AFTER TAX
(in Millions of Rs.)



h. **Corporate Social Responsibility:** Your Company is dedicated to corporate citizenship and sustainability and constantly seeks opportunities to partner with, and create a positive impact on the communities in which we do business. Our products, services and solutions are at the forefront of environmental stewardship and we endeavor to minimise the environmental impact of our actions. We are proud of the progress we are making in the area of sustainability and in assisting our customers improve their sustainable business practices.

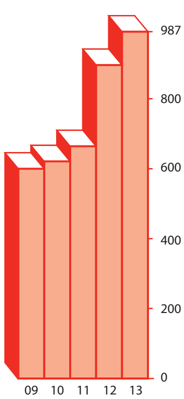
During this year, the organization ran several social welfare projects in the country to promote Sustainability, Education, Healthcare and Livelihood creation. Volunteering and involvement of employees in these projects continued to be a key focus. We partnered with the United Way of India to pledge contributions to over 15 NGOs across India; successfully supported a project to restore and maintain Uttarahalli lake in Bangalore; participated in the Lighting a Billion Lives initiative that helps bring improved, clean and affordable lighting in remote villages in partnership with TERI (The Energy Research Institute of India); worked with old age homes, eye banks, blood banks, orphanages; and supported relief and rehabilitation in times of natural disasters.

We are also working in the areas of Environmental Preservation (waste management, water and energy conservation).

i. **Technology Innovation:** Innovation is one of the key pillars around which your Company is built. We believe that Innovation for emerging economies is critical for products to succeed in these markets. We continuously strive to create innovation that drives value for the organization and the customer.

Your Company's overall growth strategy is to drive Technology Innovation and Product Development to serve local and global markets. We remain committed to indigenously manufacturing solutions driven by innovation with the launch of our Evolution range of compressors in the 4 - 75 kW range this year. Adding to the existing portfolio of industrial products, the Evolution range is specially developed and customized for the Indian market to ensure the best level of performance and reliability in creating productive manufacturing environments locally. Aimed at providing value to customers in auto components, textiles and Agricultural industries in "B" and "C" towns in India, the product 'Evolution' is a result of local innovation that is expected to capture market share in the value segment.

GROSS BLOCK
(in Millions of Rs.)



Designed with the latest technology, the Evolution range of compressors provide key benefits including low maintenance cost and more air flow (CFM) with less power consumption (kW); hence, delivering greater productivity and energy efficiency.

Your Company continues to serve the export market for reciprocating compressors and its parts. It has been methodically substituting several mechanical transmissions, valve components and control panels through high quality indigenization programs. Technology as necessary is being obtained from the parent company and value addition through local innovation and reverse engineering, continues to create products and solutions for local markets. This approach has delivered better material utilization, significant process improvements, enhanced productivity, supplier rationalization and improved technologies.

3. NEW MANUFACTURING PLANT

Your Directors are pleased to inform that the new greenfield manufacturing facility of the Company in Mahindra World City, near Chennai was inaugurated by Mr. Michael W. Lamach, Chairman and Chief Executive Officer, Ingersoll Rand on March 20, 2013.

The new manufacturing facility is designed to manufacture a wide range of equipment including Bus and Truck air conditioners and Commercial Heating, Ventilation and Air conditioning products. The delivery of products manufactured and distributed from the new facility will begin in May, 2013.

The new manufacturing facility reinforces your Company's overall growth strategy to drive innovation, technology and product development specifically catering to markets such as industrial efficiency, transportation, food security, environmental control in buildings and energy management. We continue to commit to providing sustainable and energy efficient solutions in India.

4. EXPORTS

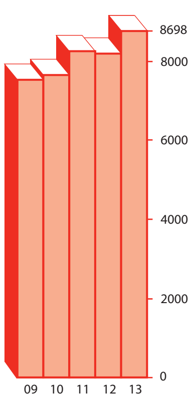
Exports for the year have increased to Rs. 1,195 million as against Rs. 1,175 million in the previous year, a marginal increase of 2%. The parent company continues to source bare compressors and reciprocating compressors from India and this augurs well for your Company's growth. The range of products being exported is steadily increasing.

5. DIVIDEND

Your Company declared an interim dividend at the rate of Rs. 3/- per share, absorbing Rs. 94.70 million. Your Directors now recommend payment of final dividend for the year ended March 31, 2013 at the rate of Rs. 3/- per share, bringing the total dividend for the year to Rs. 6/- per share (60%).

The total dividend, if approved by the shareholders at the Annual General Meeting, would absorb Rs. 189.40 million out of the profits for the year (previous year Rs. 757.62 million). Dividend distribution tax payable by the Company amounting to Rs. 31.47 million (previous year Rs. 122.93 million) has been appropriated out of profits.

NET WORTH
(in Millions of Rs.)



6. FIXED DEPOSITS

During the year, your Company did not accept any fixed deposits. There are no unclaimed deposits as on March 31, 2013.

7. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hemraj C. Asher will retire by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

Details of Mr. Asher, who is seeking re-appointment, has been provided in the Corporate Governance Report that forms part of this report, as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217 (2AA) of the Companies Act, 1956.

(a) that in the preparation of annual accounts, the applicable accounting standards have been followed;

(b) that appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year April 1, 2012 to March 31, 2013;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(d) that the annual accounts have been prepared on a going concern basis.

9. CORPORATE GOVERNANCE

The Company has consistently adopted high standards of Corporate Governance and complied with all the Corporate Governance practices specified under the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. As per Clause 49 of the Listing Agreement, a report on Corporate Governance approved by the Board of Directors of the Company together with a certificate from the Practicing Company Secretary confirming compliance is set out in the annexure forming part of this report.

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

Your Company has been granted recognition as an in-house R & D unit for the lab in Naroda, Ahmedabad and the recognition is valid until March 31, 2015.

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forms part of this report and is set out in the annexure forming part of this report.

11. AUDITORS

M/s. Price Waterhouse, the Company's auditors will retire at the conclusion of the forthcoming Annual General Meeting. However, they have expressed their unwillingness for re-appointment.

A member of the Company has proposed the appointment of M/s. Price Waterhouse & Co., Bangalore, Chartered Accountants as the Statutory Auditors of the Company from the conclusion of 91st Annual General Meeting till the conclusion of the 92nd Annual General Meeting. The Company has received a written certificate from them to the effect that their appointment, if made, would be within the limits specified in Section 224 (1B) of the Companies Act, 1956.

12. EMPLOYEES

The particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this report and accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company and the same will be sent by post.

13. ACKNOWLEDGEMENTS

Your Directors are grateful to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Venkatesh Valluri
Chairman

Bangalore, May 3, 2013

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

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

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ingersoll–Rand (India) Limited as a part of the Ingersoll–Rand group is committed to the highest standards of Corporate Governance and has over the years consistently demonstrated good corporate governance and is committed to provide long-term sustainable value to all its stakeholders. The Company believes in managing its affairs with diligence, transparency, accountability and responsibility. Good Corporate Governance is an integral part of the Company's value system and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance. Corporate Governance as a whole entails the conduct and the manner in which the Company deals with its stakeholders. The Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers.

2. BOARD OF DIRECTORS

As at March 31, 2013 the Company's Board of Directors headed by its Chairman, Mr. Venkatesh Valluri, comprised of three Directors, out of which, 2 are independent directors.

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

Name of Director	Status i.e. Executive and Non-Executive & Independent	No. of Board Meetings		Attendance at the last AGM
		Held during the year	Attended during the year	
Mr. Venkatesh Valluri (Chairman)	Non-Executive	6	5	Yes
Mr. Hemraj C. Asher	Non-Executive & Independent	6	6	Yes
Mr. Darius C. Shroff	Non-Executive & Independent	6	6	Yes

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 a member
Mr. Venkatesh Valluri (Chairman)	Nil	Nil
Mr. Hemraj C. Asher	8	5
Mr. Darius C. Shroff	6	9

*Audit Committee and Shareholders' / Investors Grievance Committee/Corporate Governance Committee

Number of Board Meetings:

Six Board Meetings were held during the year 2012-13 on April 2, 2012, May 3, 2012, July 18, 2012, November 5, 2012, February 4, 2013 and March 25, 2013.

The Company has adopted Code of Conduct for Executive Directors & Senior Management and Non-Executive Directors separately. All the Directors and Senior Management personnel of the Company have affirmed Compliance with the Code.

3. REMUNERATION TO DIRECTORS

The details of remuneration paid to Directors for the year ended March 31, 2013 is as follows:

Name of Director	Sitting fees	Salaries & Perquisites	Commission	Total
Mr. Venkatesh Valluri (Chairman)	Nil	Nil	Nil	Nil
Mr. Hemraj C. Asher	Nil	Nil	12,00,000	12,00,000
Mr. Darius C. Shroff	Nil	Nil	12,00,000	12,00,000

Criteria for payments to Non-Executive Directors:

Non-Executive Directors are paid remuneration by way of fixed commission, which will be determined by the Board of Directors in terms of Special resolution passed by the shareholders at the Annual General Meeting held on September 11, 2009. The criterion for the payment of remuneration is the advice given by Non-Executive Directors to the Management from time to time on strategic matters.

4. REMUNERATION COMMITTEE

The remuneration committee comprises of Mr. Venkatesh Valluri, Mr. Hemraj C. Asher and Mr. Darius C. Shroff. Mr. Venkatesh Valluri is the Chairman of the Committee. The Remuneration Committee met twice during the year on April 2, 2012 and March 25, 2013. The terms of reference of remuneration committee, inter alia consists of

- Review the remuneration package, service agreement and other employment conditions of Managing Director/ Manager under the provisions of Companies Act, 1956.
- Decide the actual salary, allowances, perquisites, retirals and increments of Managing Director/Manager under the provisions of Companies Act, 1956.
- Decide the amount of commission payable to Managing Director/Manager under the provisions of Companies Act, 1956.
- Periodically review and suggest revision of the total remuneration package of Managing Director/Manager under the provisions of Companies Act, 1956.

In determining the remuneration package of the Managing Director/Manager under the provisions of Companies Act, 1956, the Committee evaluates the remuneration paid by comparable organisations within the industry and across various industries before making its recommendations to the Board of Directors. The compensation is also linked to individual and Company performance.

5. AUDIT COMMITTEE

The Audit Committee held four meetings during the year on May 2, 2012, July 18, 2012, November 5, 2012 and February 4, 2013. The details of the composition of the Audit Committee and attendance of members are as follows:

Name of Director	No. of meetings held	No. of meetings attended
Mr. Hemraj C. Asher (Chairman)	4	4
Mr. Venkatesh Valluri	4	4
Mr. Darius C. Shroff	4	4

Mr. P. R. Shubhakar, General Manager – Corp. Finance & Company Secretary acts as the Secretary of the Committee. The terms of reference of the Audit Committee are set out in accordance with the requirement of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and inter alia consists of

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;
- Review with the Management the quarterly financial statements before submission to the Board.
- Reviewing with the Management the annual financial statements before submission to the Board for approval, primarily focusing on
  - Changes in accounting policies and practices.
  - Significant adjustments made in financial statements arising out of audit findings.
  - Major accounting entries based on exercise of judgement by Management.
  - Compliance with accounting standards and changes required, if any in accounting policies and practices.
  - The going concern assumption.
  - Compliance with stock exchange and legal requirements concerning financial statements.
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors.
- Recommending to the Board, the appointment/re-appointment of statutory auditors and fixation of fees.
- Approval of payments to statutory auditors for other services.
- Reviewing the adequacy of internal audit function.
- Review with internal auditors of any significant findings and follow-up thereon.
- Review of Company's financial risk and management policies.

- Review function of the Whistle Blower mechanism.
- Any other function as may be stipulated by any law/Government guidelines.
- Such other functions as may be specified by the Board of Directors of the Company from time to time

During the year under review, the Audit Committee besides considering the unaudited quarterly financial results and audited financial results and recommending to the Board of Directors of the Company for its adoption and approval, discussed various topics relating to the Company's operations including inventory, provisions, direct and indirect tax compliance, receivables, C forms and compliances in general. The Committee also discussed audit plan and its methodology, statutory auditors' observations on various accounting issues and Management's response thereon.

6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

As of March 31, 2013 the Investors/Shareholders Grievance Committee comprises of

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

The Committee meetings are held as and when required. 11 meetings of the Committee were held during the year.

The terms of reference of Investors/Shareholders Grievance Committee, inter alia consists of

- Expeditious redressal of investor grievances;
- Approving transfer and transmission of shares;
- Issue of duplicate share certificates;
- Approving of split and consolidation requests;
- Review of shares dematerialised;
- All other matters related to shares.

The Board of Directors have delegated the powers to approve transfer and transmission of shares up to 500 shares to Mr. P. R. Shubhakar, General Manager - Corp. Finance & Company Secretary or Mr. B. Jayaraman, Vice President - Finance.

Mr. P. R Shubhakar, General Manager - Corp. Finance & Company Secretary is the Compliance Officer. The Registrar and Share Transfer Agents of the Company - TSR Darashaw 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 807 grievances/queries received from shareholders/ investors and 3 complaints were received from SEBI/Other Statutory Bodies. All investor grievances/queries, including the 3 complaints from SEBI/Other Statutory Bodies have been resolved to the satisfaction of the complainants. There was no outstanding compliant at the beginning of the year or at the end of the year.

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, 2013.

7. GENERAL BODY MEETINGS

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

AGM/ EGM	Date	Venue	Time	No. of special resolutions passed
AGM	July 19, 2012	Eagleton – The Golf Resort, 30th km, Bangalore–Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore – 562 109	12.00 Noon	-
AGM	July 21, 2011	Eagleton – The Golf Resort, 30th km, Bangalore–Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore – 562 109	12.00 Noon	-
AGM	July 22, 2010	Eagleton – The Golf Resort, 30th km, Bangalore – Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore – 562 109	12.00 noon	-

8. NOTES ON DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

Mr. Hemraj C. Asher

Mr. Hemraj C. Asher has a degree in law and is an eminent solicitor. He is a senior partner in M/s. Crawford Bayley & Co., for last 42 years. He has been a Director on the Board of the Company since 1972 and takes active interest in the affairs of the Company. He is also Director on the Board of the following companies:

Name of the Company	Designation	Chairman/Membership of Audit Committee/ Shareholders/Investors Grievance Committee
Allied Pickfords Private Limited	Director	
Diamant Boart Marketing Private Limited	Director	
Elof Hansson (India) Private Limited	Director	
Grant Investrade Limited	Director	
Gulf Oil Corporation Limited	Director	
Hind Filters Limited	Director	
Hinduja Ventures Limited	Director	Audit Committee – Member Shareholders/Investors' Grievance Committee - Chairman
IDL Explosives Limited	Director	
KELTECH Energies Limited	Director	
Monsanto India Limited	Director	Audit Committee – Member Shareholders/Investors' Grievance Committee - Member
PRS Technologies Private Limited	Director	
The Indian Card Clothing Company Limited	Director	Audit Committee – Member
TUV India Private Limited	Director	

9. DISCLOSURES

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in Note No. 34 to the financial statement in the Annual Report.

During the last three years, there were no instances of non-compliance on any matter related to capital markets. Consequently, no strictures or penalties were imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any other statutory authority.

10. CEO/CFO CERTIFICATION

The Manager under the provisions of Companies Act, 1956 and Vice President – Finance have certified to the Board compliance in respect of all matters specified in sub clause V of Clause 49 of the Listing Agreement.

11. MEANS OF COMMUNICATION

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

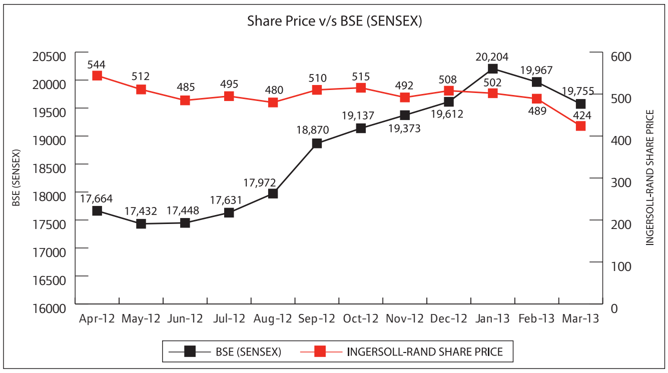
12. GENERAL SHAREHOLDER INFORMATION

• AGM	- Date	July 19, 2013
	- Time	12.00 Noon
	- Venue	Eagleton–The Golf Resort 30th km Bangalore–Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore-562 109
• Financial Calendar		April 2013 to March 2014
(a) First Quarter Result		Last week of July 2013
(b) Second Quarter Result		Last week of October 2013
(c) Third Quarter Result		Last week of January 2014
(d) Result for the year ending 2014		April/May 2014
• Date of Book Closure		The Company's Register of Members and Share Transfer Books will remain closed for the purpose of payment of final dividend 2012-2013 from July 2, 2013 to July 5, 2013 (Both days inclusive)
• Dividend payment date		July 24, 2013
• Listing on Stock Exchange		Bombay Stock Exchange Limited Ahmedabad Stock Exchange Limited National Stock Exchange of India Limited Listing fees for the period 2012-2013 has been paid to the stock exchanges
• Stock Code		
Bombay Stock Exchange Limited		500210
Ahmedabad Stock Exchange Limited		26610
National Stock Exchange of India Limited		INGERRAND EQ
Demat ISIN No. for NSDL and CDS		INE177A01018

• Monthly highs and lows for the period April 2012 to March 2013

	National Stock Exchange of India Limited (NSE)		Bombay Stock Exchange Limited (BSE)	
	High	Low	High	Low
April 2012	544.00	460.00	543.70	461.00
May 2012	510.00	450.00	511.85	445.00
June 2012	482.00	440.60	485.00	439.10
July 2012	494.00	437.55	495.00	438.10
August 2012	479.90	443.00	480.00	443.00
September 2012	509.00	445.05	509.75	446.30
October 2012	515.00	480.00	514.90	471.00
November 2012	494.00	459.95	492.00	460.00
December 2012	510.00	466.25	507.80	465.15
January 2013	501.50	453.30	501.50	456.55
February 2013	481.00	405.00	488.80	401.00
March 2013	431.10	384.20	424.00	383.05

• Stock performance in comparison to BSE Sensex



- Registrars & Share Transfer Agents: TSR Darashaw Private Limited
  6-10, Haji Moosa Patrawala Ind. Estate,
  20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011
- Share Transfer System: The share transactions are approved by 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 the share transactions approved is placed before the Board of Directors of the Company at the succeeding Board meetings for ratification.

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

  The total number of shares transferred in physical form during the year under review was 12,625.

- Distribution and shareholding pattern as on March 31, 2013:

No. of Equity shares held	No. of folios	%	No. of shares	%
Up to 500	18,543	88.82	1,972,256	6.25
501 – 1,000	1,590	7.62	1,220,745	3.87
1,001 – 2,000	416	1.99	622,417	1.97
2,001 – 3,000	129	0.62	325,750	1.03
3,001 – 4,000	48	0.23	165,472	0.52
4,001 – 5,000	31	0.15	143,571	0.45
5,001 – 10,000	64	0.30	471,731	1.49
10,001 and above	57	0.27	26,646,058	84.42
TOTAL	20,878	100.00	31,568,000	100.00
No. in physical mode	1,983		450,618	
No. in electronic mode	18,895		31,117,382	

- Shareholding pattern as on March 31, 2013 are as follows:

Category	No. of shares	%
Ingersoll-Rand Company, New Jersey, U.S.A	23,360,000	74.00
Foreign Institutional Investors	1,005,171	3.18
Non Resident Indians	128,122	0.41
Unit Trust of India	200	*0.00
Insurance Companies	864,696	2.74
Nationalised Banks and Other Banks	6,553	0.02
Foreign Banks	150	*0.00
Mutual Funds	564,901	1.79
Domestic Companies	706,588	2.23
Trusts	6,097	0.02
Directors and Their Relatives	86,600	0.27
General Public	4,838,922	15.34
	31,568,000	100.00

*Less than 0.01%

- The number of shares held by directors of Ingersoll-Rand (India) Limited are as follows:

Name of Director	No. of shares held on March 31, 2013
Mr. Venkatesh Valluri (Chairman)	NIL
Mr. Hemraj C. Asher	8,000
Mr. Darius C. Shroff	10,000

• Dematerialization of shares and liquidity	The equity shares of the Company are in compulsory demat list and are available under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of March 31, 2013, 98.57% of paid-up share capital has been dematerialised.
• Outstanding GDRs/ADRs Warrants or any convertible instruments, conversion dates and like impact on equity	Not issued
• Plant Location	22-29 G.I.D.C Estate, Naroda, Ahmedabad 382330 .... Plot No. 61, 8th Avenue, 1st Cross Road, Mahindra World City, Chengalpattu Taluk, Kancheepuram District, Tamil Nadu - 603 002
• Address for correspondence	Shareholders correspondence should be addressed to the Registrar and Share Transfer Agents or to the Compliance Officer at the following address: **Registrar & Share Transfer Agents** TSR Darashaw Private Limited 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moosa Road, Mahalaxmi, Mumbai–400 011 E-mail: csg-unit@tsrdarashaw.com **Compliance Officer** The Company Secretary Ingersoll-Rand (India) Limited Plot No. 35, KIADB Industrial Area, Bidadi, Bangalore–562 109 E-mail: p_r_shubhakar@irco.com Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

NON-MANDATORY REQUIREMENTS

1. Shareholders Rights The half-yearly declaration of financial performance including the summary of significant events in last six months should be sent to each household of shareholders.	As the company's half yearly results are published in English newspapers having circulation all over India and in Kannada newspaper (having circulation in Karnataka), and in company's website, the same is not being sent to the shareholders separately. There are no second half-yearly results as the audited results are taken on record by the Board of Directors and then communicated to the shareholders through the Annual Report.
2. Code of Conduct for Prevention of Insider Trading	Pursuant to the requirement of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for prevention of Insider Trading with effect from August 1, 2002. This Code of Conduct is applicable to all Directors and such employees of the Company who are expected to have access to Company's unpublished price sensitive information.
3. Disclosure Practices for Prevention of Insider Trading	As required by SEBI Regulations, the Company has adopted a Policy of Corporate Disclosures Practices for Prevention of Insider Trading with effect from August 1, 2002. This policy is applicable to all Directors and employees of the Company.

4.	Secretarial Audit	As stipulated by SEBI, a qualified Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out in every quarter and the report will be submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.
5.	Whistle Blower Policy	The Company has adopted a Whistle Blower Policy as a mechanism for employees to report to the Management, any concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy also affirms that all employees can report their concerns to the Audit Committee.

For and on behalf of the Board of Directors

Venkatesh Valluri
Chairman

Bangalore, May 3, 2013

Company Secretary's Certificate regarding compliance of conditions of Corporate Governance

To

The Members,

Ingersoll-Rand (India) Limited

I have examined all the relevant records of Ingersoll-Rand (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreements, with the Stock Exchanges for the Financial year ended 31^{st} March, 2013. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor to 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 explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Agreement(s).

Natesh K.
Company Secretary
F.C.S. 6835
Certificate of Practice No. 7277
No.287, 9th Main, 26th Cross,
BSK II Stage, Bangalore–560070

Place: Bangalore
Date: May 03, 2013

Annexure to Directors' Report

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

CONSERVATION OF ENERGY

(a) The following energy conservation measures were taken:

- (i) Automatic power factor control unit is installed. The power factor is now maintained at about 0.98.
- (ii) Changed loading pattern of plant compressors – continuous load on Nirvana and variable load on screw compressors has given a 7% saving in energy.
- (iii) Natural gas burners deployed in paint drying oven, component cleaning machine and cafeteria in place of diesel, electric and LPG burners respectively.
- (iv) Recirculation of water for testing of LRBU has resulting in saving of 35 KL/month.
- (v) Test setup upgraded to allow lesser time to stabilize before testing Rotary packages and test time reduction in Centrifugal Compressors thereby reducing power cost.
- (vi) Optimization of plant voltage in lighting and accessories to operate in lower band (400 to 420V) without effecting performance.
- (vii) Simplair pipes installed for compressed air distribution to avoid leakage.
- (viii) FRP roof sheets installed to save light during daytime and mirror reflectors installed for tube lights to improve lighting without increasing wattage.
- (ix) Old window air conditioners replaced with new energy efficient air conditioners.
- (x) Ordinary fluorescent lamps are being progressively replaced with T5 energy efficient lamps.
- (xi) Mercury vapor lamps being replaced by energy efficient metal halide lamps giving upto 50% energy saving.
- (xii) Automatic level controller and dry run protection for borewell pumps at the Naroda plant.
- (xiii) Independent control switches at each location to switch on required lights only.
- (xiv) Energy meters installed for individual load centers for monitoring electricity utilization as well as energy conservation.
- (xv) Energy savers installed for air conditioners.
- (xvi) Transformers are loaded at optimum efficiency. Consequently, one 500KVA transformer is retained as standby.
- (xvii) LED indicator lamps provided on power panels.
- (xviii) Shutdown of all electrical machinery and appliances when not in use.
- (xix) Electronic fan regulators used in place of conventional regulators.
- (xx) Electronic chargers used in place of conventional chargers for batteries.
- (xxi) Energy efficient motors used on plant compressor to reduce operating cost.
- (xxii) Timer operated switches to turn on/off street lights, air ventilation plants and toilets.
- (xxiii) Installed timer operated pneumatic shut off valve to stop air supply during lunch/tea breaks.
- (xxiv) Installed auto shut off taps to save water wastage.
- (xxv) Installed VFDs in few critical cranes to save energy and improve performance.
- (xxvi) Installed VFD in two plant compressors having start delta starter for energy optimization.

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

- (i) Gas operated heater to replace electrical heater at component cleaning machines.
- (ii) Installation of Servo-transformer to optimize lighting load.
- (iii) Construction of percolation wells for rain water harvesting.
- (iv) Temperature optimization in split air conditioners.
- (v) Energy efficient high bay lamps to replace ordinary lamps.

(c) Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Our total energy cost is less than one per cent of total sales and considering the nature of our production process, further conservation could at best be marginal.

(d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto:

Not applicable in case of your Company.

TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form B is given below:

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

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

(A) COMPRESSORS

Types - (i) Reciprocating air-cooled – single and multi-stage.
(ii) Reciprocating water-cooled – single and multi-stage.
(iii) Rotary Screw
(iv) Centrifugal

AREAS – (i) Thermodynamics
(ii) Energy Efficiency
(iii) Fluid flow
(iv) Multi-user application adoption
(v) Finite Element Analysis
(vi) Modulation and control systems
(vii) Digital pulsation analysis for acoustic and mechanical vibrations
(viii) Microprocessor based control
(ix) Torsion vibration analysis of drives

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

(i) Improved efficiency of products and better customer satisfaction.
(ii) Upgradation of our existing machines and introduction of new products consuming less energy to the user.
(iii) Continuous exploration for indigenization without compromise on quality and thereby saving valuable foreign exchange.
(iv) Expansion of product range by adding new products.
(v) Offering of optimum product choice both at home and abroad for diverse applications.
(vi) Unique status of single manufacturer of certain compressors worldwide.
(vii) Development of resident technology base for quick response to changing scenarios.
(viii) Through the installation of Quality System and Total Quality Management, able to get ISO-9001 certification for the air solutions plant at Ahmedabad.

3. Future Plan of Action:

(i) Introduce, develop and also export higher efficiency air compressor and packages.
(ii) Introduce larger sizes of centrifugal compressors.
(iii) Introduce comprehensive range of stationary screw compressors for industrial use.

4. Expenditure of R & D:

(i)	Capital	Rs. 2.60 Million
(ii)	Recurring	Rs. 10.15 Million
(iii)	Total	Rs. 12.75 Million
(iv)	Total R & D expenditure as a percentage of total turnover –	0.23%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Being constantly in touch with our principals, Ingersoll-Rand Company, U.S.A. and its various manufacturing locations, we were able to keep up-to-date with technology changes. Efforts in brief, made towards technology absorption, adaptation and innovation are as follows:
   (i) Continued development of Naroda as an Export base for large reciprocating compressor packages and parts.
   (ii) Import subsitution on several mechanical transmissions, valve components, control panels and also progressive indigenization of all product lines.
   (iii) Development of air-conditioning technology with the set up of production base at Naroda for bus air conditioning products.
   (iv) Setting up an in-house test laboratory to validate processes before commencing production.
2. Benefits derived as a result of the above efforts:
   (i) Upgradation of facilities and processes in line with the latest global trends
   (ii) Upgradation of product range incorporating latest features
   (iii) Product improvements, higher efficiency and reduction in cost per unit.
   (iv) Products made efficient through adaptation of modern technology to save energy and also to be more environment friendly.
   (v) More efficient use of raw material using nesting techniques to cut down wastage of resources.
   (vi) Reduction in manufacturing cost through improvement in productivity thereby offsetting general cost escalation in inputs.
3. In case of imported technology [imported during the last 5 years reckoned from the beginning of the financial year], following information is furnished:

Tehnology Imported	Year	Status
Blower technology	2009	In production
Airconditioning (Bus) technology	2009	In production

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

FOREIGN EXCHANGE EARNINGS AND OUTOG

(f) Total foreign exchange used and earned: (Rs. Million)

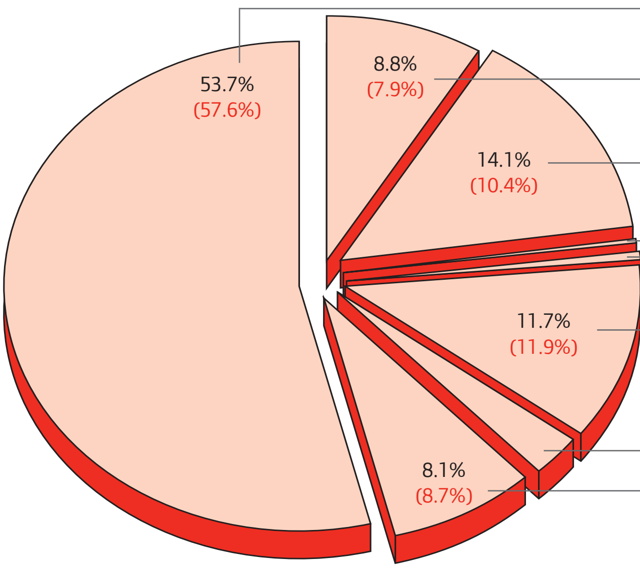
(i)	Earnings in foreign exchange on account of exports, deemed exports, income from services rendered and recovery of expenses and engineering fees.		1,215.99
(ii)	Value of imports calculated on c.i.f. basis	1,277.53	
(iii)	Expenditure in foreign currency on account of travelling, royalty and engineering fees and others	234.23	
(iv)	Remittance in foreign exchange on account of dividend	140.16	1,651.92
	Net Earnings / (Outgo) in Foreign Exchange		(435.93)

For and on behalf of the Board of Directors

Venkatesh Valluri
Chairman

Bangalore, May 03, 2013

Distribution of Income



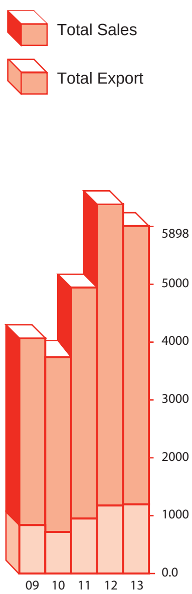
(Rs. Million)

	2012-13	2011-12
Materials and Services	3,726.75	4,031.71
Employee (Including Voluntary Retirement Compensation)	611.75	558.91
Expenses	974.92	727.59
Interest	10.90	4.71
Depreciation	51.76	50.36
Corporate Taxes and Excise Duty	811.81	832.85
Shareholders	189.40	189.40
Retained Earnings	558.56	607.49
Total	6,935.85	7,003.02

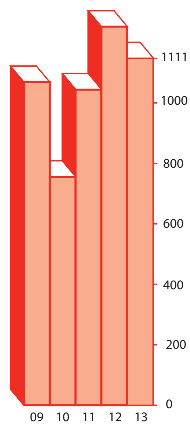
Ten years at a glance

(Rs. '000)	2012-13	2011-12	2010-11
1. Sales	5,898,371	5,997,141	4,970,526
2. Other Income	1,037,480	1,005,880	778,991
3. Total Income	6,935,851	7,003,021	5,749,517
4. CAGR For Total Income (%)	2.91	-	-
5. Manufacting and Other Expenses	5,318,250	5,322,800	4,352,041
6. Depreciation	51,760	50,360	47,530
7. Interest	10,900	4,710	5,340
8. Voluntary Retirement Compensation	-	-	-
9. Profit Before Depreciation & Income Tax	1,163,250	1,282,800	1,059,051
10. Profit Before Tax	1,111,490	1,232,440	1,011,531
11. Tax	332,060	404,810	325,300
12. Profit After Tax	779,430	827,630	686,231
13. CAGR For Profit After Tax (%)	5.50	-	-
14. Dividend	189,408	757,632	189,408
15. Dividend - Rs. per share	6.00	24.00	6.00
16. Fixed Assets (Net)	1,020,281	453,761	253,621
17. Current Assets, Loans and Advances	9,175,640	8,999,040	9,357,978
18. Total Assets	10,195,921	9,452,801	9,611,599
19. Share Capital	315,680	315,680	315,680
20. Market Price Per Share : 52 Weeks High and Low	H 543.70	H 558.50	H 518.40
(H - High ; L - Low)	L 383.05	L 355.20	L 337.00
21. Reserves and Surplus	8,382,394	7,823,829	7,876,749
22. Net Worth	8,698,074	8,139,509	8,192,429
23. Loans (Secured and Unsecured)	-	-	-

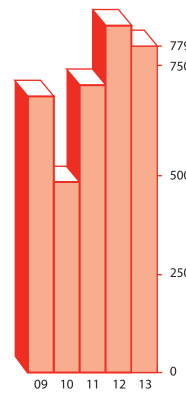
SALES
(in Millions of Rs.)



PROFIT BEFORE TAX
(in Millions of Rs.)



PROFIT AFTER TAX
(in Millions of Rs.)



2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	
3,760,037	4,056,434	5,306,573	6,473,220	5,188,937	4,818,702	4,964,733	1.
571,449	765,117	559,746	326,728	329,964	280,761	236,913	2.
4,331,486	4,821,551	5,866,319	6,799,948	5,518,901	5,099,463	5,201,646	3.
-	-	-	-	-	-	-	4.
3,307,541	3,414,289	4,424,359	5,450,679	4,513,710	4,294,691	4,022,089	5.
41,486	41,632	42,453	62,689	62,526	66,627	55,222	6.
18,539	1,731	8,772	9,123	14,541	18,526	12,741	7.
10,316	4,847	-	500	7,130	30,272	2,570	8.
773,040	1,068,960	3,799,353	811,956	561,758	1,522,541	738,097	9.
731,554	1,027,328	3,756,900	749,267	499,232	1,455,914	682,875	10.
257,522	355,274	951,570	284,434	189,639	337,710	226,749	11.
474,032	672,054	2,805,330	464,833	309,593	1,118,204	456,126	12.
-	-	-	-	-	-	-	13.
189,408	189,408	189,408	189,408	189,408	189,408	189,408	14.
6.00	6.00	6.00	6.00	6.00	6.00	6.00	15.
239,154	223,472	226,724	413,838	412,513	413,084	406,839	16.
8,731,850	8,378,020	8,005,710	5,935,442	5,445,373	4,892,297	3,938,498	17.
9,020,530	8,649,010	8,289,491	6,371,870	5,880,476	5,327,974	4,440,160	18.
315,680	315,680	315,680	315,680	315,680	315,680	315,680	19.
H 376.90	H 421.45	H 422.10	H 417.45	H 426.70	H 322.80	H 311.25	20.
L 264.55	L 204.75	L 251.25	L 225.10	L 257.30	L 188.10	L 195.10	
7,411,020	7,158,220	6,707,773	4,124,041	3,878,004	3,784,394	2,881,505	21.
7,726,700	7,473,900	7,023,453	4,439,721	4,193,684	4,100,074	3,197,185	22.
-	-	-	-	-	-	228	23.

Independent Auditors' Report

To the Members of INGERSOLL-RAND (INDIA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of INGERSOLL-RAND (INDIA) LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Radhakrishnan B.
Partner
Membership Number: 25516

Bangalore
May 03,2013

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of INGERSOLL-RAND (INDIA) LIMITED on the financial statements as of and for the year ended March 31, 2013

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii. (a) The inventory, excluding stocks with third parties, has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b)(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.

vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax and excise duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Note	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	–	1	2002-03	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income Tax	–	2	2003-04	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	–	3	2004-05	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income Tax	8,943,743	4	2005-06	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	1,329,725	5	2006-07	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	10,962,384	6	2008-09	Dispute Resolution Panel, Bangalore
Central Excise Act, 1994	Excise Duty	6,705,998		2007-08	Commissioner of Central Excise (Appeals), Bangalore
Gujarat Value Added Tax, 2003	Value Added Tax	1,280,585	7	2007-08	Deputy Commissioner of Commercial Tax 2, Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	118,205,322	7	2007-08	Deputy Commissioner of Commercial Tax 2, Ahmedabad
Gujarat Value Added Tax, 2003	Value Added Tax	4,869,972	8	2008-09	Joint Commissioner of Appeals, Ahmedabad

Notes:

1. Net of Rs. 14,525,728 paid under protest.
2. Net of Rs. 28,406,192 paid under protest.
3. Net of Rs. 16,206,755 paid under protest.
4. Net of Rs. 42,561,177 paid under protest.
5. Net of Rs. 17,008,917 paid under protest.
6. Net of Rs. 10,833,309 paid under protest.
7. Net of Rs. 2,000,000 paid under protest.
8. Net of Rs. 1,400,000 paid under protest.

x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.

xiii. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.

xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.

xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Radhakrishnan B.
Partner
Membership Number: 25516

Bangalore
May 03,2013

Balance Sheet

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	315.68	315.68
Reserves and Surplus	4	8,382.39	7,823.83
		8,698.07	8,139.51
Non-current Liabilities			
Long-term Provisions	5	30.53	48.17
		30.53	48.17
Current Liabilities			
Trade Payables	6	1,031.65	848.84
Other Current Liabilities	7	252.10	195.04
Short-term Provisions	5	183.57	221.24
		1,467.32	1,265.12
Total		10,195.92	9,452.80
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	8.1	499.72	442.04
Intangible Assets	8.2	-	-
Capital Work-in-progress		520.56	11.72
Deferred Tax Assets (Net)	9	50.96	47.58
Long-term Loans and Advances	10	1,679.61	193.96
		2,750.85	695.30
Current Assets			
Inventories	11	914.41	1,085.28
Trade Receivables	12	1,402.39	1,331.85
Cash and Bank Balances	13	4,730.04	4,506.10
Short-term Loans and Advances	14	346.63	1,723.93
Other Current Assets	15	51.60	110.34
		7,445.07	8,757.50
Total		10,195.92	9,452.80

The notes are an integral part of these financial statements

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

RADHAKRISHNAN B.
Partner
Membership Number: 25516

Place: Bangalore
Date: May 03, 2013

VENKATESH VALLURI
Chairman

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

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

B. JAYARAMAN
Vice President - Finance

Place: Bangalore
Date: May 03, 2013

Statement of Profit and Loss

(All amounts in Rupees Million, unless otherwise stated)

Particulars	Note	Year ended March 31, 2013	March 31, 2012
Revenue from operations (gross)	19	6,257.14	6,312.93
Less: Excise duty		443.45	392.71
Revenue from operations (net)		5,813.69	5,920.22
Other Income	20	678.71	690.09
Total Revenue		6,492.40	6,610.31
Expenses:			
Cost of materials consumed	21	3,676.91	4,054.28
Changes in inventories of finished goods and work-in-progress	22	54.67	(17.98)
Employee benefits expense	23	611.75	558.91
Finance costs	24	10.90	4.71
Depreciation and amortisation expense	25	51.76	50.36
Other expenses	26	974.92	727.59
Total expenses		5,380.91	5,377.87
Profit before tax		1,111.49	1,232.44
Tax Expense:			
Current Tax (Net of Rs. 26.76 (March 31, 2012: Nil) relating to earlier years written back)		335.44	411.00
Deferred Tax		(3.38)	(6.19)
Profit for the year		779.43	827.63
Earnings per equity share [Nominal value per share Rs. 10 (March 31, 2012: Rs.10)]	27		
Basic and Diluted		24.69	26.22

The notes are an integral part of these financial statements

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

VENKATESH VALLURI
Chairman

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

RADHAKRISHNAN B.
Partner
Membership Number: 25516

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

B. JAYARAMAN
Vice President - Finance

Place: Bangalore
Date: May 03, 2013

Place: Bangalore
Date: May 03, 2013

Cash Flow Statement

(All amounts in Rupees Million, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Profit before taxation and extra ordinary and prior period items	1,111.49	1,232.44
Adjustments for:		
Depreciation and amortisation expense	51.76	50.36
Interest expense	10.90	4.71
Interest income	(525.06)	(529.63)
Loss on sale/write-off of fixed assets (Net)	14.35	1.68
Bad debts written off	1.44	7.19
Provision for doubtful advances no longer required written back	-	(5.06)
Provision for doubtful debts and advances	17.51	-
Provision for doubtful debts no longer required written back	-	(0.28)
Unrealised foreign exchange (gain)/loss	(10.46)	(2.61)
Liability no longer required written back (Net)	(11.07)	(53.14)
Provision no longer required written back (Net)	(12.91)	(2.32)
Operating profit before working capital changes	**647.95**	**703.34**
Changes in Working Capital:		
Increase/(Decrease) in trade payables	190.27	(93.87)
Increase/(Decrease) in short-term provisions	(5.70)	14.70
Increase/(Decrease) in other current liabilities	57.03	(0.57)
Increase/(Decrease) in long-term provisions	(17.64)	(13.33)
(Increase)/Decrease in trade receivables	(87.24)	(345.91)
(Increase)/Decrease in inventories	170.87	6.15
(Increase)/Decrease in long-term loans and advances	(1,455.60)	(43.56)
(Increase)/Decrease in short-term loans and advances	1,375.05	(2.22)
(Increase)/Decrease in other current assets	(0.82)	(4.73)
Adjustment for unrealised foreign exchange gain/(loss)	10.46	2.61
Cash Generated from Operations	**884.63**	**222.61**
Taxes paid (net of refunds)	(380.26)	(385.94)
Net cash generated from/(used in) operating activities	**504.37**	**(163.33)**
B. Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(124.32)	(241.85)
Capital work-in-progress	(508.84)	(10.70)
Sale of intangible assets	0.53	0.37
Capital Advance	(5.02)	(21.44)
Investments in Term Deposits with maturity more than 3 months but less than 12 months	(1,900.00)	(1,525.00)
Realisation in Term Deposits with maturity more than 3 months but less than 12 months	1,525.00	-
Interest received	583.80	457.92
Net cash from/(used in) investing activities	**(428.85)**	**(1,340.70)**

Cash Flow Statement (Contd.)

(All amounts in Rupees Million, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
C. Cash Flow from Financing Activities		
Dividends paid	(189.37)	(756.02)
Dividend Distribution Tax	(30.74)	(122.93)
Interest paid	(7.29)	(2.22)
Net cash from/(used in) financing activities	**(227.40)**	**(881.17)**
Net Increase/(decrease) in cash and cash equivalents	(151.88)	(2,385.20)
Cash and Cash equivalents at the beginning of the year	2,976.37	5,361.57
Cash and Cash equivalents at the end of the year	**2,824.49**	**2,976.37**
Cash and cash equivalents comprise of:		
Cash on Hand	0.04	0.02
Cheques on Hand	3.25	26.59
Balances with Banks	2,816.17	2,944.73
Unpaid Dividend Account*	5.03	5.03
Total	**2,824.49**	**2,976.37**

* The Company can utilise this balance only towards settlement of the unpaid dividend liability.

Notes:

1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date.

2 The above Cash Flow Statement has been prepared under the indirect method in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements and the reconciliations required for the purpose are as made by the Company.

3 Previous year's figures have been regrouped/reclassified wherever necessary in order to conform with current year's classification (refer Note 39).

This is the Cash Flow Statement
referred to in our report of even date

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

VENKATESH VALLURI
Chairman

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

RADHAKRISHNAN B.
Partner
Membership Number: 25516

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

B. JAYARAMAN
Vice President - Finance

Place: Bangalore
Date: May 03, 2013

Place: Bangalore
Date: May 03, 2013

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

1 General Information

INGERSOLL-RAND (INDIA) LIMITED (the 'Company') is a public limited company incorporated in 1921 under provisions of Companies Act, 1913 and existing under the provisions of Companies Act, 1956. The Company has a manufacturing plant in Naroda, Gujarat and is primarily engaged in the business of manufacturing and sales of Industrial air compressors of various capacities. The Company also manufactures Air Conditioner package for buses under contract manufacturing arrangement for its fellow subsidiary in India. The Company sells air compressors primarily in India and also exports to other SAARC countries and United States. The Company is in the process of constructing a new manufacturing plant at Chennai, Tamil Nadu for manufacture of Heating, Ventilation & Air Conditioning (HVAC) equipments and Transport Refrigeration products in Phase 1. The equity shares of the Company are listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. 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.

2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis at the rates prescribed under Schedule XIV of the Companies Act,1956, or over the estimated useful lives of the fixed assets as given below, which ever is higher:

a) On fixed assets acquired and put to use up to December 31, 1985, on the written down value method.

b) In respect of fixed assets acquired after December 31, 1985, on the straight line method (SLM). However in respect of fixed assets acquired after December 31, 1985 up to March 31, 1993 depreciation has been provided:

i) in respect of fixed assets acquired during 1986, at the SLM equivalent of rates corresponding to the rates applicable under the Income-Tax Rules in force at the time of acquisition of the assets.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

ii) in respect of fixed assets acquired after December 31, 1986 up to March 31, 1993 at the rates prescribed under Schedule XIV to the Companies Act, 1956 prevailing at the time of acquisition.

c) In respect of additions to/deletions from the fixed assets, on a prorata basis except in respect of fixed assets of a cost not exceeding Rs. 5,000, where depreciation has been charged at the rate of 100 percent for the whole year.

d) Leasehold land is amortized over the period of the lease on the straight line method.

e) Leasehold improvements are amortised over the period of the lease or five years, whichever is lower on the straight line method.

f) In respect of fixed assets leased out, over its useful life estimated at two years on the straight line method.

g) Computer System are depreciated over its estimated useful life at five years on the straight line method.

h) In respect of assets which are not directly connected with the production activity such as Research and Development, depreciation is provided at 100 percent at the time of acquisition.

2.3 Intangible Assets (Computer Software)

Operating software are capitalised along with the related fixed assets. Other computer software (i.e. major application software), is stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any, and are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of a computer software is determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Intangible assets (computer software) are amortised over the licence period or five years, whichever is lower.

2.4 Impairment

Assessment is done at each Balance Sheet date as to whether 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 assets, 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. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its 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.

2.5 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes raw materials, direct labour, other direct

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

costs and related production overheads. 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. Obsolete/ Slow moving Inventories are adequately provided for.

2.7 Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is provided at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.8 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency. Exchange rate is predetermined and fixed for the month, that approximates the exchange rate prevailing on the date of the transactions.

Subsequent Recognition:

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

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the end of the reporting period and exchange gains/losses arising there from are adjusted to the Statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

2.9 Revenue Recognition

(a) Sales are recognised when goods are dispatched in accordance with the terms of sale and when significant risks and rewards are transferred. Sales are recorded inclusive of excise duty but are net of trade discounts and sales tax.

(b) Service Revenue is recognised as and when services are performed and are recognised net of service tax.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

2.10 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from Government Incentive on exports are recognised on an accrual basis.

2.11 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Employee Benefits

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: 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 actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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.

Other short term benefits: Liability towards short-term employee benefits like performance bonus, which are expected to be paid within 12 months after the period in which the employees rendered related services, are recognised as expense during the period employee perform the services.

(All amounts in Rupees Million, unless otherwise stated)

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

2.13 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.14 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

2.15 Contingent Liabilities

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, is termed as a contingent liability.

2.16 Earnings per share

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

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.18 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.19 Research and Development

Capital expenditure on Research & Development is capitalized as fixed assets and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred in research phase is expensed as incurred. Development expenditure is capitalized as an internally generated intangible asset only if it meets the recognition criteria under Accounting Standard 26 on Intangible Assets, which inter-alia includes demonstration of technical feasibility, generation of future economic benefits etc. Expenditure that cannot be distinguished between research phase and development phase is expensed as incurred.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at March 31, 2013	As at March 31, 2012
3	**Share Capital**		
	Authorised		
	32,000,000 (March 31, 2012: 32,000,000) Equity Shares of Rs. 10 each	320.00	320.00
	Issued		
	31,568,000 (March 31, 2012: 31,568,000) Equity Shares of Rs.10 each	315.68	315.68
	Subscribed and fully paid-up		
	31,568,000 (March 31, 2012: 31,568,000) Equity Shares of Rs. 10 each fully paid-up	315.68	315.68
	[The above includes 31,301,500 (March 31, 2012: 31,301,500) shares allotted as fully paid-up by way of bonus shares by capitalisation of Share Premium and General Reserves. The Company had last issued bonus shares in the financial year ended March 31, 1992]		
	Total subscribed and fully paid-up Share capital	315.68	315.68

(a) Reconciliation of number of shares

	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	31,568,000	315.68	31,568,000	315.68
Movement during the year	-	-	-	-
Balance as at the end of the year	31,568,000	315.68	31,568,000	315.68

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(c) Shares held by holding company

	As at March 31, 2013	As at March 31, 2012
Equity Shares:		
23,360,000 shares (March 31, 2012: 23,360,000 shares) held by Ingersoll-Rand Company, New Jersey, U.S.A. the holding company	233.60	233.60

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Number of Equity Shares	23,360,000	23,360,000
Ingersoll-Rand Company, New Jersey, U.S.A. the holding company	(74%)	(74%)

(e) Shares reserved for issue under options

There are no shares reserved for issue under any option

(f) Shares allotted as fully paid-up by way of bonus shares/pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2013):

During the period of five years immediately preceding March 31, 2013, no shares are allotted as fully paid-up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at	
		March 31, 2013	March 31, 2012
4	**Reserves and Surplus**		
	General Reserves:		
	Balance as at the beginning of the year	2,885.19	2,802.19
	Add: Transferred from Surplus in Statement of Profit and Loss during the year	78.00	83.00
	Balance as at the end of the year	2,963.19	2,885.19
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	4,938.64	5,074.56
	Profit for the period	779.43	827.63
	Appropriations:		
	Interim dividend on equity shares for the year	(94.70)	(94.70)
	Dividend distribution tax on Interim dividend on equity shares for the year	(15.37)	(15.37)
	Special dividend on equity shares for the year	-	(568.22)
	Dividend distribution tax on Special dividend on equity shares for the year	-	(92.19)
	Proposed final dividend on equity shares for the year	(94.70)	(94.70)
	Dividend distribution tax on proposed final dividend on equity shares for the year	(16.10)	(15.37)
	Transfer to General Reserve	(78.00)	(83.00)
	Balance as at the end of the year	5,419.20	4,938.64
	Total Reserves and Surplus	8,382.39	7,823.83

5 **Provisions**

	Long-term as at		Short-term as at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits				
Provision for gratuity [Also refer Note 23(b)(iii)]	-	11.12	-	-
Provision for compensated absences	17.93	29.54	14.06	11.84
Employee Share-based Payments [Also refer Note 23(c)(G)]	-	-	-	12.91
	17.93	40.66	14.06	24.75
Other Provisions				
Provision for litigations/disputes	8.67	7.51	-	-
Provision for Taxation [Net of Advance Income Tax Rs. 345.75 (March 31, 2012: Rs. 4,794.94)]	-	-	16.45	36.24
Proposed final dividend on equity shares	-	-	94.70	94.70
Tax on proposed final dividend on equity shares	-	-	16.10	15.37
Provision for Warranties	3.93	-	42.26	50.18
	12.60	7.51	169.51	196.49
Total provisions	30.53	48.17	183.57	221.24

Provision for Warranties:

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

	As at	
	March 31, 2013	March 31, 2012
Balance as at the beginning of the year	50.18	40.27
Additions	42.04	51.20
Amounts used	(46.03)	(41.29)
Balance as at the end of the year	**46.19**	**50.18**
Classified as Non-Current	3.93	-
Classified as Current	42.26	50.18

Ingersoll Rand
Inspiring Progress™

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at March 31, 2013	March 31, 2012
6	**Trade payables**		
	Acceptances	205.39	204.65
	Payable to Ingersoll-Rand Company, New Jersey, U.S.A, the holding company and its affiliates	248.33	135.54
	Sundry Creditors		
	- Due to Micro and Small enterprises	60.12	35.21
	- Others	517.81	473.44
	Total Trade payables	1,031.65	848.84
7	**Other Current Liabilities**		
	Income received in Advance	21.58	17.78
	Unpaid dividends (Note)	5.36	5.33
	Advance from customers	116.13	134.55
	Creditors for Capital goods		
	Payable to affiliates	7.02	-
	Payable to Others	37.98	-
	Employee Benefits payable	26.71	21.64
	Statutory dues including Provident Fund and Tax deducted at Source	37.32	15.74
	Total Other Current Liabilities	252.10	195.04

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

8.1 Tangible Assets

Particulars	Gross Block				Depreciation				Net block	
	As at April 1, 2012	Additions during the year	Disposals during the year	As at March 31, 2013	As at April 1, 2012	Charge for the year	Disposals during the year	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land-Leasehold	213.45	-	-	213.45	3.95	2.20	-	6.15	207.30	209.50
Buildings (Note 1)	63.91	1.01	-	64.92	27.39	2.35	-	29.74	35.18	36.52
Leasehold Improvements	21.99	51.85	21.99	51.85	8.09	9.85	11.02	6.92	44.93	13.90
Plant and Machinery (includes Computer Systems)	372.42	29.84	3.09	399.17	266.45	20.82	2.27	285.00	114.17	105.97
Electrical Installations	5.84	3.54	0.19	9.19	5.20	1.60	0.17	6.63	2.56	0.64
Furniture, Fixtures and Equipment	47.56	11.64	1.39	57.81	31.19	2.78	0.35	33.62	24.19	16.37
Vehicles	5.86	0.38	0.14	6.10	1.49	0.56	0.14	1.91	4.19	4.37
Small Tools	83.68	8.97	-	92.65	51.73	10.16	-	61.89	30.76	31.95
Office Equipment	41.34	17.09	2.83	55.60	19.30	1.44	0.80	19.94	35.66	22.04
Total A	**856.05**	**124.32**	**29.63**	**950.74**	**414.79**	**51.76**	**14.75**	**451.80**	**498.94**	**441.26**
Assets given on Operating Lease: Plant and Machinery	16.27	-	-	16.27	15.49	-	-	15.49	0.78	0.78
Total B	**16.27**	**-**	**-**	**16.27**	**15.49**	**-**	**-**	**15.49**	**0.78**	**0.78**
Total A + B	**872.32**	**124.32**	**29.63**	**967.01**	**430.28**	**51.76**	**14.75**	**467.29**	**499.72**	**442.04**
March 31, 2012	641.17	241.85	10.70	872.32	388.57	50.36	8.65	430.28	442.04	252.60

Notes:

1. Buildings include Rs. 0.67 (March 31, 2012 : Rs.0.67) towards a flat owned in a Co-operative Society in which 5 shares (March 31, 2012: 5 shares) of Rs. 50 each fully paid up, are held by the Company.
2. Refer Note 36 (b) for disclosure relating to Research and Development related assets.

8.2 Intangible Assets

Particulars	Gross Block				Amortisation				Net block	
	As at April 1, 2012	Additions during the year	Disposals during the year	As at March 31, 2013	As at April 1, 2012	Charge for the year	Disposals during the year	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
Computer Software	20.01	-	-	20.01	20.01	-	-	20.01	-	-
March 31, 2013	20.01	-	-	20.01	20.01	-	-	20.01	-	-
March 31, 2012	20.01	-	-	20.01	20.01	-	-	20.01	-	-

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at March 31, 2013	As at March 31, 2012
9	**Deferred Tax Assets (Net)**		
(A)	Deferred Tax Assets arising from: Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act, 1961.		
(a)	Provision for Doubtful Debts	18.51	13.56
(b)	Provision for Warranty	14.99	16.28
(c)	Voluntary Retirement Compensation	0.67	1.65
(d)	Provision for Gratuity	-	3.61
(e)	Others	25.71	26.17
	Total Deferred Tax Assets	**59.88**	**61.27**
(B)	Deferred Tax Liabilities arising from:		
(a)	Difference between carrying amount of fixed assets in the financial statements and the Income Tax Statement.	(8.92)	(13.69)
	Total Deferred Tax Liabilities	**(8.92)**	**(13.69)**
	Total Deferred Tax Asset (Net)	**50.96**	**47.58**

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. Charge to Statement of Profit and Loss is represented by:

	Year ended March 31, 2013	Year ended March 31, 2012
Deferred Tax on Profit before extraordinary and prior period items	(3.38)	(6.19)
Total	**(3.38)**	**(6.19)**

		As at March 31, 2013	As at March 31, 2012
10	**Long-term Loans and Advances**		
(a)	**Secured, considered good:**		
	Loans and Advances to Fellow Subsidiaries	1,470.00	-
	Capital Advances	4.39	6.71
(b)	**Unsecured, considered good:**		
	Taxes paid under protest	132.94	109.28
	Advance Income tax [(Net of provision: Rs. 4,777.25 (March 31, 2012: Nil)]	1.37	-
	Capital Advances	22.26	14.92
	Security Deposits	48.45	59.91
	Recoverable in Cash or in Kind or for Value to be Received	0.20	3.14
	Total Long-term Loans and Advances	**1,679.61**	**193.96**

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at March 31, 2013	As at March 31, 2012
11	**Inventories**		
	Raw Materials [(includes in transit: Rs. 107.76 (March 31, 2012: Rs. 69.25)]	732.25	848.45
	Work-in-progress	89.78	194.15
	Finished Goods	92.38	42.68
	Total Inventories	**914.41**	**1,085.28**
(a)	Details of Inventories		
(i)	Goods Manufactured:		
	Air Compressors	91.44	40.58
	Air Conditioner Package for Buses	0.94	2.10
	Total	**92.38**	**42.68**
(ii)	Work-in-progress:		
	Air Compressors	87.76	193.86
	Air Conditioner Package for Buses	2.02	0.29
	Total	**89.78**	**194.15**
12	**Trade Receivables**		
(a)	**Unsecured, considered good:**		
	Outstanding for a period exceeding six months from the date they are due for payment	27.41	21.23
	Others	1,374.98	1,310.62
(b)	**Unsecured, considered doubtful:**		
	Outstanding for a period exceeding six months from the date they are due for payment	57.06	41.80
	Others	-	-
	(Less): Provision for doubtful debts	(57.06)	(41.80)
	Total Trade Receivables	**1,402.39**	**1,331.85**
13	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Cash on hand	0.04	0.02
	Cheques on hand	3.25	26.59
	Balances with Banks		
	In Current Accounts	83.34	87.59
	Exchange Earners' Foreign Currency Accounts	15.53	57.54
	Demand deposits (less than 3 months maturity)	2,717.30	2,799.60
		2,819.46	2,971.34
	Other bank balances		
	Term deposits with maturity more than 3 months but less than 12 months	1,900.00	1,525.00
	Restricted Account	5.55	4.73
	Unpaid Dividend Account	5.03	5.03
		1,910.58	1,534.76
	Total Cash and Bank balance	**4,730.04**	**4,506.10**

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		As at	
		March 31, 2013	March 31, 2012
14	**Short-term Loans and Advances**		
	(a) Secured, considered good:		
	Loans and Advances to Fellow Subsidiaries	-	1,470.00
	(b) Unsecured, considered good:		
	Balance with Excise Authority	165.16	136.63
	Tender Security and Other Deposits	7.73	3.02
	Advances recoverable in cash or in kind:		
	Considered Good	173.74	114.28
	Considered Doubtful	8.50	6.25
	(Less): Provision for Doubtful Advances	(8.50)	(6.25)
	Total Short-term Loans and Advances	346.63	1,723.93
15	**Other Current Assets**		
	Unsecured, considered good:		
	Interest accrued on deposits	51.60	110.34
	Total Other Current Assets	51.60	110.34
16	**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)	54.77	44.10
	(b) Value added tax/Central excise matters in dispute (Relates to adjustment on account of levy of additional duty and other matters made by the VAT/Excise department which is disputed by the Company and are lying under appeal before various forums. The Company has: (1) Paid Rs. 3.40 (March 31, 2012: Nil) "under protest"; and (2) Furnished a Bank guarantee of Rs. 4.87 (March 31, 2012: Nil). This does not include one bank account with the balance of Rs. 5.55 (March 31, 2012: Rs. 4.73) which the Company is not permitted to operate till such time the litigation is resolved)	134.46	162.88
	(c) Bank guarantees/corporate guarantees [Guarantees issued by Banks on behalf of Company guaranteeing performance of products sold or timely completion of contractual obligations by the Company. This does not include bank guarantees for Rs. 4.87 (March 31, 2012: Nil) furnished in favor of the VAT authorities (refer (b) above)]	424.31	487.81
	(d) Income Tax matters [Relates to transfer pricing and other adjustments made by the Income Tax Department for the assessment years 2003-04 to 2009-10, which is disputed and the matters are lying under appeal before various forums. The Company has paid 'under protest' Rs. 129.54 (March 31, 2012: Rs. 109.28) to the Income Tax Department in this regard]	150.55	107.60

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
17 Capital and other commitments		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	189.26	91.98
Total	189.26	91.98
(b) Other Commitments		
Duty free licenses for import:		
The Company has availed duty free licenses for import against which export obligations are outstanding as at March 31, 2013, customs duty thereon	17.20	25.57
Total	17.20	25.57
18 Proposed Dividend		
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs. 10 each		
Amount of dividend proposed	94.70	94.70
Dividend per Equity Share	Rs. 3.00 per share	Rs. 3.00 per share

	Year ended March 31, 2013	Year ended March 31, 2012
19 Revenue from operations (Gross)		
Sale of Finished goods*	5,898.37	5,997.14
Sale of Services		
Installation and commissioning	186.87	161.63
Business support and auxiliary services	112.63	109.31
Other operating revenues		
Recovery of Freight, Insurance and Packing Expenses	42.80	38.45
Income from Sale of Scrap	9.84	5.58
Lease Rentals - Equipments	6.63	0.82
Total Revenue from operations (Gross)	6,257.14	6,312.93

*Sale of Finished goods includes price adjustments on exports of Nil (March 31, 2012: Rs. 98.00).

Details of Sales (Finished goods):		
Air Compressors - Complete Machine and Accessories	2,899.12	3,222.46
Air Conditioner Package for Buses	168.68	154.74
Spare Parts and Components	2,387.12	2,227.23
Excise Duty	443.45	392.71
Total	5,898.37	5,997.14

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		Year ended March 31, 2013	March 31, 2012
20	**Other Income**		
	Interest Income on:		
	Deposits with banks	344.83	356.71
	Loans advanced to fellow subsidiaries	171.40	171.87
	Income Tax refund	8.83	1.05
	Lease Rentals	56.29	38.98
	Provision no longer required written back	12.91	2.32
	Provision for doubtful advances no longer required written back	-	5.06
	Provision for doubtful debts no longer required written back	-	0.28
	Liability no longer required written back (Net)	11.07	53.14
	Export Incentives	42.08	44.53
	Net gain on foreign currency translation and transaction	25.16	14.52
	Miscellaneous	6.14	1.63
	Total Other income	**678.71**	**690.09**
21	**Cost of materials consumed**		
	Raw material consumed (Note):		
	Opening inventory	848.45	872.58
	Add: Purchases (Net)	3,500.79	3,956.97
	(Less): Inventory at the end of the year	(732.25)	(848.45)
	Cost of raw materials consumed during the year	3,616.99	3,981.10
	Packing materials consumed	55.09	68.59
	Excise Duty	4.83	4.59
	Total Cost of materials consumed	**3,676.91**	**4,054.28**

Note: includes provision on account of obsolescence and scrap and spoilage Rs. 26.39 (March 31, 2012: Rs. 24.39)

22	**Changes in inventories of finished goods and work-in-progress**		
	(a) Opening inventories		
	Finished goods	42.68	51.20
	Work-in-progress	194.15	167.65
	Total opening inventories	236.83	218.85
	(b) Closing inventories		
	Finished goods	92.38	42.68
	Work-in-progress	89.78	194.15
	Total closing inventories	182.16	236.83
	Increase/decrease in inventories	54.67	(17.98)

Ingersoll Rand
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Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		Year ended	
		March 31, 2013	March 31, 2012
23	**Employee benefits expense**		
	Salaries and wages [Refer Note (a) below]	544.84	488.60
	Contribution to provident and other funds	25.68	21.69
	Gratuity [Refer Note (b) below]	6.90	12.82
	Employee Share based payment [Refer Note (c) below]	-	2.01
	Staff welfare expenses	34.33	33.79
	Total Employee benefits expense	611.75	558.91

Note :

(a) Includes provision for leave encashment written back (Net) Rs. 9.39 (March 31, 2012 Provision for leave encashment: Rs. 10.37).

(b) Defined Benefit Plan:

Gratuity: The Company operates a gratuity 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. The same 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 favorable than the Payment of Gratuity Act, 1972 depending upon the length of service.

Provident Fund: Provident fund for certain eligible employees is managed by the Company through the "Ingersol-Rand Employees Provident Fund Trust", in line with the Provident Fund and Miscellaneous Provisions Act, 1952, the plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

(i) Present Value of Defined Benefit Obligation

	Gratuity		Provident Fund	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Balance at the beginning of the year	141.22	139.20	262.71	264.41
Add: Current Service Cost	10.03	8.29	52.33	36.73
Add: Interest Cost	11.19	10.88	20.89	20.50
Less: Settlement Cost	-	(0.36)	(52.65)	(68.09)
Add: Past Service Cost	-	-	-	-
Add: Actuarial (Gain)/Losses	(0.71)	2.62	(13.27)	-
Add: Transfer in	-	-	5.84	9.16
(Less): Benefits paid during the year	(19.22)	(19.41)	-	-
Balance at the end of the year	142.51	141.22	275.85	262.71

(ii) Fair Value of Plan Assets

Balance at the beginning of the year	130.10	107.16	271.53	273.09
Add: Expected Return on Plan Assets	11.48	8.75	9.70	20.50
Add: Actuarial Gain/(Loss)	2.12	(0.14)	-	-
Add: Contributions	19.00	15.90	50.69	36.73
(Less): Benefits paid	(3.33)	(1.57)	(52.65)	(68.09)
Add: Transfer in	0.83		5.84	9.16
Others	-	-	-	0.14
Balance at the end of the year	160.20	130.10	285.11	271.53
Actual return on Plan Assets	8.00	8.75	8.60	9.25

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

(iii) Assets and Liabilities recognised in the Balance Sheet

	Gratuity		Provident Fund	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Present Value of Defined Benefit Obligation	142.51	141.22	275.85	262.71
Less: Fair Value of Plan Assets	160.20	130.10	285.11	271.53
Amounts recognised as liability/(Asset)	**(17.69)**	**11.12**	-	-
Recognised/Disclosed under:				
Long-term Provision (Refer note 5)	-	11.12	-	-
Advances recoverable in Cash or in Kind (Refer Note 14)	17.69	-	-	-
Total	**17.69**	**11.12**	-	-

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

	Gratuity March 31, 2013	Gratuity March 31, 2012	Provident Fund March 31, 2013	Provident Fund March 31, 2012
Current service cost as per valuation report	10.03	8.29	52.33	36.73
Add: Interest Cost	11.19	10.88	20.89	20.50
Less: Expected Return on Plan Assets	(11.48)	(8.75)	(20.89)	(20.50)
Less: Settlement Cost	-	(0.36)	-	-
Add: Past Service Cost	-	-	-	-
Less: Actuarial (Gains)/Losses	(2.84)	2.76	(2.09)	-
Employee Contribution	-	-	(28.77)	(23.80)
Total Expense	**6.90**	**12.82**	**21.47**	**12.93**

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

	Gratuity March 31, 2013	Gratuity March 31, 2012	Provident Fund March 31, 2013	Provident Fund March 31, 2012
Cash (including Special Deposits)	29.58%	27.57%	19.00%	0.00%
Government Securities	37.41%	29.35%	31.00%	32.31%
Non Convertible Debentures issued by Corporate	33.01%	43.08%	50.00%	47.16%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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.

(vi) Actuarial Assumptions

	Gratuity March 31, 2013	Gratuity March 31, 2012	Provident Fund March 31, 2013	Provident Fund March 31, 2012
Discount rate per annum	8.00%	8.50%	8.00%	8.50%
Expected rate of Return on Plan Assets	9.00%	8.30%	8.80%	9.00%
Expected salary increase per annum	8.00%	8.00%	NA	NA
Average past service of employees	9.90 Years	10.28 Years	NA	NA
Mortality rate	LIC (2006-08) published table of Mortality rate	LIC (1994-96) published table of Mortality rate	LIC (1994-96) published table of Mortality rate	LIC (1994-96) published table of Mortality rate

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.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

(vii) Amounts recognised in current year and previous four years

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Gratuity					
Defined benefit Obligations	(142.51)	(141.22)	(139.20)	(138.12)	(131.05)
Plan assets	160.20	130.10	107.16	88.21	69.78
Funded Status	17.69	(11.12)	(32.04)	(49.91)	(61.27)
Experience Gain/(Loss) adjustment on plan liabilities	4.40	(6.84)	(0.66)	(10.92)	7.13
Experience Gain/(Loss) adjustment on plan assets	2.12	(0.14)	(2.73)	2.00	(9.06)
Actuarial Gain/(Loss) due to change of assumptions	(3.69)	4.22	4.33	(18.27)	NA
Provident Fund					
Defined benefit Obligations	(275.85)	(262.71)	NA	NA	NA
Plan assets	285.11	271.53	NA	NA	NA
Funded Status	9.26	8.82	NA	NA	NA
Experience Gain/(Loss) adjustment on plan liabilities	-	-	NA	NA	NA
Experience Gain/(Loss) adjustment on plan assets	-	-	NA	NA	NA
Actuarial Gain/(Loss) due to change of assumptions	-	-	NA	NA	NA

*Pursuant to the issuance of a guidance note, effective April 1, 2011 by the Institute of Actuaries of India, Actuarial valuation was obtained by the Company from 2011-12 onwards. Hence, no disclosure is made prior to the year 2011-12 in respect of Provident Fund.

(viii) Expected Contribution to the Funds in the next year

	Year ended	
	March 31, 2013	March 31, 2012
Gratuity	2.50	17.37
Provident Fund	51.45	14.82

(c) Employee Share-based Payments

Certain executives of the Company are eligible to participate in the employee share-based payment plans, as detailed below, of Ingersoll-Rand Company, New Jersey, USA the holding company.

(i) Incentive Stock Option Plan of 1998 (1998 plan)

The stock options vest ratably over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.

(ii) Stock Appreciation Rights Plan of 1998 (SAR 1998)

SARs generally vest ratably over a three-year period from the date of grant and expire at the end of ten years. All exercised SARs are settled with the holding company's Class A common shares.

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

On June 6, 2007, the shareholders of the holding company approved the Incentive Stock Plan of 2007, which authorises the holding company to issue stock options and other share-based incentives. The plan replaces the 1998 plan which terminated in May 2007. The stock options vest ratably over a period of three years and expire at the end of ten years, subject to conditions related to termination of employment.

(iv) Restricted Stock Unit (RSU)

Restricted Stock Unit (RSU) are share equivalents that are awarded to an employee with a promise to issue actual shares to holders of the RSU award at vesting. The RSU will vest in one-third installments over three years. Once they vest, each unit is converted into a share of stock at current value.

These plans are assessed, managed and administered by the holding company.

The number and weighted average exercise prices of stock options for each of the above plans are given in US $ currency as Rupees values are not available.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

	As at			
	March 31, 2013		March 31, 2012	
	Number of options	Weighted Average Exercise Price (US $)	Number of options	Weighted Average Exercise Price (US $)
(A) The 1998 and 2007 plans				
(a) outstanding at the beginning of the year	21,839	40.26	19,615	40.14
(b) granted during the year	2,437	52.60	2,224	40.70
(c) forfeited/cancelled during the year	-	-	-	-
(d) exercised during the year	15,801	39.06	-	-
(e) outstanding at the end of the year	8,475	47.12	21,839	40.26
(f) exercisable at the end of the year	4,095	43.62	18,162	39.65
(B) SAR 1998				
(a) outstanding at the beginning of the year	3,190	39.43	3,190	39.43
(b) granted during the year	-	-	-	-
(c) forfeited/cancelled during the year	-	-	-	-
(d) exercised during the year	-	-	-	-
(e) outstanding at the end of the year	3,190	39.43	3,190	39.43
(f) exercisable at the end of the year	3,190	39.43	3,190	39.43
(C) RSU				
(a) outstanding at the beginning of the year	1,260	-	1,126	-
(b) granted during the year	1,148	-	794	-
(c) forfeited/cancelled during the year	-	-	-	-
(d) exercised during the year	592	-	660	-
(e) outstanding at the end of the year	1,816	-	1,260	-
(f) exercisable at the end of the year	-	-	-	-
(D) The weighted average share price at the date of exercise				
Date of exercise				
Dec. 10, 2012		49.53		-
Mar. 12, 2013		54.63		-

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

(E) The following table summarises the range of exercise prices, stock options outstanding at the end of the period, and weighted average remaining contractual life

Range of exercise price (US $)	Outstanding as at March 31, 2013	Weighted Average Contractual Life (years)	Outstanding as at March 31, 2012	Weighted Average Contractual Life (years)
5.00 - 60.00	13,481	5.66	26,289	4.19

(F) The weighted average fair value at the grant date of the stock options granted during the year was estimated to be $ 12.33 (2012: $10.71) per share, using the Black-Scholes option-pricing model.

The following assumptions were used:

	2013	2012
Dividend yield	1.25%	1.33%
Volatility	43.17%	43.62%
Risk-free rate of return	0.73%	0.92%
Expected life	5.06 years	5.14 years

Expected volatility is based on the historical volatility from traded options on the Company's stock. The risk-free rate of return is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the award is granted with a maturity equal to the expected term of the award. Historical data is used to estimate forfeitures within the Company's valuation model. The Company's expected life of the stock option awards is derived from historical experience and represents the period of time that awards are expected to be outstanding.

(G) Other information regarding employee share-based payment plans is as below:

	Year ended March 31, 2013	Year ended March 31, 2012
(a) Expense arising from employee share-based payment plans	-	2.01
(b) Closing balance of liabilities arising from employee share-based payment plans	-	12.91
(c) Total intrinsic value at the end of the year of liabilities for which the right of the employee to cash or other assets had vested by the end of the year	-	-

Note: Based on a confirmation received from the ultimate holding company that the cost related to such share based payments will not be recharged to the Company, the liability as at March 31, 2012 of Rs. 12.91 has been written back during the year and disclosed as 'Provision no longer required written back'.

The above information has been compiled from the data provided by the holding company, which has been relied upon by the auditors.

24 Finance costs

	Year ended March 31, 2013	Year ended March 31, 2012
Other borrowing costs	10.90	4.71
Total Finance costs	**10.90**	**4.71**

25 Depreciation and amortisation expense

Depreciation on Tangible Assets	51.76	50.36
Total Depreciation and Amortisation Expense	**51.76**	**50.36**

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		Year ended March 31, 2013	March 31, 2012
26	**Other expenses**		
	Power and fuel	33.98	32.73
	Rent	112.30	72.09
	Repairs to buildings	8.70	8.29
	Repairs to machinery	26.20	26.14
	Repairs others	2.78	3.91
	Insurance	14.58	9.87
	Rates and taxes, excluding taxes on income	3.76	1.47
	Travelling	103.41	91.05
	Dealer Incentives	6.88	12.96
	IT Infrastructure	59.05	19.32
	Freight, Insurance and Other Handling Charges	62.93	68.76
	Communication	39.67	36.34
	Loss on Sale/write off of Fixed Assets (Net)	14.35	1.68
	Cost Contribution (Management Fees)	132.13	68.86
	Warranty	42.04	51.20
	Advertising expenses	14.77	83.13
	Engineering services - Product design, development, etc.	72.28	-
	Payments to the auditor		
	Audit fees	3.59	2.30
	Tax Audit fees	0.25	0.25
	Other Services	0.85	0.70
	For reimbursement of expenses	-	0.10
	Bad Debts Written Off	1.44	7.19
	Provision for Doubtful Debts and Advances	17.51	-
	Miscellaneous expenses	201.47	129.25
	Total Other expenses	974.92	727.59
	Expenses capitalised as a part of Capital Work-in-progress		
	Salaries and wages	7.82	1.09
	Rent	1.54	0.54
	Travelling	0.39	0.05
	Power & Fuel	0.65	-
	Miscellaneous expenses	0.12	-
	Total	10.52	1.67
27	**Earnings per Equity share**		
	Weighted average number of shares outstanding	31,568,000	31,568,000
	Basic and Diluted		
	Profit after Tax	779.43	827.63
	Basic and Diluted Earnings per Share (Rs.)	24.69	26.22
28	**CIF Value of Imports**		
	Raw materials, components and spares parts	1,250.04	1,551.33
	Capital Goods	27.49	0.92
	Total	1,277.53	1,552.25

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

		Year ended March 31, 2013	Year ended March 31, 2012
29	**Expenditure in foreign currency**		
	Travelling	6.79	2.39
	Cost Contribution (Management Fees)	132.13	68.86
	IT Infrastructure	36.79	-
	Warranty	17.06	-
	Others	41.46	12.49
	Total	**234.23**	**83.74**
30	**Details of Consumption and Purchases**		
	(a) Details of Raw Materials/Packing materials consumed		
	Castings, Bars, Plates, Channels, Angles, Flats, etc.	220.17	262.42
	Spare Parts and Components (which individually do not account for more than 10% of the total consumption)	3,396.82	3,718.68
	Packing materials	55.09	68.59
	Excise duty	4.83	4.59
	Total	**3,676.91**	**4,054.28**

(b) Value of imported and indigenous materials consumed

	March 31, 2013 Amount	March 31, 2013 %	March 31, 2012 Amount	March 31, 2012 %
Raw materials, spare parts and components				
Imported	1,603.64	43.6%	1,858.94	45.9%
Indigenous	2,073.27	56.4%	2,195.34	54.1%

		Year ended March 31, 2013	Year ended March 31, 2012
31	**Dividend remitted in foreign exchange**		
	For the year 2010-2011 (Final Dividend)	-	70.08
	For the year 2011-2012 (Interim Dividend)	-	70.08
	For the year 2011-2012 (Special Dividend)	-	420.48
	For the year 2011-2012 (Final Dividend)	70.08	-
	For the year 2012-2013 (Interim Dividend)	70.08	-
	Number of equity shares held by such non-resident	23,360,000	23,360,000
	Number of non-resident shareholders	1	1
32	**Earnings in foreign currency**		
	Exports calculated on FOB basis	1,194.65	1,174.53
	Freight and insurance on exports	0.12	0.79
	Business support and auxiliary services	21.21	17.49
	Total	**1,215.99**	**1,192.82**

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

33 **Segment Reporting:**

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems and amounts allocated on a reasonable basis.

The business segments comprise of the following:

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

(b) Others - arising on account of contract manufacturing for fellow subsidiary.

The expenses, assets and liabilities relating to Chennai Plant has been grouped under Other unallocable head, since it is in the pre-production stage.

Geographical segment is considered based on sales within India and outside India.

	Particulars	AS		Others		Total	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
A.	**Primary Segment: Business Segment**						
	Gross Revenue						
	External Revenue	6,015.46	6,096.91	182.39	171.10	6,197.85	6,268.01
	Intersegment Revenue	-	-	-	-		-
	Total Gross Revenue	6,015.46	6,096.91	182.39	171.10	6,197.85	6,268.01
	Result						
	Segment Result	798.27	724.36	21.83	15.70	820.10	740.06
	Less:						
	Interest					10.90	4.71
	Unallocable Corporate expenses					440.82	235.88
	Add:						
	Liabilities no longer required written back					11.07	53.14
	Unallocable Other Income					732.04	679.83
	Profit Before Taxation					1,111.49	1,232.44
	Other Information						
	Segment Assets	2,989.74	3,027.85	59.56	81.35	3,049.30	3,109.20
	Unallocable Assets					7,146.62	6,343.60
	Total Assets					10,195.92	9,452.80
	Segment Liabilities	1,221.67	1,051.69	9.75	28.91	1,231.41	1,080.60
	Unallocable Liabilities					266.44	232.69
	Total Liabilities					1,497.85	1,313.29
	Capital Expenditure						
	(Including Capital Work-in-Progress)						
	In India	123.15	36.61	-	-	123.15	36.61
	Outside India	-	-	-	-	-	-
	Unallocable Capital Expenditure						
	In India					510.01	205.24
	Outside India					-	-
	Total Capital Expenditure					633.16	241.85
	Depreciation						
	Segment Depreciation	49.51	49.13	-	-	49.51	49.13
	Unallocable Depreciation					2.25	1.23
	Total Depreciation					51.76	50.36
	Non-Cash Expenses other than Depreciation	5.57	22.01	-	-	5.57	22.01
B.	**Secondary Segment Geographical Segment**						
	Revenue						
	India					4,981.86	5,075.19
	Outside India					1,215.99	1,192.82
						6,197.85	6,268.01
	Assets						
	India					9,772.69	9,022.19
	Outside India					423.23	430.61
						10,195.92	9,452.80

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

34 Related Party Disclosures:

(a) Names of related parties and nature of relationship:

(i) Where control exists

Ingersoll-Rand plc, Ireland	Ultimate Holding Company
Ingersoll-Rand Company, New Jersey, U.S.A.	Substantial Interest in Voting Power of the Company (holds 74% of equity share capital as at March 31, 2013)

(ii) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiaries:

Thermo King India Private Limited, India
Ingersoll-Rand Industrial Products Private Limited, India
Ingersoll-Rand International (India) Limited, India
GHH-Rand Schraubenkompressoren GmbH, Germany
Ingersoll-Rand CZ s.r.o, Czech Republic
Hibon Inc.,Canada
Ingersoll-Rand (Chang Zhou) Tools Co., Ltd., China
Ingersoll-Rand Air Solutions Hibon Sarl, France
Ingersoll-Rand Company South Africa (Pty) Limited, South Africa
Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China
Ingersoll-Rand International Limited, Ireland
Ingersoll-Rand Malaysia Co. Sdn. Bhd., Malaysia
Nanjing Ingersoll-Rand Compressor Co. Ltd., China
Officina Meccaniche Industriali SRL, Italy
Plurifiter D.O.O, Slovenia
Reftrans SA, Spain
Schlage Lock Division LLC, USA
Thermoking Corporation, U.S.A.
Trane Exports LLC, USA
Trane India Private Limited, India
Trane India Limited, USA
Thermo King Services Limited, Ireland
Service First Aircon Private Limited, India (Now known as Ingersoll-Rand Climate Solutions Private Limited, India)
Ingersoll-Rand Machinery (Shanghai) Company Limited, China
Ingersoll-Rand European Sales Limited, United Kingdom

Key Management Personnel

B. Jayaraman
Prasad Y. Naik
Amar Kaul

Key Management Personnel do not exercise significant influence in the employee trust funds where they are the Trustees.

(b) Transactions/Balances

	Holding Company		Fellow Subsidiaries	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Sale of finished goods	948.24	817.21	406.78	496.94
(b) Rent received	-	-	54.47	37.29
(c) Rent paid	-	-	9.34	9.34
(d) Purchase of raw materials, components and trading items	122.98	260.43	475.90	489.77
(e) Purchase of fixed assets	-	-	19.84	2.84
(f) Expenses recharged by other Companies				
(i) Cost Contribution (Management Fees)	132.13	68.86	-	-
(ii) IT Infrastructure	36.79	-	-	-
(iii) Communication	1.66	1.84	7.29	9.23
(iv) Warranty	17.06	-	-	-
(v) Engineering services - Product design, development, etc.	-	-	70.13	-
(vi) Advertising	-	-	9.21	-
(vii) Other Miscellaneous expenses	-	-	49.13	-
(g) Business support and auxiliary services	12.44	4.19	100.61	107.82
(h) Liability no longer required written back *	11.07	53.14	-	-
(i) Provision no longer required written back	12.91	-	-	-
(j) Interest Income on Intercorporate Loans given	-	-	171.40	171.87
(k) Dividend paid	140.16	560.64	-	-
(l) Outstanding Receivables	407.47	389.80	62.09	87.14
(m) Outstanding Intercorporate Loans receivable**	-	-	1,470.00	1,470.00
(n) Outstanding Payables	74.22	62.45	181.24	73.09

* Represents aged payables waived off, written back.
** Backed by Corporate guarantee issued by ultimate holding company.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

				March 31, 2013	March 31, 2012
(c)	**Details relating to Key Management Personnel:**				
	Remuneration Paid:*				
	(a)	B. Jayaraman		10.22	10.69
	(b)	Prasad Y. Naik		7.78	8.33
	(c)	Amar Kaul		11.28	9.40
	(d)	Sameer Agarwal (part of the previous year)		-	3.63
	* Excludes share based payments administered directly by the Holding Company				
(d)	**Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties**				
	(a)	Sale of finished goods			
		-	Nanjing Ingersoll-Rand Compressor Co. Ltd., China	78.05	65.61
		-	Ingersoll-Rand International Limited, Ireland	60.06	156.32
		-	Thermo King India Private Limited, India	168.68	154.74
	(b)	Rent received			
		-	Trane India Private Limited, India	11.24	9.01
		-	Ingersoll-Rand International (India) Limited, India	22.56	16.19
		-	Service First Aircon Private Limited, India	12.87	6.80
	(c)	Rent paid			
		-	Ingersoll-Rand International (India) Limited, India	9.34	9.34
	(d)	Purchase of raw materials, components and Trading items			
		-	Ingersoll Rand International Limited, Ireland	260.66	292.79
		-	GHH-Rand Schraubenkompressoren GmbH, Germany	56.66	43.71
		-	Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	64.48	34.14
	(e)	Purchase of fixed assets			
		-	Ingersoll-Rand Industrial Products Private Limited, India	3.56	2.66
		-	Trane India Limited, USA	6.75	-
		-	Ingersoll-Rand International (India) Limited, India	6.42	-
		-	Thermo King Services Limited, Ireland	2.98	-
	(f)	Expenses recharged by other Companies			
		-	Schlage Lock Division LLC, USA	7.29	9.06
		-	Ingersoll-Rand International (India) Limited, India	99.16	-
		-	Thermo King Services Limited, Ireland	27.67	-
	(g)	Business support and auxiliary services			
		-	Ingersoll-Rand Industrial Products Private Limited, India	18.08	19.15
		-	Ingersoll-Rand International (India) Limited, India	49.12	47.01
		-	Thermo King India Private Limited, India	13.11	17.33
		-	Trane India Private Limited, India	12.15	10.31
	(h)	Interest Income on Intercorporate Loans given			
		-	Ingersoll-Rand International (India) Limited, India	102.02	102.30
		-	Thermo King India Private Limited, India	69.38	69.57
	(i)	Outstanding Receivables			
		-	Ingersoll-Rand International Limited, Ireland	10.79	8.16
		-	Thermo King India Private Limited, India	24.37	45.97
		-	Nanjing Ingersoll-Rand Compressor Co. Ltd., China	13.87	17.14
	(j)	Outstanding Intercorporate Loans receivable			
		-	Ingersoll-Rand International (India) Limited, India	-	875.00
		-	Thermo King India Private Limited, India	74.37	595.00
		-	Service First Aircon Private Limited, India	520.63	-
		-	Ingersoll Rand Industrial Products Private Limited, India	875.00	-
		(Pursuant to restructuring of the above entities, which is approved by the High Courts of India, the loans have been reassigned.)			
	(k)	Outstanding Payables			
		-	Ingersoll-Rand International Limited, Ireland	59.79	46.86
		-	Ingersoll-Rand (China) Industrial Equipment Manufacturing Co. Limited, China	21.20	4.93
		-	Ingersoll-Rand International (India) Limited, India	32.52	-
		-	Thermo King Services Limited, Ireland	32.11	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

35 Leases

As a lessee:

Operating Lease

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

	Year ended March 31, 2013	Year ended March 31, 2012
With respect to all operating leases;		
Lease payments recognised in the Statement of Profit and Loss during the year	112.30	72.09
With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
Not later than one year	70.32	62.24
Later than one year and not later than five years	51.21	122.90
Later than five years	-	-
As a lessor:		
Operating Lease		
The Company has given plant and machinery and also sub-let premises on operating leases. These lease arrangements range for a period less than 60 months and are cancellable by notice of 30 days by either side. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.		
Sub-lease payments received/receivable recognised in the Statement of Profit and Loss during the year	56.29	38.98

36 Particulars of Research and Development Expenditure (Note)

(a) Revenue Expenditure debited to various heads of account:

	March 31, 2013	March 31, 2012
Material Consumed	0.98	-
Employee benefits expense	7.73	-
Other expenses	1.44	-
	10.15	-

(b) Capital (Note)

Description - Gross block	Plant and Machinery	Furniture, Fixtures and Equipment	Electrical Installations
As at March 31, 2012	-	-	-
Additions/Adjustments during the year	2.23	0.32	0.05
Deletions/Adjustments during the year	-	-	
As at March 31, 2013	2.23	0.32	0.05

Note: Vide letter dated September 29, 2012, the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India has accorded recognition to the Company's In-House R&D unit, Naroda, Ahmedabad. The above disclosure relates to expenditure incurred after September 29, 2012 by the said R&D unit, which the Company proposes to consider for certain Income Tax benefits.

Notes to the Financial Statements

(All amounts in Rupees Million, unless otherwise stated)

			March 31, 2013	March 31, 2012
37	Dues to micro and small enterprises			
	(a) (i)	The principal amount remaining unpaid as at end of the year	44.56	23.25
	(ii)	Interest due thereon remaining unpaid as at end of the year	0.09	0.24
	(b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:		
	(i)	Delayed payments of principal beyond the appointed date during the entire accounting year	162.96	97.83
	(ii)	Interest actually paid under Section 16 of the MSME Act	-	-
	(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act	-	-
	(d)	The amount of interest accrued and remaining unpaid as at end of the year in respect of principal amount settled during the year	3.51	2.25
	(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSME Act	11.96	9.47
		Note: The above information has been determined based on vendors identified by the Company and to the extent these have been confirmed by such vendors, which have been relied upon by the auditors		

38 The Company has not entered into any foreign currency forward contract to hedge its risk associated with foreign currency fluctuations. The foreign currency exposures as at the Balance Sheet date are as follows:

	As at		As at	
Particulars	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Foreign Currency		(INR)	
Trade Receivables (in USD)	7.88	8.42	427.90	430.68
Trade Receivables (in EUR)	0.08	-	5.24	-
Trade Payables (in USD)	3.96	3.14	214.71	193.79
Trade Payables (in EUR)	1.05	0.37	73.44	24.80
Trade Payables (in GBP)	0.03	0.02	2.24	1.91
Trade Payables (in JPY)	4.43	2.04	2.56	1.27
Advances recoverable (in USD)	0.92	0.32	49.93	16.44
Advances recoverable (in EUR)	-	-	0.30	0.29

39 Previous Year Figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

RADHAKRISHNAN B.
Partner
Membership Number : 25516

Place: Bangalore
Date: May 03, 2013

VENKATESH VALLURI
Chairman

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

AMAR KAUL
Vice President &
Gen. Manager

H. C. ASHER
Director

B. JAYARAMAN
Vice President - Finance

Place: Bangalore
Date: May 03, 2013

Ingersoll Rand
Inspiring Progress™

INGERSOLL-RAND (INDIA) LIMITED

Registered Office : Plot No. 35, KIADB Industrial Area, Bidadi, Bangalore - 562 109

May 3, 2013

To,

THE SHAREHOLDERS OF

INGERSOLL - RAND (INDIA) LIMITED

Dear Member,

1. Depository System :

As you are aware the equity shares of the company are in compulsory demat list and are available for trading in depository system operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS).

The Shareholder opting to join the depository system would be required to open an account with a Depository Participant (DP) who is an agent of NSDL or CDS, in the prescribed form. Requests for dematerialisation and rematerialisation will have to be forwarded by the shareholder through his DP. An updated list of the DP's would be available with NSDL or CDS. For further clarification/information with regard to scripless trading, you may correspond with NSDL or CDS or the Company's Registrar and Share Transfer Agent at the following address :

i) National Securities Depository Ltd
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai- 400 013
Tel : 022 - 2499 4200
Fax : 022 - 2495 0664

ii) Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers.
17th Floor, Dalal Street,
Mumbai- 400 023
Tel : 022 - 2272 3333
Fax : 022 - 2272 3199

iii) TSR Darashaw Pvt. Limited,
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011
Tel : 022 - 6656 8484
Fax : 022 - 6656 8494
Email : csg-unit@tsrdarashaw.com

2. Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, stating that Companies can now send various communication and documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Accordingly, your Company proposes to henceforth effect electronic delivery of communication / documents including the Annual Reports and such other necessary communication / documents from time to time to the shareholders, who have provided their e-mail address to their Depository Participant (DP). Shareholders holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are requested to please promptly inform their e-mail address to the Company's Registrar and Share Transfer Agent.

E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) which will be periodically downloaded, will be deemed to be your registered e-mail address for serving the necessary communication / documents. Thus, the necessary communication would be sent in electronic form to the registered e-mail address. Shareholders who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP from time-to-time.

We seek your support to this initiative and opt for the electronic mode of communication in the interest of environment.

3. Unclaimed Dividends :

Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, it will be paid by the Company's Registrar and Share Transfer Agent, i.e. TSR Darashaw Limited after it is duly revalidated. Please encash your dividend warrant on receipt as the dividend amounts remaining unpaid at the expiry of seven years from the date of payment are required to be transferred to the Investor Education and Protection Fund established by the Central Government and you will thereafter have no claim to the amount once they are transferred to the aforesaid fund of the Central Government.

The Unclaimed dividends for the following accounting years will be transferred to the aforesaid fund of the Central Government on the dates specified against each of the years shown below :

2005-2006 (Final)	July 31, 2013
2006-2007 (Interim)	November 11, 2013
2006-2007 (Final)	August 24, 2014
2007-2008 (Interim)	November 26, 2014
2007-2008 (Final)	September 23, 2015
2008-2009 (Interim)	December 22, 2015
2008-2009 (Final)	October 12, 2016
2009-2010 (Interim)	December 28, 2016
2009-2010 (Final)	September 24, 2017
2010-2011 (Interim)	December 20, 2017
2010-2011 (Final)	August 23, 2018
2011-2012 (Special)	August 22, 2018
2011-2012 (Interim)	November 22, 2018
2011-2012 (Final)	August 21, 2019
2012-2013 (Interim)	December 7, 2019

Shareholders who have not encashed the dividend warrants for the above years are, therefore, requested to immediately forward the same duly discharged, to the Company's Registrar and Share Transfer Agent i.e. - TSR Darashaw Limited for payment. Shareholders are particularly requested not to wait till the last date mentioned above, but to send the dividend warrants atleast one month before the dates mentioned above so as to facilitate payment of dividend amounts due to them.

4. Dividend Payment :

The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2013 if declared at the Annual General Meeting will be made payable on July 24, 2013 to those members whose names appear in the Register of Members of the Company on July 1, 2013. In respect of Shares held in electronic form, the dividend will be paid to the beneficial owners of the Shares whose names appear in the list furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] for this purpose as on July 1, 2013.

The Company provides Electronic Clearing Service (ECS) facility for payment of dividend. Members are requested to intimate their Folio No.(s), Name and Branch of the Bank, in which they wish to receive the dividend, the Bank Account type, Account Number and the 9 digit MICR Code Number. This information should be intimated in respect of shares held in electronic form, to the Depository Participant and in respect of the shares held in physical form, to the Registrar and Share Transfer Agents of the Company at the address given above.

Those members who do not wish to avail of the ECS facility, are requested to furnish to their Depository Participants, the Name and Branch of the Bank and the Bank Account Number, which will be printed on the warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/ deletion in such bank details. Further, instructions, if any, already given by them in respect of Shares held in Physical form will not be automatically applicable to the dividend paid on Shares held in electronic form. Members, may therefore give instructions regarding bank account in which they wish to receive dividend to their Depository Participants.

Very truly yours,

For INGERSOLL-RAND (INDIA) LIMITED

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

Ingersoll Rand
Inspiring Progress™

Ingersoll-Rand (India) Limited
Plot No. 35, KIADB Industrial Area,
Bidadi, Bangalore - 562109