



## INGERSOLL - RAND (INDIA) LIMITED

REGISTERED OFFICE &  
CORPORATE OFFICE

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

## REGIONAL AND OTHER OFFICES

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

## MANUFACTURING FACILITY

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

## BOARD OF DIRECTORS

Mr. Daljit L. Mirchandani Chairman

Mr. Jaideep Wadhwa  
*(w.e.f. October 20, 2008)*

Mr. Venkatesh Valluri  
*(w.e.f. July 18, 2009)*

Mr. Hemraj C. Asher

Mr. Darius C. Shroff

## OFFICERS

Mr. Jaideep Wadhwa Managing Director

Mr. B. Jayaraman Vice President - Finance

Mr. Prasad Y. Naik Vice President - Information Technology

Ms. Priya Manoj Head - Talent Development

## COMPANY SECRETARY

Mr. P. R. Shubhakar

## AUDITORS

Price Waterhouse, Bangalore

## SOLICITORS

Crawford Bayley & Co., Mumbai

## BANKERS

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

## REGISTRAR AND SHARE TRANSFER AGENTS

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

## HIGHLIGHTS OF THE YEAR

	2008-09	2007-08
Domestic Sales	<b>Rs. 3,208.63 million</b>	Rs. 4,339.41 million
Export Sales	<b>Rs. 837.27 million</b>	Rs. 967.16 million
Total Sales	<b>Rs. 4,045.90 million</b>	Rs. 5,306.57 million
Profit before tax	<b>Rs. 1,027.32 million</b>	Rs. 3,756.89 million
As a % of sales	<b>25.39</b>	70.80
Profit after tax	<b>Rs. 672.05 million</b>	Rs. 2,805.33 million
As a % of sales	<b>16.61</b>	52.87
Return on total resources (%)	<b>7.75</b>	33.73
Net worth per share	<b>Rs. 236.76</b>	Rs. 222.49
Earnings per share	<b>Rs. 21.29</b>	Rs. 88.87
Price earnings ratio	<b>12.34 times</b>	3.02 times
Dividend per share	<b>Rs. 6.00</b>	Rs. 6.00
Cover	<b>3.5 times</b>	14.8 times
Net sales/total assets	<b>0.4 times</b>	0.6 times
Profit after tax/gross fixed assets (%)	<b>95.84</b>	450.31
No. of employees	<b>575</b>	556
No. of shareholders	<b>19,961</b>	21,235

## 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)	1,932,621	6%
Bodies Corporate & Trusts	855,731	3%
Directors and their relatives	86,600	0%*
Others	5,333,048	17%
Total	31,568,000	100%

\* Less than 1%



## NOTICE

Notice is hereby given that the Eighty-seventh Annual General Meeting of Ingersoll-Rand (India) Limited (the "Company") will be held at Eagleton – The Golf Resort, 30<sup>th</sup> Km., Bangalore – Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109 at 12.30 p.m. on Friday, September 11, 2009 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited balance sheet as at March 31, 2009 and profit and loss account for the year ended on March 31, 2009 together with the reports of the Directors and the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2009.
3. To appoint a Director in place of Mr. Darius C. Shroff, who retires by rotation, and, being eligible, offers himself for reappointment.
4. To appoint M/s. Price Waterhouse, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending March 31, 2010.

### SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-  
RESOLVED THAT Mr. Jaideep Wadhwa, who was appointed by the Board of Directors as an Additional Director with effect from 20<sup>th</sup> October 2008 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and is eligible for appointment, and in respect of whom the Company has received notice in writing from Members under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.
6. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-  
RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the

Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Jaideep Wadhwa as Managing Director of the Company for a period of five years with effect from October 20, 2008 to October 19, 2013 upon the terms and conditions including remuneration, benefits and perquisites payable to him as set out in Agreement dated November 11, 2008 entered into between the Company and Mr. Jaideep Wadhwa.

RESOLVED FURTHER THAT Mr. Jaideep Wadhwa shall not be subject to retirement by rotation in accordance with Article 141(d) of the Articles of Association of the Company during his tenure as Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms as to remuneration (including perquisites) within the ceiling limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

RESOLVED THAT Mr. Venkatesh Valluri, who was appointed by the Board of Directors as an Additional Director with effect from 18<sup>th</sup> July 2009 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and is eligible for appointment, and in respect of whom the Company has received notice in writing from Members under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.

8. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of the Central Government,

if required, approval of the Company be and is hereby accorded for the payment to Directors and Alternate Directors (who are neither in the wholetime employment nor managing director nor resident in India), remuneration, by way of commission, calculated in accordance with the provisions of the Act not exceeding one percent of the net profits of the Company as may be determined by the Board of Directors of the Company (the "Board") in each financial year, and such commission being divisible amongst the Directors and Alternate Directors as aforesaid in such proportion as the Board may determine or failing such determination equally amongst them.

RESOLVED FURTHER THAT this resolution shall be effective for a period of five years from the financial year commencing from April 1, 2009.

9. To consider, and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification thereto or any re-enactment thereof for the time being in force ("the Act"), the Articles of Association of the Company be and are hereby altered by insertion of the following new Article 10A after the existing Article 10 under the heading "Buy-back of shares and securities":

"The Company and/or the Board of Directors shall have power, subject to and in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines prescribed by the Government of India, the Securities and Exchange Board of India or any other authority, to purchase any of its own fully paid up shares, securities or other specified securities whether or not they are redeemable and make a payment out of its free reserves or securities premium account or proceeds of any shares or other specified securities, provided that no buy back of any kind of shares or other securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by law on such terms and conditions and in such manner as may be prescribed by the law from time to time in respect of such shares."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, usual or expedient to give effect to this resolution.

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 relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item nos. 5, 6, 7, 8 and 9 is annexed hereto.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from August 14, 2009 to August 21, 2009, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.
- (d) The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2009, 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 and Central Depository Services (India) Limited as at the end of business on August 13, 2009;
  - (ii) in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrars and Share Transfer Agents on or before August 13, 2009. The Company will dispatch the dividend warrants from September 15, 2009 onwards.
- (e) Members holding shares in electronic form may please note that the bank account details given by them 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. However, if any member wants to receive dividend in any other bank account, he/she should change/correct the bank account details with their concerned DPs and also intimate about ECS payment requirement. The Company will not entertain any direct request from member(s) for change/deletion in bank account 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 accounts in which they wish to receive dividend, to their DPs.

- (f) Under 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 payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.

Members who have not encashed the dividend warrant(s) so far for Final Dividend of financial year 2001-2002 or any subsequent dividend payment(s) are requested to make their claims to the Company / Registrars 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.

- (g) 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.
- (h) 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.
- (i) 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  
& Company Secretary

Bangalore, July 18, 2009

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT**

Pursuant to Section 173(2) of the Companies Act, 1956

**ITEM NOS. 5 & 6: -**

The Board of Directors of the Company (the "Board"), has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the "Act"), Mr. Jaideep Wadhwa as an Additional Director of the Company with effect from October 20, 2008. In terms of the provisions of Section 260 of the Act, Mr. Jaideep Wadhwa would hold office up to the date of this Annual General Meeting.

The Company has received notices in writing from members together with a deposit of Rs. 500/- (Rupees Five Hundred only) pursuant to Section 257 of the Act, proposing the candidature of Mr. Jaideep Wadhwa for the office of Director.

The Board at its meeting held on October 20, 2008 has, subject to your approval at this meeting, appointed Mr. Jaideep Wadhwa as the Managing Director of the Company for a period of five years from October 20, 2008 to October 19, 2013. The shareholders, at the previous Annual General Meeting held on August 22, 2008, had approved appointment of Mr. Jaideep Wadhwa as "Manager" under the provisions of the Act. Pursuant to his appointment as Managing Director, Mr. Jaideep Wadhwa has ceased to be "Manager" with effect from October 20, 2008.

Mr. Jaideep Wadhwa is 45 years old and holds a degree in mathematics from University of Delhi with a MBA in General Management from Colgate Darden Graduate School of Management, University of Virginia. He started his career as a Management Trainee in Wadco Tools Ltd. and assumed higher responsibilities to occupy the position of Executive Director in 1997. He joined the Productivity Solutions Division of Ingersoll - Rand Company in the year 2000 and assumed the role of Managing Director, India & China for Productivity Solutions Division in the year 2000. He joined your Company in the year 2005 as Vice President & General Manager for the Air Solutions Group.

The terms and conditions set out in the agreement dated November 11, 2008 executed between the Company and Mr. Jaideep Wadhwa ("Managing Director") are as under:

- (i) (a) Salary of Rs. 5,44,847/- per month for the Managing Director.  
Bonus / Commission at such rate of the net profits of the Company as the Board may decide from time to time.
- (b) Minimum salary and perquisites as mentioned in Section II of Part II of Schedule XIII of the Companies Act, 1956, shall be paid in the event of absence or inadequacy of profits in any year.
- (c) Monetary equivalent of stock options offered by Ingersoll - Rand Company Limited, USA (IR-USA), as and when exercised by the Managing Director shall be paid to him by the Company. The value of stock options will be determined at prevailing rates.

(ii) In addition to salary and commission as per (i) above, the Managing Director shall be entitled to the following perquisites:-

(a) **Medical benefit:**

The benefit of Company's Group Medical Benefit Scheme or any other Scheme for the time being in force for the Managing Director and his family including reimbursement of other medical expenses outside the purview of the above Scheme provided that the total expenses thereof shall not exceed Rs. 100,000/- in a year.

(b) **Leave Travel Benefit:**

Leave Travel benefit once for every year of service for the Managing Director and his family by way of return fare for travel to any place in India by air or air-conditioned coach as per rules of the Company.

(c) **Personal Accident Insurance:**

Personal Accident Insurance for a maximum sum assured of Rs. 2,25,00,000/-.

(d) **Fees of Clubs:**

Membership of one club in which the Company has corporate membership as Company's nominee, the monthly subscription thereto being borne and paid by the Company.

(iii) The Managing Director shall also be entitled to the benefit of provident fund and gratuity as per Company's rules. Gratuity shall be payable at the rate of one month's salary for service upto fifteen years and one half month's salary for the balance years of service.

(iv) Reimbursement of actual travelling, entertainment and other expenses reasonably incurred in or about the business of the Company.

(v) Provision of a motor car and the services of a driver for which all the expenses for maintenance and running of the car to be borne and paid by the Company for use on Company's business. The use of motor car as aforesaid not to be considered as a perquisite. Use of car for private purposes shall be billed by the Company to the Managing Director.

(vi) Provision of telephone at the residence. The use of telephone not to be treated as a perquisite. Long distance personal calls will be recovered by the Company from the Managing Director.

(vii) Earned / privilege leave and sick leave in accordance with the rules of the Company.

**OTHER CONDITIONS OF APPOINTMENT OF THE MANAGING DIRECTOR:**

(i) He shall not during the period of his employment as Managing Director, directly or indirectly, engage in any other business, occupation or employment which competes with the business of the Company, provided that he may hold directorships of any other company(ies) not competing with the business of the Company.

(ii) He shall not divulge or disclose any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, company or body corporate concerned from doing so.

(iii) He shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the Central Government.

(iv) His employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company. He shall cease to be a Director if the Agreement is terminated or otherwise for any reason he ceases to be Managing Director.

(v) He shall not be entitled to any fees for attending meetings of the Board of Directors or Committee thereof.

(vi) Either party shall terminate the Agreement by giving advance three months notice in writing, provided that the Company may waive the notice by giving in cash the remuneration for the three months which the Managing Director would have received had he remained in office for the said three months.

(vii) The Company to have the right to terminate his appointment with immediate effect, if he be guilty of such inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties or any breach of the Agreement as in the opinion of the Board renders his retirement desirable.

(viii) He shall from time to time, during his employment hereunder disclose to the Company the progress of investigations and of any discoveries he may make himself or in conjunction with other officials or non-officials with regards to any improvement, invention or discovery arising out or in connection with the said employment, he shall forthwith disclose to the Company a full and complete description of the nature of said improvement, invention or discovery and the mode of performing the same.

Mr. Jaideep Wadhwa is a Director on the Board of Wadpack Private Limited.

Mr. Jaideep Wadhwa does not hold any shares in the Company either in his name or for other persons on a beneficial basis.

Your Directors consider that the remuneration and perquisites proposed to be paid to Mr. Jaideep Wadhwa are commensurate with his duties and responsibilities and therefore recommend the resolution for your approval.

In compliance with the applicable provisions of the Act, the resolution as set out in item nos. 5 and 6 of the accompanying notice is now placed before the members in the general meeting for their approval.

The agreement dated November 11, 2008 between the Company and Mr. Jaideep Wadhwa is open for inspection by the members at the registered office of the Company on all days between 10.30 a.m. and





12.30 p.m. except Saturdays, Sundays and holidays until the date of the Annual General Meeting.

An abstract of agreement and memorandum of interest under section 302 of the Companies Act, 1956 has been already circulated to all members of the Company.

None of the Directors, except Mr. Jaideep Wadhwa, is concerned or interested in the said ordinary resolutions.

**ITEM NO. 7:-**

The Board of Directors of the Company (the "Board"), has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the "Act"), Mr. Venkatesh Valluri as an Additional Director of the Company with effect from July 18, 2009. In terms of the provisions of Section 260 of the Act, Mr. Venkatesh Valluri would hold office up to the date of this Annual General Meeting.

The Company has received notices in writing from members together with a deposit of Rs. 500/- (Rupees Five Hundred only) pursuant to Section 257 of the Act, proposing the candidature of Mr. Venkatesh Valluri for the office of Director.

Mr. Venkatesh Valluri is 48 years old and is an electronics engineering graduate and management graduate from Indian Institute of Management, Ahmedabad. He has a total experience of about 24 years. Prior to joining Ingersoll-Rand group, he was President and Country Manager for Indian operations of Agilent Technologies International, a high technology company with global revenues of USD 6 billion. He has also worked for General Electric group of Companies in various capacities in locations at USA, Europe and Asia. He has been successful in demonstrating growth and leadership development throughout his career.

Mr. Venkatesh Valluri does not hold any other Directorships and Chairmanships/Memberships in Board Committees of Indian public limited companies.

Mr. Venkatesh Valluri does not hold any shares in the Company either in his name or for other persons on a beneficial basis.

Your Directors recommend the resolution set out at item no. 7 of the notice for the approval of the members.

Mr. Venkatesh Valluri is concerned and/or interested in this resolution as it concerns his own appointment. No other Director is concerned or interested in the passing of this resolution.

**ITEM NO. 8: -**

Article 121 of the Articles of Association of the Company, interalia, provides for payment of commission to a Director, who is neither in the wholetime employment nor a Managing Director of the Company, and fees for attending a meeting of the Board of Directors or Committee thereof, being the maximum sum as may be prescribed by the Companies Act, 1956 ("the Act") or the Central Government.

Section 309 of the Act, provides, interalia, that a director, who is neither in the wholetime employment of a Company nor a Managing Director may be paid remuneration by way of commission not exceeding one percent of the net profits of the Company, if the company

has a Managing or Wholetime Director, provided such payment is authorised by a special resolution passed in that behalf. Section 309(7) of the Act further provides, interalia that such a resolution shall remain in force for a period not exceeding five years at a time.

Having regard to the time and attention devoted by the Directors to the affairs of your Company, the Board of Directors of your Company recommends remunerating the non-wholetime Directors of your Company other than non-resident Directors by payment of commission as mentioned in this resolution.

Mr. Hemraj C. Asher, Mr. Darius C. Shroff and Mr. Daljit Mirchandani, Directors of the Company and Mr. Venkatesh Valluri who is proposed to be appointed as a director are interested and concerned in this resolution.

**ITEM NO. 9: -**

Your Board of Directors (the "Board") has passed a resolution in its meeting held on 24th March 2009 approving buy-back of shares, subject to your parent company receiving an appropriate exemption from making an open offer from the Takeover Panel constituted by the Securities Exchange Board of India (SEBI). The Articles of Association of the Company does not empower the Company to make a buy-back. Therefore a resolution is proposed whereby an enabling provision in the Articles of Association of the Company which empowers buy-back of shares is inserted.

The Board therefore recommends that the special resolution at item no. 9 of the notice be passed.

A copy of the existing Articles of Association of the Company with a copy of the proposed alteration in the resolution at item no. 9 of the notice will be open for inspection by the members at the registered office of the Company on all days between 10.30 a.m. and 12.30 p.m. except Saturdays, Sundays and holidays until the date of the Annual General Meeting.

None of the Directors of the Company are interested in the resolution at item no. 9 of the notice except, like any other shareholder, as shareholder holding shares in the Company at any time. The shareholding of the directors presently is as follow:

Mr. H. C. Asher	8,000 shares
Mr. D. C. Shroff	10,000 shares
Mr. Jaideep Wadhwa	Nil
Mr. Daljit L. Mirchandani	Nil
Mr. Venkatesh Valluri	Nil

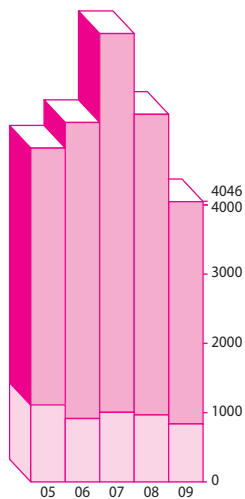
By Order of the Board of Directors,  
For **INGERSOLL – RAND (INDIA) LIMITED**

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

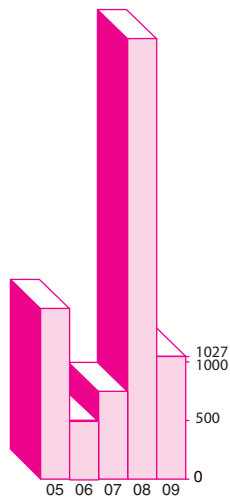
Bangalore, July 18, 2009



**SALES**  
(in Millions of Rs.)



**PROFIT BEFORE TAX**  
(in Millions of Rs.)



**DIRECTORS' REPORT**

To  
THE MEMBERS,  
INGERSOLL-RAND (INDIA) LIMITED

Your Directors have pleasure in submitting the Eighty-seventh Annual Report along with the Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2009.

**1. FINANCIAL RESULTS**

	(Rupees in Million)	
	2008 – 2009	2007 – 2008
Gross Profit	1,089.84	1,004.44
Less: Depreciation	41.64	42.45
Less: Interest	1.73	8.77
<b>Profit before taxation and extra ordinary items</b>	<b>1,046.47</b>	<b>953.22</b>
Less: Provision for Current Tax	345.53	310.79
Deferred Tax for the year	10.88	(61.44)
Fringe Benefit Tax	6.01	15.41
<b>Net Profit after taxation and before extra ordinary items</b>	<b>684.05</b>	<b>688.46</b>
Extra Ordinary and Prior Period Items		
Add: Profit/ (Loss) on sale of		
- road development business	(14.30)	1,873.17
- Utility Equipment, Attachments & Bobcat business	—	917.46
	—	(14.30)
	<u>37.50</u>	<u>2,828.13</u>
Less: Voluntary retirement compensation	4.85	—
Gratuity charge for prior years	—	24.46
Taxation on above	(7.15)	(2.30)
<b>Net Profit</b>	<b>672.05</b>	<b>2,805.33</b>
Add: Balance brought forward from Balance Sheet	4,090.58	1,787.85
	<u>4,762.63</u>	<u>4,593.18</u>
<b>Appropriations:</b>		
Interim Dividend	94.70	94.70
Proposed Final Dividend	94.70	94.70
<b>Total Dividend</b>	<b>189.40</b>	<b>189.40</b>
Total tax thereon	32.20	32.20
<b>Total for the year</b>	<b>221.60</b>	<b>221.60</b>
General Reserve Account	68.00	281.00
Balance carried to Balance Sheet	4,473.03	4,090.58
	<u>4,762.63</u>	<u>4,593.18</u>



**2. MANAGEMENT DISCUSSION AND ANALYSIS**

(a) **Industry Structure and Development:** The Indian economy, mirroring the global economic crisis, is experiencing a major slowdown in most of the industrial sectors. Demand slowdown, and credit non-availability are the two major problems which the industries are facing. Your Company's products are primarily targeted to customers in the automotive, metals and pharmaceutical industry. Except for pharmaceutical industry, the other two segments are having demand problems and consequential effect on downstream suppliers.

(b) **Segment-wise operational performance:** The continuing operations of your Company relate to Air Solutions segment only.

The Air Solutions business was affected by the slowdown, starting Nov 08. The revenues dropped by Rs. 18 million, a drop of 5% compared to last year. However, the large installed base of Ingersoll-Rand compressors is helping us in sales of spare parts and other service opportunities to generate revenue.

The profit before tax and extra ordinary items is Rs. 1,046 million as against Rs. 953 million in the previous year.

(c) **Outlook:** The outlook for the Air Solutions segment is challenging in the immediate term. Revival of the global economy and percolation of actions taken by the Government of India to stimulate demand and ensure credit availability are paramount for the revival of the overall industry. We are taking steps to ensure that the costs are kept to the minimum, and working capital efficiency is improved such that the cash flow generation is sufficient to meet our operational and minimum capital expenditure needs.

(d) **Threat and concerns:** The markets for all your Company's products continue to be extremely competitive. However, having been a significant market player in the product range and with entry barriers, we expect to maintain market share.

(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.

As a subsidiary of an American publicly listed company, 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 in each quarter.

(f) **Risk Management:** The Company's internal control process covers, amongst others, process for identification, assessment and mitigation of various risks, including operational, product and financial risks. Such risks are reviewed and discussed at regular management review meetings, where in members of the senior management are present. The 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.

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

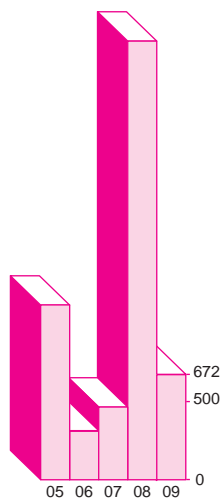
**3. EXPORTS**

Exports for the year have decreased to Rs. 837 million as against Rs. 967 million in the previous year due to global economic slow down. The outlook for the current year is also not promising.

**4. 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 a final dividend for the year ended March 31, 2009 at the rate of Rs. 3/- per share, bringing the total dividend for the year to Rs. 6/- per share (60%).

**PROFIT AFTER TAX**  
(in Millions of Rs.)



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. 189.40 million). Dividend distribution tax payable by the company amounting to Rs. 32.20 million (previous year Rs. 32.20 million) has been appropriated out of profits.

**5. BUY BACK OF SHARES**

Your Directors have approved the buy-back of shares for the maximum limit of upto 25 per cent of the net worth (but not necessarily to the entire extent of 25 per cent of the net worth). Ingersoll – Rand USA (“IR-USA”) does not intend to participate in the buy-back. Accordingly, reasonable levels of participation or tender by the public shareholders of the Company would result in IR-USA’s voting rights to exceed 75% of the total voting rights in the Company and in that event IR-USA would be required to make an open offer as per the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (“Takeover Regulations”), in the absence of a special exemption from the Takeover Panel. IR-USA is intending to seek this exemption from the Takeover Panel. Therefore, the buy-back is subject to

- (a) receipt of an appropriate exemption for IR-USA from making an open offer, from the Takeover Panel
- (b) amendment of the Articles of Association of the Company; and
- (c) obtaining approval from you, the shareholders for the buy-back.

The buy-back price can only be determined on IR-USA receiving the exemption from making an open offer and after obtaining requisite approval from the shareholders.

**6. FIXED DEPOSITS**

During the year, your Company did not accept any fixed deposits. There are no unclaimed deposits as on March 31, 2009.

**7. DIRECTORS AND MANAGEMENT**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Darius Shroff retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. Dean Iacopetti, Director, resigned from the Board of Directors with effect from October 20, 2008.

The Board of Directors at its meeting held on October 20, 2008 appointed Mr. Jaideep Wadhwa as an additional director of the Company. The Board also appointed him as Managing Director with effect from October 20, 2008. On being appointed as Managing Director, Mr. Jaideep Wadhwa ceased to be the “Manager” under the Companies Act, 1956. Mr. Jaideep Wadhwa’s appointment and remuneration are being placed before the shareholders at this Annual General Meeting of the Company.

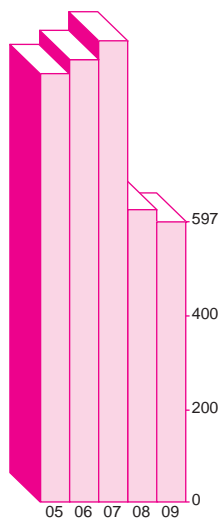
Mr. Venkatesh Valluri was appointed as an additional director with effect from July 18, 2009 and he shall hold office upto the date of this Annual General Meeting. Notice in writing from members signifying their intention to propose Mr. Venkatesh Valluri’s candidature as a Director has been received by the Company.

**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.

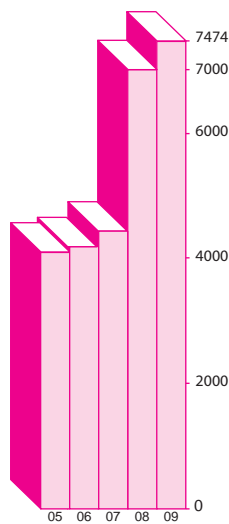
- (a) that in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) that appropriate accounting policies have been selected and applied consistently, and judgements and estimates that are reasonable and prudent made so as to give a true and

**GROSS BLOCK**  
(in Millions of Rs.)





**NET WORTH**  
(in Millions of Rs.)



fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year April 1, 2008 to March 31, 2009;

- (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. As per Clause 49 of the Listing agreement with the stock exchanges, a report on the Corporate Governance together with a certificate from the Company’s auditors confirming compliance is annexed forming part of this report.

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

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 is annexed hereto and forms 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 and being eligible, offer themselves for re-appointment. They have furnished a written certificate to the Company certifying that, if they are re-appointed as auditors of your Company, such appointment would be within the limits specified in Section 224(1)(B) of the Companies Act, 1956.

**12. EMPLOYEES**

The particulars of employees required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this Report.

**13. ACKNOWLEDGEMENTS**

Your Directors wish to express their gratitude and record their sincere appreciation for the dedicated efforts of all the employees, their commitment and professionalism despite the challenging environment. Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from distributors, suppliers, bankers and other business associates for their valuable service and support during the year. Your Directors are also thankful to the esteemed shareholders for the support and confidence reposed in the Company.

For and on behalf of the Board of Directors

Daljit L. Mirchandani  
Chairman

Bangalore, July 18, 2009

**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 practiced good corporate governance and is committed to provide 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. 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, 2009, the Company's Board of Directors headed by its Chairman, Mr. D. L. Mirchandani, comprised of 4 Directors, out of which, two 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	Remarks
		Held during the year	Attended during the year		
Mr. D. L. Mirchandani (Chairman)	Non - Executive	6	6	Yes	
Mr. Jaideep Wadhwa (Managing Director)	Executive	3	2	N.A.	Appointed as an Additional Director on October 20, 2008
Mr. Hemraj C. Asher	Non - Executive & Independent	6	6	Yes	
Mr. Darius C. Shroff	Non - Executive & Independent	6	6	Yes	
Mr. Dean Iacopetti	Non – Executive	3	0	No	Ceased to be Director from October 20, 2008

Number of other Companies or Committees the Director (being a Director as on the date of the Directors' Report) is a Director or member / Chairman respectively:

Name of Director	No. of other Companies on which Director (other than Private Limited Companies)	No. of Committees* [other than Ingersoll-Rand (India) Limited] in which member
Mr. D. L. Mirchandani (Chairman)	3	3
Mr. Jaideep Wadhwa (Managing Director)	NIL	NIL
Mr. Hemraj C. Asher	8	7
Mr. Darius C. Shroff	7	5

\* Audit Committee and Shareholders' / Investors Grievance Committee

Number of Board Meetings:

Six Board Meetings were held during the year 2008-09 on April 8, 2008, April 28, 2008, July 18, 2008, October 20, 2008, January 29, 2009 and March 24, 2009.



The Company has adopted Codes of Conduct for Executive Directors & Senior Management and Non – Executive Directors separately. The Managing Director has given a declaration to the effect that 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, 2009 is as follows:

Name of Director	Sitting Fees	Salaries and Perquisites	Commission	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. D. L. Mirchandani (Chairman)	NIL	1,819,552	NIL	1,819,552
Mr. Jaideep Wadhwa (Managing Director)	NIL	3,337,949	713,967	4,051,916
Mr. Hemraj C. Asher	NIL	NIL	1,000,000	1,000,000
Mr. Darius C. Shroff	NIL	NIL	1,000,000	1,000,000

#### Criteria for payments to Executive Directors:

The fixed component of remuneration to executive directors is paid as recommended by the Remuneration Committee and approved by the Board of Directors.

Executive Directors are paid annual performance related commission based on their performance and achievement of the financial parameters such as sales, profits before tax, return on capital and cash generation.

The Company does not have any scheme for grant of stock options to the Directors. However, the Managing Director is entitled to stock options offered to him by Ingersoll-Rand Company Limited, USA

#### Service Contract / Notice Period:

The agreement with the Managing Director is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving three month's notice in writing to the other party.

#### 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 the special resolution passed by the shareholders at the Annual General Meeting held on August 23, 2004. The criterion for 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 was reconstituted on October 20, 2008 and comprised of Mr. D. L. Mirchandani, Mr. Hemraj C. Asher and Mr. Darius C. Shroff. Mr. D. L. Mirchandani is the Chairman of the Committee. The Remuneration Committee did not meet during the year.

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

- Review the remuneration package, service agreement and other employment conditions of Managing Director
- Decide the actual salary, allowances, perquisites, retivals and increments of Managing Director
- Decide the amount of commission payable to Managing Director
- Periodically review and suggest revision of the total remuneration package of Managing Director;

In determining the remuneration package of the Managing Director, 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 April 28, 2008, July 18, 2008, October 20, 2008 and January 29, 2009. The details of composition of the Audit Committee and attendance of Members are as follows:

Name of Director	No. of meetings held	No. of meetings attended
Mr. Hemraj C. Asher, (Chairman)	4	4
Mr. Darius C. Shroff	4	4
Mr. D. L. Mirchandani	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;
- Compliance with accounting standards and changes required, if any, in accounting policies and practices
- 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
  - Significant adjustments made in financial statements arising out of audit findings
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees
- Approval for payment to statutory auditors for other services
- Reviewing the adequacy of internal audit function
- Review with internal auditors of any significant findings and follow-ups thereon
- Review of the Company's financial risk and management policies
- Review functioning of the Whistle Blower mechanism

**6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE**

The Investors/Shareholders Grievance Committee was reconstituted on October 20, 2008. As of March 31, 2009, the Investors/Shareholders Grievance Committee comprises of

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

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 investors 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 upto 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 Limited, attend to all grievances received from shareholders and investors.

During the year, 1,375 grievances / correspondences were received from shareholders / investors and 2 complaints were received through Securities Exchange Board of India (SEBI). All investor grievances/correspondences, including 2 complaints through SEBI, have been redressed to the satisfaction of the investors. There was no outstanding complaint as of April 29, 2009.

All valid requests for share transfers received during the year have been acted upon. However there were two share transfer requests pending as on March 31, 2009. The same was received on and after March 30, 2009 and have been processed on April 3, 2009.

**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	August 22, 2008	Goldfinch Hotel, 32/3, Crescent Road, High Grounds, Off. Kumara Krupa Road, Bangalore 560 001	12.30 P.M.	1
EGM	October 22, 2007	Goldfinch Hotel, 32/3, Crescent Road, High Grounds, Off. Kumara Krupa Road, Bangalore 560 001	12.30 P.M.	—
AGM	July 25, 2007	Goldfinch Hotel, 32/3, Crescent Road, High Grounds, Off. Kumara Krupa Road, Bangalore 560 001	12.30 P.M.	—
EGM	April 28, 2007	Goldfinch Hotel, 32/3, Crescent Road, High Grounds, Off. Kumara Krupa Road, Bangalore 560 001	12.00 Noon	—
AGM	June 28, 2006	Taj Gateway Hotel on Residency Road, No. 66, Residency Road, Bangalore 560 025	3.00 P.M.	—

**POSTAL BALLOT:**

The Company had successfully completed the process of obtaining the approval of its Members on the Special Resolution giving consent in terms of Sections 17 and 146 of the Companies Act, 1956, to change the Registered Office of the Company within the State of Karnataka but outside the local limits of the City of Bangalore, vide Postal Ballot.

Ms. Bhumika Batra, of the law firm of M/s. Crawford Bayley & Co. was appointed as the Scrutinizer, who had carried out the Postal Ballot process in a fair and transparent manner. The results of the Postal Ballot were announced by the Chairman at the Annual General Meeting on August 22, 2008.

Voting pattern and procedure for Postal Ballot:

1. The Board of Directors of the Company had at its meeting held on April 28, 2008 authorized the Chairman to appoint the Scrutinizer for conducting the postal ballot voting process. Accordingly, Ms. Bhumika Batra was appointed as the Scrutinizer.
2. The Company had completed on June 26, 2008 the dispatch of the postal ballot forms alongwith postage prepaid envelopes to its members whose names appeared on the Register of Members /List of Beneficiaries as on June 13, 2008.
3. Particulars of the Postal Ballot forms received from the members had been entered in a register separately maintained for the purpose.
4. All postal ballot forms received up to the close of working hours on July 28, 2008, the last date fixed by the Company for receipt of the forms, had been considered by her in her scrutiny.
5. Envelopes containing postal ballot forms received after close of working hours of July 28, 2008 had not been considered for her scrutiny.
6. The results of the Postal Ballot were announced on August 22, 2008 at the Annual General Meeting as per the Scrutinizer's Report as under :

Postal Ballot Summary:

Number of postal ballot forms posted	21,353
Number of valid postal ballot forms received	145
Number of invalid postal ballot forms received	10
Forms not received	21,198
Votes in favour of the resolution	23,411,129
Votes against the resolution	121
Invalid votes	2,219

#### 8. NOTES ON DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

Mr. Jaideep Wadhwa

Mr. Jaideep Wadhwa has a degree in B.A. Mathematics (Hons.) from University of Delhi and a M.B.A. in General Management from Colgate Darden Graduate School of Management, University of Virginia.

Mr. Jaideep Wadhwa started his career as a Management Trainee in Wadco Tools Limited (subsequently changed as Ingersoll – Rand Wadco Tools Private Limited) in year 1985. He assumed increasing responsibilities over the years to occupy the position of Executive Director in 1997. He held the position as Managing Director, India and China for Productivity Solutions Division of Ingersoll – Rand Company, USA operations during the period 2000 – 2005. He joined Ingersoll – Rand (India) Limited in the year 2005 as Vice President and General Manager for the Air Solutions business. The Board of Directors appointed him as the “Manager” under the Companies Act, 1956 effective May 1, 2008. At the meeting of the Board of Directors held on October 20, 2008, he was appointed as an Additional Director and as the Managing Director of the Company with immediate effect.

He does not hold any shares in Ingersoll–Rand (India) Limited. Other than Ingersoll–Rand (India) Limited, he is a Director on the Board of Directors of Wadpack Private Limited.



Mr. Darius C. Shroff

Mr. Darius C. Shroff has a degree in law and is an eminent solicitor. He is a senior partner in M/s Crawford Bayley & Co., Mumbai. He has been a Director on the Board of the Company since 1989 and is the Chairman of the Investors/Shareholders Grievance Committee since 2000. He is also a Director on the Board of the following companies:

Name of the Company	Designation	Chairman / Membership of Audit Committee / Shareholders/Investors' Grievance Committee	Shareholding in Ingersoll-Rand (India) Limited
Avi-Oil India Pvt Limited	Director		10,000 Shares
Bayer Material Science Private Ltd	- do -		
Bayer Polychem (India) Ltd	- do -		
CMP Pvt Ltd	- do -		
GMM Pfaudler Limited	- do -	Audit Committee - Member Shareholders & Investor's Grievance Committee - Member	
Kulkarni Power Tools Ltd	- do -		
Lubrizol India Pvt Ltd	- do -		
Professional Oral Care Products Pvt. Ltd	Chairman		
Siemens Limited	Director	Shareholders & Investor's Grievance Committee - Chairman	
SKF India Ltd	- do -	Audit Committee – Chairman Shareholders & Investor's Grievance Committee - Member	
Swiss Re Services India Pvt. Ltd	- do -		
Unifrax India Limited	- do -		
UTV Software Communications Ltd	- do -		
Warner Bros. Pictures India Private Ltd.	- do -		

**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 of Directors regularly for its approval.

Transactions with the related parties are disclosed in Note 17 of Schedule 14 to the financial statements in the Annual Report.

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

**10. CEO/CFO CERTIFICATION**

The Managing Director 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 Business Standard  
Vijay Karnataka / Kannada Prabha
- Any Web site, where displayed Yes. As per clause 51 of the Listing Agreement, the quarterly results are displayed on the Electronic Data Information Filing and Retrieval (EDIFAR) web site maintained by National Informatics Centre (NIC). The name of the website is <http://sebidifar.nic.in>  
  
The domain name of the Company's website is [www.ingersollrand-india.com](http://www.ingersollrand-india.com) and the quarterly results are available on this website.
- 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 September 11, 2009
  - Time 12.30 PM.
  - Venue Eagleton – The Golf Resort  
30<sup>th</sup> Km.,  
Bangalore – Mysore Highway,  
Shyanamangala Cross,  
Bidadi Industrial Area,  
Bangalore 562 109
- Financial Calendar April 2009 to March 2010
  - (a) First Quarter Results Last week of July 2009
  - (b) Second Quarter Results Last week of October 2009
  - (c) Third Quarter Results Last week of January 2010
  - (d) Results for the year ending March 2010 April / May 2010
- Date of Book Closure August 14, 2009 to August 21, 2009  
(Both days inclusive)
- Dividend Payment Date September 15, 2009
- Listing on Stock Exchange Bombay Stock Exchange Limited  
Ahmedabad Stock Exchange Limited  
National Stock Exchange of India Limited  
  
Listing fees for the period 2008 - 2009 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

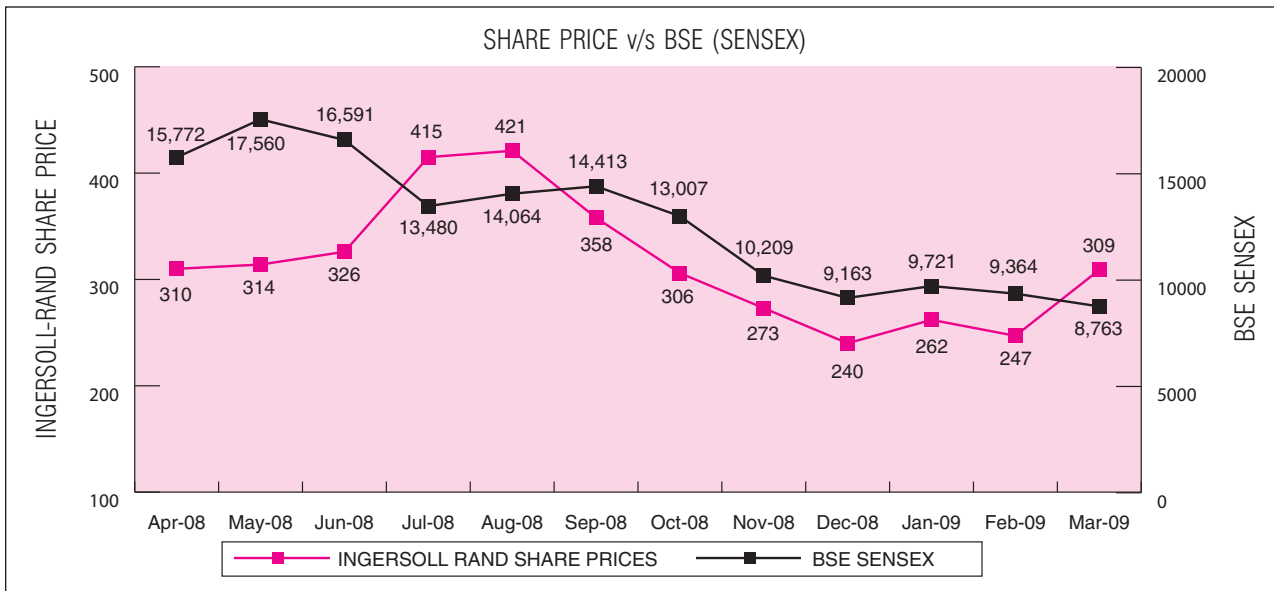


- Monthly Highs and Lows for the period April 2008 to March 2009

(in Rupees)

	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 2008	310.20	265.90	321.00	260.00
May 2008	314.05	282.55	346.60	287.00
June 2008	325.70	273.35	330.00	265.15
July 2008	415.40	301.80	415.00	310.00
August 2008	421.45	352.85	429.65	340.50
September 2008	357.95	286.85	364.00	279.00
October 2008	305.60	220.25	308.00	204.00
November 2008	273.40	231.00	312.15	227.45
December 2008	239.90	228.45	258.90	225.55
January 2009	261.50	235.85	282.00	233.15
February 2009	246.55	229.50	265.00	222.00
March 2009	309.40	204.75	316.00	201.20

- Stock Performance in comparison to BSE SENSEX



- Registrars & Share Transfer Agents

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

- Share Transfer System

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

The total number of shares transferred in the physical form during the year under review was 22,492

• Distribution and Shareholding Pattern as on March 31, 2009

No. of equity share held	No. of folios	%	No. of shares	%
Upto 500	17,360	86.97	2,104,031	6.67
501 – 1000	1,822	9.13	1,399,359	4.43
1001 – 2000	441	2.21	651,392	2.06
2001 – 3000	122	0.61	305,500	0.97
3001 – 4000	54	0.27	186,536	0.59
4001 – 5000	41	0.20	191,046	0.61
5001 – 10000	65	0.33	468,700	1.48
10001 and above	56	0.28	26,261,436	83.19
TOTAL	19,961	100.00	31,568,000	100.00
No. of shareholders in physical mode	2,558		23,976,417	
No. of shareholders in electronic mode	17,403		7,591,583	

• Shareholding pattern as on March 31, 2009 is as follows

Category	No. of shares	%
Ingersoll-Rand Company, New Jersey, U.S.A.	23,360,000	74.00
Foreign Institutional Investors	23,175	0.07
Non Resident Indians	129,774	0.41
Unit Trust of India	200	*0.00
Insurance Companies	1,220,446	3.87
Nationalised Banks and other Banks	2,900	0.01
Foreign Banks	150	0.00
Mutual Funds	685,750	2.17
Domestic Companies	852,424	2.70
Trusts	3,307	0.01
Directors and Their Relatives	86,600	0.27
General Public	5,203,274	16.49
	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 as on March 31, 2009
Mr. D. L. Mirchandani (Chairman)	NIL
Mr. Jaideep Wadhwa (Managing Director)	NIL
Mr. Hemraj C. Asher	8,000
Mr. Darius C Shroff	10,000

• Dematerialisation of shares and liquidity

24.05% of the paid-up capital has been dematerialised as on 31.03.2009. However, 74% of the paid-up capital held by Ingersoll-Rand Company, New Jersey, U.S.A. has not been dematerialised.

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like impact on equity
- Plant Location
- Address for correspondence

Not issued  
Ahmedabad

Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents or to the Compliance Officer at the following address:

**Registrars & Share Transfer Agents**  
TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Ind. Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

**Compliance Officer**  
The Company Secretary  
Ingersoll-Rand (India) Limited  
Plot No. 35, KIADB Industrial Area,  
Bidadi, Bangalore – 562 109

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



#### NON-MANDATORY REQUIREMENTS

1. Shareholder rights –  
The half-yearly declaration of financial performance including summary of the 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), company's website and EDIFAR 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 requirements 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 for Corporate Disclosure 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. This audit is carried out every quarter and the report is 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 concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and it affirms that no personnel have been denied access to the Audit Committee.

#### Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Ingersoll-Rand (India) Limited

We have examined the compliance of conditions of Corporate Governance by Ingersoll-Rand (India) Limited, for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Dutta  
Partner

Membership No.: F50081  
For and on behalf of  
*Price Waterhouse*  
Chartered Accountants

Place: Bangalore  
Date: April 29, 2009



## 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 by which power factor is controlled above 0.9.
  - (ii) Ordinary fluorescent lamps are being progressively replaced with T5 energy efficient lamps.
  - (iii) Automatic level controller and dry run protection for bore well pumps.
  - (iv) Independent control switches at each location to switch on only required lights.
  - (v) Energy meters installed for individual load centers for monitoring electricity utilization as well as energy conservation.
  - (vi) Energy savers installed for air conditioners.
  - (vii) Transformers are loaded at optimum efficiency.
  - (viii) LED indicator lamps provided on power panels.
  - (ix) Shutdown of all electrical machinery and appliances done when not used.
  - (x) Electronic fan regulators used in place of conventional regulators.
  - (xi) Electronic chargers used in place of conventional chargers for batteries.
  - (xii) Solar heater used in canteen to save energy.
  - (xiii) Natural gas used instead of diesel in paint booth.
  - (xiv) Natural gas used instead of LPG in canteen, component cleaning machine and paint drying oven.
  - (xv) Air cooled rotary screw compressors used instead of water cooled reciprocating compressors.
  - (xvi) Submersible pumps used in underground tanks to pump up water to the overhead tanks.
  - (xvii) Simplair pipes installed in compressed air distribution to avoid leakage.
  - (xviii) FRP roof sheets installed to save light during daytime.
  - (xix) Mirror reflectors installed for tube lights.
  - (xx) Old window air conditioners replaced with new energy efficient air conditioners.
  - (xxi) Variable speed Nirvana compressor to cater to variable demand of compressed air.
  - (xxii) Timer operated switches to turn on/off street lights, Air ventilation plants and toilets.
  - (xxiii) Test setup upgraded to allow lesser time to stabilize before testing Rotary packages thereby reducing power cost.
- (b) Additional investments and proposals, if any being implemented for reduction in energy consumption:
- Gas operated heater to replace electrical heater at component cleaning machines.
- (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 world-wide.
  - (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.	—
(ii)	Recurring	Rs.	4.02 million
(iii)	Total	Rs.	4.02 million
(iv)	Total R & D expenditure as a percentage of total turnover -		0.11%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
  - (i) Being constantly in touch with our principals, Ingersoll-Rand Company, U.S.A. and its various manufacturing location, we were able to keep up-to-date with technology changes.
  - (ii) Export base for large reciprocating compressor packages and parts.
  - (iii) Export base for compressor parts.
  - (iv) Development of large water-cooled reciprocating compressors.
  - (v) Import substitution on several mechanical transmissions, valve components, control panels and also progressive indigenisation of all product lines.
  - (vi) Setting up a development laboratory in-house to validate processes before commencing production.
2. Benefits derived as a result of the above efforts:
  - (i) Upgrading products constantly with modern features in consultation with our principals.
  - (ii) Product improvement through high efficiency and reduction in cost per unit.
  - (iii) Better raw material usage.
  - (iv) Simplified processes.
  - (v) Product made efficient through adaptation of modern technology to save energy and also to be more environment friendly.
  - (vi) Timely response with the help of in-house engineering analysis.
  - (vii) More efficient use of raw material using nesting techniques to cut down wastage of resources.
  - (viii) Reduction in manufacturing cost through improvement in productivity and thereby offset general cost escalation in inputs.
  - (ix) More accurate designs and reduction in cycle time for custom built machines.

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

Technology Imported	Year	Status
None	N.A.	N.A.

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

(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.		863.41
(ii) Value of imports calculated on c.i.f. basis	1,128.78	
(iii) Expenditure in foreign currency on account of travelling, royalty and engineering fees and others	6.10	
(iv) Remittance in foreign exchange on account of dividend	140.16	
<b>Net Earnings / (Outgo) in Foreign Exchange</b>		<b>(411.63)</b>

For and on behalf of the Board of Directors



Daljit L. Mirchandani  
Chairman

Bangalore, July 18, 2009



ANNEXURE TO THE BOARD OF DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, for the year ended March 31, 2009

Name and Age	Designation, Nature of duties and date of commencement of employment	Qualification/ Experience	Gross Remuneration Rs.	Last Employment Designation/Name of Company/Period
<b>** (A) EMPLOYED THROUGH THE YEAR</b>				
1	Arjun Anand (42) General Manager-Sales & Mktg Industrial Technologies (02-04-1990)	B.E. (19)	2,630,332	-
2	Capt. Vijay Kulhari (35) Head, HR, Industrial Technologies (18-07-2006)	B.A. (Defence Management) (13)	2,636,149	General Manager-Personnel & Administration Welspun Gujarat Stahl Rohren Ltd. (1)
3	Hebbar R K (41) General Manager, Internal Audit (17-01-2008)	B. Com., A.C.A., CISA, (19)	2,857,362	GM Finance & New Business Dev. Jyoti Laboratories Ltd. (2)
4	Jaideep Wadhwa (45) Managing Director (01-05-2005)	B.A. Maths (hons), MBA, Gen Mgmt (23)	8,237,858	Executive Director, Ingersoll-Rand Wadco Tools P Ltd. (15)
5	Jatinder Kaul (43) Head, Sales & Service, Industrial Technologies (22-01-1992)	B.E. (17)	2,439,671	-
6	Jayaraman B (55) Vice President - Finance (17-05-2000)	B.Com., A.C.A. (33)	7,417,640	Chief Finance Officer & Assistant Finance Manager (Asia Pacific) Delphi Automotive Systems Ltd. (5)
7	Prasad Naik (50) Vice President Information Technology (01-04-1999)	B.Com.,, D.B.M., D.F.M., M.M.S (20)	4,733,367	General Manager, MIS Kirkoskar Ferrous Industries Ltd. (6)
8	Pravin Shah (44) General Manager, Supply Quality & Dev. (Asia Pacific) Industrial Technologies (13-06-1988)	B.E. (Mech) (21)	3,766,411	Workshop Incharge Elite Engg Company (1)
9	Priya Manoj (39) Head, Talent Development Shared Services (30-07-2007)	B.Sc, (15)	3,136,232	Head Retail, Human Resources Dept Madura Garments Ltd. (3)
10	Ruben Moses (58) Head, Strat., OE Account & Training Industrial Technologies (01-12-1979)	B.E. (Mech) (34)	2,407,746	Machining Engineer Herbert India (4 )
11	Shailesh Thaker (56) Group Controller Air Solutions (01-08-1988)	CA, LLB, ICWA, ICS (21)	2,757,194	Manager Accounts Calico Mills (8)
12	Shubhakar P R (44) General Manager, Corp. Finance & Company Secretary (17-08-2000)	B. Com, A.C.A., A.C.S. (17)	2,758,453	Sr. Manager Finance, & Company Secretary, BC Components India P Ltd. (2)
<b>** (B) EMPLOYED FOR PART OF THE YEAR:</b>				
1	Ananthasivan V A (46) Coordinator Industrial Technologies (14-03-1988)	B.Sc. (25)	1,633,057	Resident Representative Graphic Charts Limited (2)
2	Aric Younes (41) Stenographer Industrial Technologies (01-09-1995)	B.A. (21)	1,179,731	Secretary Comecon Overseas Pvt.Ltd. (2)
3	Arya K R (53) Peon Industrial Technologies (01-03-1990)	Matric (18)	1,077,948	-
4	Atul Agarwal (39) Manager - Air Centre Industrial Technologies (01-04-1992)	B.E.(Mech) (17)	1,627,705	-
5	Coutinho D (50) Stenographer Industrial Technologies (01-02-1988)	S.Y.B.A. (33)	1,863,961	Executive Secretary Al-Saleh And Graham & James (3)
6	Hariharan R (50) Manager, Sales Industrial Technologies (01-03-1982)	B.Sc. (29)	1,138,688	Sales Representative Chemal Engineers Ltd. (1)

Name and Age	Designation, Nature of duties and date of commencement of employment	Qualification/ Experience	Gross Remuneration Rs.	Last Employment Designation/Name of Company/Period
7 Jeanette D'Souza (41)	Stenographer Industrial Technologies (01-12-1995)	B.A.(Economics) (14)	1,026,088	Steno Jet Air Ltd. (2)
8 Kashinath S (52)	Daftary Industrial Technologies (01-02-1986)	S.S.L.C. (23)	1,659,108	Clerk Diners Club India Pvt.Ltd. (1)
9 Khanderia B P (58)	Superintendent - Quality Assurance Industrial Technologies (14-09-1972)	D.M.E., D.E.E. (37)	980,888	—
10 Maniar P V (49)	Assistant Manager Industrial Technologies (18-11-1986)	D.M.E., Production Management (28)	730,063	Design Engineer Kolsite Industries (2)
11 Mirchandani D.L. (61)	Chairman & President (15-04-1998)	B.Sc. Engg. (Elec) (38)	1,819,552	Executive Director Kirloskar Oil Engines Ltd. (17)
12 Milton F. Silveira (54)	Service Specialist Shared Services (15-11-1984)	S.S.C. (33)	1,686,369	Tehnician Mohsin Haider Barwish (4)
13 Patel N N (59)	Assistant Manager - Purchase Industrial Technologies (06-09-1979)	B.E.(Mech) (33)	1,240,976	Assistant Engineer Jyoti Limited (4)
14 Patle R B (45)	Peon Industrial Technologies (01-03-1990)	S.S.C. (18)	1,108,155	—
15 Rajasekaran D (53)	Manager - Air End Service Center Shared Services (06-05-1986)	B.E., DBA (31)	1,730,436	R&D Engineer Mysore Machinery Mfrs.Corp. Ltd. (4)
16 Rajesh A. Vyas (45)	Manager Compressor After Market & Strategic Planning Industrial Technologies (02-04-1990)	B.E.(Mech) (22)	1,492,678	Engineer (Mechanical) Petrofils Coop Ltd. (3)
17 Sakpal M T (45)	Mazdoor Industrial Technologies (01-01-1998)	S.S.C. (10)	558,332	—
18 Sanjay Kulkarni (43)	General Manager Operations (02-07-2008)	B.E. (Mech), Dip in Materials Mgmt. Executive MBA (20)	1,871,951	Dy. GM, Mahindra & Mahindra Ltd. (19)
19 Sevak M S (57)	Superintendent - Stores Industrial Technologies (09-11-1978)	B. Com., (32)	658,976	—
20 Shripal K Shah (41)	Zonal Manager - Aftermarket Industrial Technologies (01-07-1992)	D.M.E. (20)	982,384	Section Manager Kirloskar Pnuematic Co. Ltd. (3)

Notes: 1 Gross remuneration as above includes salary, commission, voluntary retirement compensation and related payments, Company's contribution to provident fund and superannuation schemes, leave travel benefits, medical benefits, personal accident and group insurance premium, actual house rent paid/allowance, monetary value of car and other perquisites and other allowances as applicable.

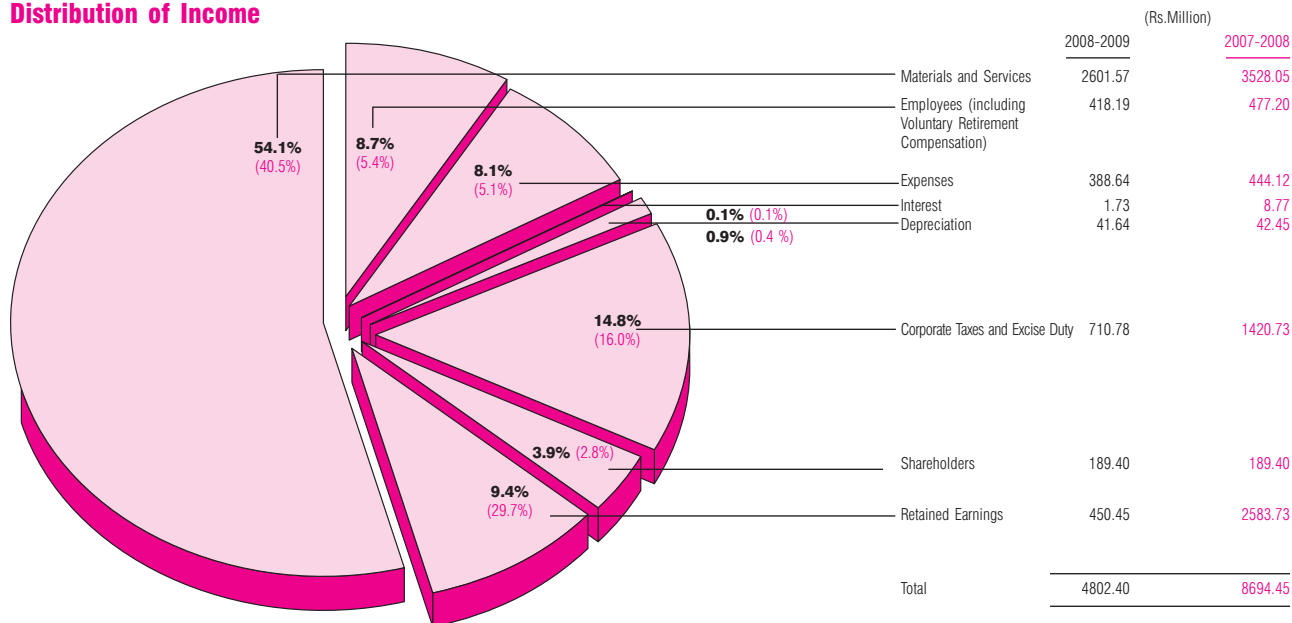
2 None of the above mentioned employees is a relative of any Director of the Company.

3 All the employees have adequate experience to discharge responsibilities assigned to them.

4 The nature of employment in all cases is contractual.

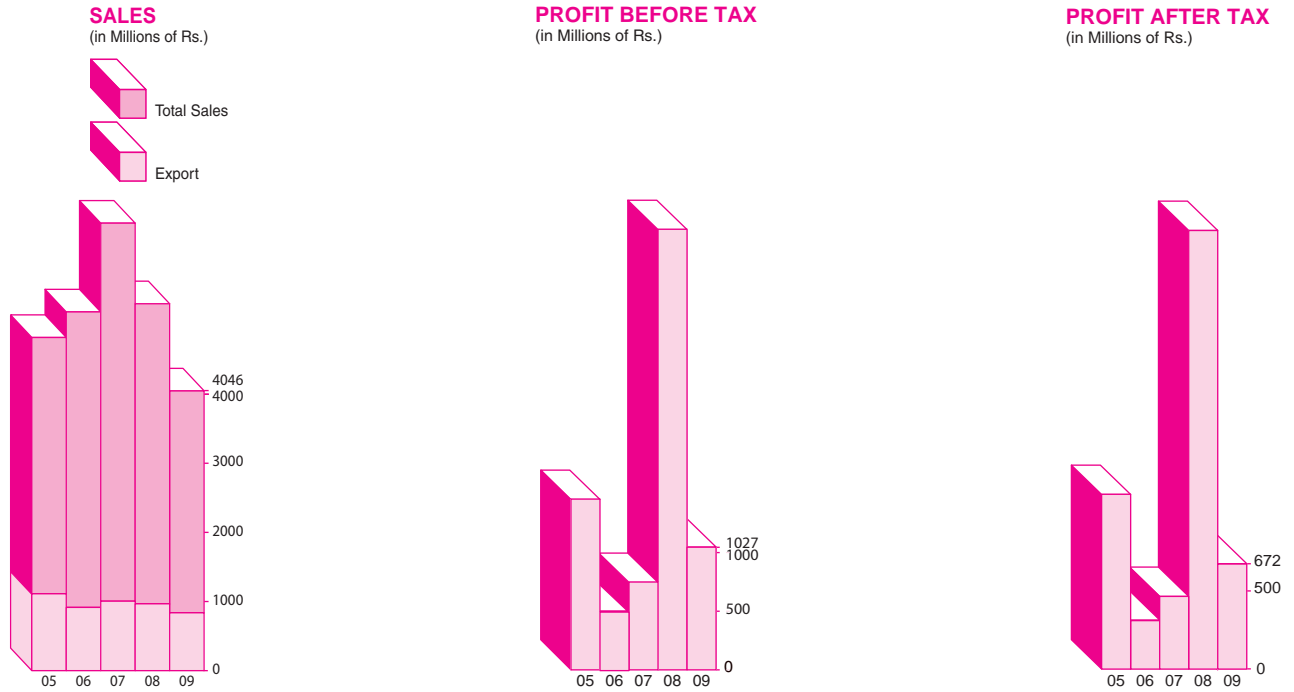


**Distribution of Income**



**TEN YEARS AT A GLANCE :**

(Rs. '000)	2008-09	2007-08	2006-07
1. Sales	4,045,897	5,306,573	6,473,220
2. Other Income	775,654	559,746	326,728
3. Total Income	4,821,551	5,866,319	6,799,948
4. CAGR For Total Income (%)	-0.22	4.22	—
5. Manufacturing and Other Expenses	3,414,289	4,424,359	5,450,679
6. Depreciation	41,632	42,453	62,689
7. Interest	1,731	8,772	9,123
8. Voluntary Retirement Compensation	4,847	—	500
9. Profit Before Depreciation & Income Tax	1,068,960	3,799,353	811,956
10. Profit Before Tax	1,027,328	3,756,900	749,267
11. Tax	355,274	951,570	284,434
12. Profit After Tax	672,054	2,805,330	464,833
13. CAGR For Profit After Tax (%)	2.52	17.86	—
14. Dividend	189,408	189,408	189,408
15. Dividend - Rs. per share	6.00	6.00	6.00
16. Fixed Assets (Net)	223,498	226,724	413,838
17. Current Assets, Loans and Advances	8,378,020	8,005,710	5,935,442
18. Total Assets	8,649,010	8,289,491	6,371,870
19. Share Capital	315,680	315,680	315,680
20. Market Price Per Share : 52 Weeks High & Low (H - High; L - Low)	H 421.45 L 204.75	H 422.10 L 251.25	H 417.45 L 225.10
21. Reserves and Surplus	7,158,230	6,707,773	4,124,041
22. Net Worth	7,473,910	7,023,453	4,439,721
23. Loans (Secured and Unsecured)	—	—	—



	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	
	5,188,937	4,818,702	4,964,733	4,772,169	4,067,266	3,377,755	4,134,338	1.
	329,964	280,761	236,913	249,323	216,022	203,784	208,309	2.
	5,518,901	5,099,463	5,201,646	5,021,492	4,283,288	3,581,539	4,342,647	3.
	—	—	—	—	—	—	—	4.
	4,513,710	4,294,691	4,022,089	3,793,949	3,673,284	3,177,276	3,468,950	5.
	62,526	66,627	55,222	54,747	53,868	59,287	66,718	6.
	14,541	18,526	12,741	23,902	16,015	6,109	3,427	7.
	7,130	30,272	2,570	30,316	54,671	47,737	43,744	8.
	561,758	1,522,541	738,097	676,657	575,317	779,800	826,526	9.
	499,232	1,455,914	682,875	621,910	521,448	720,513	759,808	10.
	189,639	337,710	226,749	220,105	158,060	210,000	236,000	11.
	309,593	1,118,204	456,126	401,805	363,388	510,513	523,808	12.
	—	—	—	—	—	—	—	13.
	189,408	189,408	189,408	189,408	157,840	252,544	252,544	14.
	6.00	6.00	6.00	6.00	5.00	8.00	8.00	15.
	412,513	413,084	406,839	414,907	430,206	457,614	560,120	16.
	5,445,373	4,892,297	3,938,498	3,570,476	3,383,352	3,000,545	2,631,425	17.
	5,880,476	5,327,974	4,440,160	4,081,170	3,894,956	3,459,004	3,197,652	18.
	315,680	315,680	315,680	315,680	315,680	315,680	315,680	19.
	H 426.70	H 322.80	H 311.25	H 239.70	H 167.85	H 235.65	H 595.00	20.
	L 257.30	L 188.10	L 195.10	L 141.65	L 92.80	L 115.40	L 182.00	
	3,878,004	3,784,394	2,881,505	2,608,799	2,408,533	2,200,300	1,983,487	21.
	4,193,684	4,100,074	3,197,185	2,924,479	2,724,213	2,515,980	2,299,167	22.
	—	—	228	228	228	50,286	362	23.





**AUDITORS' REPORT TO THE MEMBERS OF  
INGERSOLL-RAND (INDIA) LIMITED**

- I. We have audited the attached Balance Sheet of Ingersoll-Rand (India) Limited as at March 31, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 4.2 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;
  - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account 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;
  - 4.5 On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act, and also 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, 2009;
    - b) in the case of the Profit and Loss Account, 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.

S. Dutta  
Partner  
Membership No.: F50081  
For and on behalf of  
*Price Waterhouse*  
Chartered Accountants

Place: Bangalore  
Date : April 29, 2009

**Annexure to the Auditors' Report referred to in paragraph 3 of our report of even date:**

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which we consider reasonable. Pursuant to the programme, a physical verification was carried out during the year and this revealed no material discrepancies.
- (c) During the year, the Company has not disposed of a substantial part of its fixed assets.
- (ii) (a) The inventory (excluding stocks with third parties) of the Company has been physically verified by the management during the year. In respect of inventory lying with third parties, those have substantially been confirmed by them during the year. 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) The Company has maintained proper records of inventory, and the discrepancies between the physical inventory and the book stock, which have been properly dealt with in the books, were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties listed in the register maintained under Section 301 of the Act and accordingly clause (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.
- (iv) In our opinion, having regard to the information and explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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, fixed assets and for the sale of goods and services. Further, we have neither come across nor have been informed of any major weaknesses in the internal control system in the aforesaid areas.
- (v) In our opinion and 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 maintained under that Section. Accordingly, clause (v)(b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for any of the products of the Company.
- (ix) (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, as may be applicable and any other material statutory dues with the appropriate authorities as observed by us during the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India.
- (b) As at the year end, disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, as may be applicable, that have not been deposited on account of a dispute are as follows:
- |  | Rs.        |
|--|------------|
| Excise duty matters:   |            |
| Appeal pending before Gujarat High Court towards CENVAT Credit for the period 1997-98 to 1998-99   | 19,152,880 |
| Appeal pending before The Commissioner of Appeals, Bangalore towards CENVAT Credit for the period 1999-2000 to 2002-03   | 612,608    |
| Income Tax matters:  |            |
| Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2005-06 against which the Company has filed an appeal with the Commissioner of Income Tax (Appeals), Bangalore. | 11,270,490 |
- (x) The Company has neither accumulated losses as at March 31, 2009 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- (xi) The Company has not borrowed any funds from financial institutions, banks or through debentures.
- (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.
- (xiii) The Company has not given any guarantees for loans taken by others from banks or financial institutions, which has also been confirmed by the management.
- (xiv) On the basis of an overall examination, in our opinion, there are no funds raised on a short term basis that have been used for long term investment, which has also been confirmed by the management.
- (xv) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (xvi) The other clauses of the Order namely clauses (xiii), (xiv), (xvi), (xviii), (xix) and (xx) were not applicable to the Company during the year.

S. Dutta  
Partner  
Membership No.: F50081  
For and on behalf of  
*Price Waterhouse*  
Chartered Accountants

Place: Bangalore  
Date: April 29, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Capital	1	315.68		315.68
Reserves and Surplus	2	7,158.22		6,707.77
			7,473.90	7,023.45
<b>TOTAL</b>			<b>7,473.90</b>	<b>7,023.45</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	3	596.87		622.97
Less: Depreciation		374.53		397.33
Net Block		222.34		225.64
Capital Work-In-Progress		1.13		1.08
			223.47	226.72
<b>INVESTMENTS</b>	4		0.09	0.09
<b>DEFERRED TAX ASSET [Schedule 14 Note 7(c)]</b>			47.40	56.97
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	5	645.98		549.23
Sundry Debtors	6	1,189.80		1,206.39
Cash and Bank Balances	7	5,148.95		5,161.57
Loans and Advances	8	1,393.30		1,088.52
		8,378.03		8,005.71
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
Liabilities	9	899.92		969.73
Provisions	10	275.17		296.31
		1,175.09		1,266.04
<b>NET CURRENT ASSETS</b>			7,202.94	6,739.67
<b>TOTAL</b>			<b>7,473.90</b>	<b>7,023.45</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	14			

The Schedules referred to herein form an integral part of the Balance Sheet

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

S. DUTTA  
Partner  
For and on behalf of  
**PRICE WATERHOUSE**  
Chartered Accountants  
Bangalore: April 29, 2009

D. L. MIRCHANDANI  
Chairman

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

JAIDEEP WADHWA  
Managing Director

H. C. ASHER  
Director

B. JAYARAMAN  
Vice President - Finance  
Bangalore: April 29, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
<b>INCOME</b>				
Sales (Gross) [Schedule 14 Note 1(ix)]			4,045.90	5,306.57
Less: Excise Duty			317.42	437.52
Sales (Net)			3,728.48	4,869.05
Other Income	11		775.65	573.55
			<u>4,504.13</u>	<u>5,442.60</u>
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	12		3,414.29	4,438.16
Depreciation	3		41.64	42.45
Interest	13		1.73	8.77
			<u>3,457.66</u>	<u>4,489.38</u>
<b>PROFIT / (LOSS) BEFORE TAXATION AND EXTRA ORDINARY AND PRIOR PERIOD ITEMS</b>				
Continuing Operations		1,046.47		873.20
Discontinued Operations		—	1,046.47	80.02
<b>PROVISION FOR TAXATION (Schedule 14 Note 7)</b>				
Current Tax:				
Continuing Operations [(Including for Wealth Tax Rs.0.04 million (2008:Rs.0.05 million))]		(345.53)		(286.34)
Discontinued Operations		—		(24.45)
Deferred Tax (charge)/ credit		(10.88)		61.44
Fringe Benefit Tax (net of recovery)		(6.01)	(362.42)	(15.41)
			<u>684.05</u>	<u>688.46</u>
<b>NET PROFIT AFTER TAXATION AND BEFORE EXTRA ORDINARY AND PRIOR PERIOD ITEMS</b>				
EXTRA ORDINARY AND PRIOR PERIOD ITEMS (debit)/ credit (Schedule 14 Note 19)		(19.15)		2,803.67
Taxation On Above		7.15		(686.80)
			<u>(12.00)</u>	<u>2,116.87</u>
<b>NET PROFIT</b>				
Balance Brought Forward			672.05	2,805.33
			4,090.58	1,787.85
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>				
			<u>4,762.63</u>	<u>4,593.18</u>
<b>APPROPRIATIONS:</b>				
Transfer To General Reserve			68.00	281.00
Interim Dividend [Including Tax Thereon]			110.80	110.80
Proposed Final Dividend [Including Tax Thereon]			110.80	110.80
Balance Carried Forward			4,473.03	4,090.58
			<u>4,762.63</u>	<u>4,593.18</u>
<b>EARNINGS PER SHARE BEFORE EXTRA ORDINARY AND PRIOR PERIOD ITEMS</b>				
(Basic and Diluted) (Rs.) (Schedule 14 Note 21)			21.67	21.81
<b>EARNINGS PER SHARE (Basic and Diluted) (Rs.) (Schedule 14 Note 21)</b>			21.29	88.87

NOTES TO THE FINANCIAL STATEMENTS 14  
The Schedules referred to herein form an integral part of the Profit and Loss Account

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

<p>S. DUTTA Partner For and on behalf of <b>PRICE WATERHOUSE</b> Chartered Accountants Bangalore: April 29, 2009</p>	<p>D. L. MIRCHANDANI Chairman</p> <p>P. R. SHUBHAKAR Gen. Manager - Corp. Finance and Company Secretary</p>	<p>JAIDEEP WADHWA Managing Director</p>	<p>H. C. ASHER Director</p> <p>B. JAYARAMAN Vice President - Finance</p> <p>Bangalore: April 29, 2009</p>
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2009 (Rs. Million)	2008 (Rs. Million)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation from Continuing Operations and before extra ordinary items	1,046.47	873.20
Adjustments for:		
Prior Period Expenses	—	(24.46)
Depreciation	41.64	39.29
Interest expense	1.73	8.77
Interest income	(480.20)	(378.89)
(Profit)/loss on sale/ write off of fixed assets	(4.31)	(3.67)
Bad debts written off	1.22	—
Provision for doubtful debts	3.94	2.34
Provision for doubtful loans and advances	—	14.78
Unrealised foreign exchange (gain)/ loss	(2.80)	(11.40)
Provision for doubtful advances no longer required written back	(10.06)	(9.83)
<b>Operating profit before working capital changes</b>	<b>597.63</b>	<b>510.13</b>
Adjustments for changes in working capital:		
- (Increase)/Decrease in sundry debtors	(12.87)	(115.70)
- (Increase)/Decrease in Other Receivables	48.45	(69.67)
- (Increase)/Decrease in inventories	(96.74)	85.54
- Increase/(Decrease) in trade and other payables	(59.97)	153.73
- Increase/(Decrease) in employee related provisions:		
Provision for leave encashment	1.04	1.96
Provision for gratuity	(10.91)	15.97
Provision for deferred benefits to employees	11.96	6.14
Provision for warranty (Net of write back)	(23.23)	2.37
- Adjustment for unrealised foreign exchange (gain)/ loss	2.80	11.40
Transfer of Net Current Assets on sale of businesses	—	(225.27)
Taxes Paid		
Income Tax paid	(378.01)	(284.24)
Fringe Benefit Tax paid (net of recovery)	(6.94)	(16.49)
Extra Ordinary Items:		
- Voluntary Retirement Compensation	(4.85)	—
<b>Net Cash from/ (used in) Continuing Operations</b>	<b>68.36</b>	<b>75.87</b>
<b>Net Cash from/ (used in) Discontinued Operations</b>	<b>—</b>	<b>142.85</b>
<b>Net cash from/ (used in) operating activities</b>	<b>68.36</b>	<b>218.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(42.90)	(44.86)
Capital work in progress	(0.05)	0.08
Proceeds from sale of fixed assets	8.87	195.07
Transfer of Fixed Assets (Net) on sale of businesses	—	(191.29)
Extra ordinary items:		
- (Purchase) / Proceeds from Sale of Investments	—	52.47
- Proceeds from sale of Road Development Business (Net of expenses incurred)	—	1,713.07
- Proceeds from sale of Utility Equipment, Attachments and Bobcat business (Net of expenses incurred)	—	814.85
Loan granted to fellow subsidiaries	(277.00)	(325.00)
Repayment of loan by Ingersoll - Rand Industrial Products Pvt. Limited	—	15.00
Interest received	453.27	357.99
<b>Net cash from/ (used in) investing activities Continuing Operations</b>	<b>142.19</b>	<b>2,587.38</b>
<b>Net cash from/ (used in) investing activities Discontinued Operations</b>	<b>—</b>	<b>(1.94)</b>
<b>Net cash from/ (used in) investing activities</b>	<b>142.19</b>	<b>2,585.44</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(0.76)	(8.77)
Dividend paid [Including Tax Thereon Rs. 32.19 million (2008: Rs. 32.19 million)]	(222.41)	(222.34)
Net cash from/ (used in) financing activities Continuing Operations	(223.17)	(231.11)
Net cash from/ (used in) financing activities Discontinued Operations	—	—
Net cash from/ (used in) financing activities	<u>(223.17)</u>	<u>(231.11)</u>
Net Increase/(decrease) in cash and cash equivalents	(12.62)	2,573.05
Cash and cash equivalents as at 31.03.2008	5,161.57	2,588.52
Cash and cash equivalents as at 31.03.2009	5,148.95	5,161.57

Notes:

- 1 The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2009 and the relative Profit and Loss Account for the year ended on that date.
- 2 The above Cash Flow Statement has been prepared 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.

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

S. DUTTA  
Partner  
For and on behalf of  
**PRICE WATERHOUSE**  
Chartered Accountants  
Bangalore: April 29, 2009

D. L. MIRCHANDANI  
Chairman

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

JAIDEEP WADHWA  
Managing Director

H. C. ASHER  
Director

B. JAYARAMAN  
Vice President - Finance

Bangalore: April 29, 2009



SCHEDULES TO ACCOUNTS

	2009 (Rs. Million)	2008 (Rs. Million)
<b>1. CAPITAL:</b>		
Authorised:		
32,000,000 (2008: 32,000,000) Equity Shares of Rs. 10 each	320.00	320.00
Issued, Subscribed and Paid-Up:		
31,568,000 (2008: 31,568,000) Equity Shares of Rs. 10 each fully paid-up	315.68	315.68
[Of the above shares:		
(i) 31,301,500 (2008: 31,301,500) shares are allotted as fully paid-up by way of bonus shares by capitalisation of Share Premium and General Reserves; and		
(ii) 23,360,000 (2008: 23,360,000) shares are held by the Holding Company, Ingersoll-Rand Company, New Jersey, U.S.A.]	315.68	315.68
<b>2. RESERVES AND SURPLUS:</b>		
General Reserve:		
Balance as at last Balance Sheet date	2,617.19	2,336.19
Add: Transferred from Profit and Loss Account	68.00	281.00
	2,685.19	2,617.19
Profit and Loss Account Balance	4,473.03	4,090.58
	7,158.22	6,707.77
<b>3. FIXED ASSETS: [Schedule 14 Note 1(ii)]</b>		

(Rs. Million)

PARTICULARS	C O S T				D E P R E C I A T I O N / A M O R T I S A T I O N				N E T B O O K V A L U E	
	AS AT 1ST APRIL, 2008	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31ST MARCH, 2009	AS AT 1ST APRIL, 2008	CHARGE FOR THE YEAR	DEDUCTIONS DURING THE YEAR	UPTO 31ST MARCH, 2009	AS AT 31ST MARCH, 2009	AS AT 31ST MARCH, 2008
Land - Leasehold	10.06	—	—	10.06	2.22	0.14	—	2.36	7.70	7.84
Buildings (Refer Note 1)	55.35	5.95	0.70	60.60	21.76	1.71	0.49	22.98	37.62	33.59
Plant and Machinery (includes Computer Systems)	351.75	27.16	58.37	320.54	257.95	24.19	56.71	225.43	95.11	93.80
Computer Software	20.01	—	—	20.01	13.90	3.86	—	17.76	2.25	6.11
Electrical Installations	21.99	1.66	0.10	23.55	11.06	1.93	0.09	12.90	10.65	10.93
Furniture, Fixtures and Equipment	59.95	3.71	4.64	59.02	31.27	4.06	2.98	32.35	26.67	28.68
Vehicles	8.26	—	1.56	6.70	2.81	0.65	0.95	2.51	4.19	5.45
Small Tools	95.60	4.42	3.63	96.39	56.36	5.10	3.22	58.24	38.15	39.24
	622.97 (983.23)	42.90 (46.86)	69.00 (407.12)	596.87 (622.97)	397.33 (570.55)	41.64 (42.45)	64.44 (215.67)	374.53 (397.33)	222.34	225.64
Capital Work-In-Progress (including advances for capital expenditure Rs.0.38 million (2008: Rs. 0.26 million))									1.13	1.08
NOTES:-										
1) Buildings include Rs. 2.70 million (2008: Rs. 2.70 million) for an ownership flat in a Co-operative Society in which 5 shares (2008: 5 shares) of Rs. 50 each fully paid up are held by the Company.									223.47	226.72
2) Figures in brackets are in respect of the previous year ended 31st March, 2008.										

SCHEDULES TO ACCOUNTS

	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
4. INVESTMENTS [Schedule 14 Note 1 (iii)]:			
LONG TERM - At Cost			
Non Trade:			
Quoted:			
Unit Trust of India (UTI)			
900 (2008: 900) Bonds of Rs.100 each		0.09	0.09
		<u>0.09</u>	<u>0.09</u>
5. INVENTORIES [Schedule 14 Note 1 (iv)]:			
Stock-In-Trade:			
Raw Materials and Components (including manufactured components)		474.84	366.68
Inventory In-Transit		42.31	65.39
Work-In-Progress		60.57	65.45
Finished Goods		68.26	51.71
		<u>645.98</u>	<u>549.23</u>
6. SUNDRY DEBTORS:			
(Unsecured)			
Debts Exceeding Six Months:			
Considered Good	89.46		119.78
Considered Doubtful	28.25		24.31
	<u>117.71</u>		<u>144.09</u>
Other Debts-Considered Good	1,100.34		1,086.61
		1,218.05	1,230.70
Less: Provision for Doubtful Debts		(28.25)	(24.31)
		<u>1,189.80</u>	<u>1,206.39</u>
7. CASH AND BANK BALANCES:			
Cash on Hand		0.29	0.20
Cheques on Hand		24.57	81.93
With Scheduled Banks in:			
Current Account	492.50		22.83
Dollar Deposit Account	78.89		86.31
Fixed Deposit Account	4,552.70	5,124.09	4,970.30
		<u>5,148.95</u>	<u>5,161.57</u>





## SCHEDULES TO ACCOUNTS

	2009 (Rs. Million)	2008 (Rs. Million)
<b>8. LOANS AND ADVANCES:</b> (Unsecured, considered good unless otherwise stated)		
Loans to Employees' Co-operative Credit Societies	—	2.59
Loans to Fellow Subsidiaries [Interest accrued thereon Rs. 50.95 million (2008: Rs. 24.02 million)] [Maximum outstanding during the year: Rs. 1,162.95 million (2008: Rs. 859.02 million)]	1,162.95	859.02
Income Tax [including Fringe Benefit Tax: Rs.4.61 million (2008:Rs. 3.69 million)] (Net of Provision)	56.50	17.26
Tender Security and Other Deposits	20.96	21.29
Balance with Excise Authority	60.55	38.38
Advances Recoverable in Cash or in Kind or For Value to be Received [including Rs.14.38 million (2008: Rs. 24.44 million) Considered Doubtful]	106.72	174.42
Less: Provision for Doubtful Advances	(14.38)	(24.44)
	<u>1,393.30</u>	<u>1,088.52</u>
<b>9. LIABILITIES:</b>		
Acceptances	117.82	202.33
Payable to Ingersoll-Rand Company, New Jersey, the Holding Company and its affiliates	276.79	239.80
Sundry Creditors [Schedule 14 Note 4]	420.08	437.32
Advance Payments for which value has still to be given	83.22	87.46
Unclaimed Dividend *	2.01	2.82
	<u>899.92</u>	<u>969.73</u>
*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
<b>10. PROVISIONS:</b>		
Proposed Final Dividend (Including tax thereon)	110.80	110.80
Warranty	41.20	64.43
Leave Encashment	28.86	27.82
Deferred Benefits to Employees [Schedule 14 Note 20]	33.04	21.08
Gratuity [Schedule 14 Note 18]	61.27	72.18
	<u>275.17</u>	<u>296.31</u>

SCHEDULES TO ACCOUNTS

	(Rs. Million)	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
<b>11. OTHER INCOME:</b>				
Income from Services Rendered			151.89	127.86
Lease Rentals			0.29	0.72
Recovery of Freight, Insurance and Packing Expenses			39.01	32.76
Duty Drawback			5.23	9.55
Interest [Gross of Tax Deducted at Source (TDS)]:				
Deposits [TDS: Rs. 89.20 million (2008:Rs.69.99 million)]			376.58	317.40
Loans [TDS: Rs. 23.45 million (2008:Rs. 12.91 million)]			103.47	56.99
Income Tax Refund			0.15	4.50
Income from Sale of Scrap			7.79	7.85
Profit on Sale of Fixed Assets (Net)			4.31	3.68
Provision no longer required written back (Net)			10.06	9.83
Engineering Fees			—	1.30
Gain on Exchange (Net)			73.04	—
Sundry Income			3.83	1.11
			<u>775.65</u>	<u>573.55</u>
<b>12. MANUFACTURING AND OTHER EXPENSES:</b>				
<b>COST OF GOODS SOLD *:</b>				
Opening Stock:				
Raw Materials and Components	432.07			881.77
Work-In-Progress	65.45			146.87
Finished Goods	51.71			64.43
		549.23		1,093.07
Add: Purchases (Net) (Schedule 14 Note 6)		2,628.66		2,861.70
		<u>3,177.89</u>		<u>3,954.77</u>
Less: Closing Stock:				
Raw Materials and Components	517.15			432.07
Work-In-Progress	60.57			65.45
Finished Goods	68.26			51.71
		<u>645.98</u>		<u>549.23</u>
			2,531.91	3,405.54
Consumption of Packing Materials and Stores			69.66	74.37
Excise Duty			5.89	(0.55)
			<u>2,607.46</u>	<u>3,479.36</u>
<b>PAYMENTS TO AND PROVISION FOR EMPLOYEES:</b>				
Salaries, Wages, Bonus and Commission **		331.46		400.37
Contribution to Provident Fund and Other Funds***		50.44		63.15
Staff Welfare		36.29		43.94
		<u>418.19</u>		<u>507.46</u>
Carried forward...			3,025.65	3,986.82

\* Includes write off on account of obsolescence, scrap and spoilage Rs. 23.79 million (2008: Rs. 9.80 million)

\*\* Includes provision for leave encashment (net) and employee share based payments Rs.14.65 million (2008: Rs.23.04 million)

\*\*\* Includes provision for gratuity Rs. 25.49 million (2008: Rs.27.11 million)



SCHEDULES TO ACCOUNTS

	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
12. MANUFACTURING AND OTHER EXPENSES - <i>Contd.</i>			
Brought forward.....		3,025.65	3,986.82
OPERATING AND OTHER EXPENSES:			
Power and Fuel	27.67		28.77
Repairs and Maintenance - Buildings	8.30		11.21
- Machinery	9.85		10.71
- Others	3.88		4.27
Rent	31.06		27.77
Rates and Taxes	3.81		1.99
Insurance	4.37		7.30
Travelling	69.13		66.27
Dealer Incentives	25.54		34.29
EDP Expenses	21.65		9.71
Freight, Insurance and Other Handling Charges	42.24		38.89
Communication	24.54		24.96
Loss on Exchange (Net)	—		27.69
Miscellaneous Expenses	109.13	381.17	135.70
			<u>429.53</u>
AUDITOR'S REMUNERATION*:			
As Auditors - Audit Fees	1.60		1.90
Other Services	0.62		2.95
Reimbursement of Out-Of-Pocket Expenses	0.09	2.31	0.10
* net off writeback relating to earlier year Rs. 0.60 million (2008: Rs. NIL)			<u>4.95</u>
Bad Debts Written Off	1.22		—
Provision for Doubtful Advances	—		15.72
Provision for Doubtful Debts (Net)	3.94	5.16	1.14
		<u>3,414.29</u>	<u>4,438.16</u>
13. INTEREST EXPENSES:			
Interest - Others		1.73	8.77
		<u>1.73</u>	<u>8.77</u>

## SCHEDULE TO ACCOUNTS

### 14 - NOTES TO THE FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies:

##### (i) Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

##### (ii) Fixed Assets and Depreciation:

(a) Fixed assets are stated at cost of acquisition less accumulated depreciation.

(b) Depreciation on fixed assets for the year has been provided at the rates specified in Schedule XIV to the Companies Act, 1956:

(i) On fixed assets acquired and put to use upto 31st December, 1985, on the written down value method.

(ii) In respect of fixed assets acquired after 31st December, 1985, on the straight line method (SLM). However in respect of fixed assets acquired after 31st December, 1985 upto 31st March, 1993 having an original cost not exceeding Rs.5,000, depreciation has been provided:

(a) 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.

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

(iii) 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.

(c) Leasehold land is amortized over the period of the lease.

(d) In respect of fixed assets leased out, over its useful life estimated at five years.

(e) Operating software are capitalised along with the related fixed assets while application software are expensed on purchase, except for major application software, which are amortised over its useful life (not exceeding five years) as determined by the management.

##### (iii) Investments:

Long Term Investments are stated at cost, except where there is a diminution in value other than temporary, in which case a provision is made to the carrying value to recognise the decline.

##### (iv) Inventories:

Stores and spares (for regular use) are stated at cost (arrived at on first-in first-out basis) or net realisable value, whichever is lower. Stock-in-trade, comprising of raw materials and components, inventory-in-transit, work-in-progress and finished goods, are stated at standard cost (with the inclusion of appropriate variances/ overheads, where applicable, and excise duty payable/ paid) or net realisable value, whichever is lower.

##### (v) Taxation:

Provision for taxation has been made in accordance with the income tax laws applicable for the relevant assessment years.

##### (vi) Deferred Taxation:

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

##### (vii) Fringe Benefit Tax:

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961, net off applicable recoveries.

##### (viii) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at a predetermined exchange rate fixed for the month, that approximates the rate prevailing on the date of the transactions.

Liabilities/ assets in foreign currencies are reckoned in the accounts as per the following principles:



## SCHEDULE TO ACCOUNTS

### 14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all the exchange gains/losses arising therefrom are adjusted to the Profit and Loss Account, except those covered by forward contract. Premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences on forward contracts are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

(ix) Revenue Recognition:

- (a) Sales are recognised upon despatch or in accordance with the terms of sale and are recorded inclusive of excise duty but are net of trade discounts, sales tax and adjustments for liquidated damages.
- (b) Revenue from engineering fees on time-and-materials contracts and other services is recognised as and when services are rendered.

(x) Employee Benefits (Refer Note 18 below):

(a) Defined-contribution plans:

Contribution to the Employees' Provident Fund and Employees' Pension Scheme are as per statute and are recognised as expenses during the period in which the employees perform the services.

Contribution to the Employees' Superannuation Fund are recognised as expenses during the period in which the employees perform the services.

(b) Defined-benefit plans:

Liability towards gratuity is determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(c) Other long term employee benefits:

Liability towards compensated absences and earned leave which are not expected to occur wholly within 12 months after the end of the period in which the employees rendered related services, are recognised at the present value of the obligation based on actuarial valuation at each balance sheet date.

(d) Short term employee benefits:

Liability towards short term employee benefits like earned leave and performance bonus, which are expected to occur within 12 months after the period in which the employees rendered related services, are recognised as expense during the period employee perform the services.

(xi) Voluntary Retirement Scheme:

Voluntary retirement compensation payments are charged to the Profit and Loss Account during the year in which they are incurred.

(xii) Borrowing Costs:

Borrowing costs are accounted on an accrual basis.

(xiii) Contingent Liabilities:

Contingent Liabilities are disclosed after an evaluation of the facts and legal aspects of the matter involved.

(xiv) Earnings per share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(xv) Provisions:

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to be settled are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

(xvi) Impairment of Assets:

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognized in the Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount.

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	0.71	0.84
3. Contingent liabilities not provided for:		
(a) Claims against the Company not acknowledged as debts	47.21	37.41
(b) Sales tax/ excise matters in dispute	36.43	36.43
(c) Bank guarantees/ corporate guarantees	336.19	186.36
(d) Income Tax matters in dispute	59.82	49.19
Out of the disputed amount NIL (2008: Rs. 23.55 million) has been paid during the year and included under Income Tax in Schedule 8.		
4. Disclosure of dues/ payments to micro and small enterprises to the extent such enterprises are identified by the Company.		
(a) (i) The principal amount remaining unpaid as at March 31, 2009	18.25	18.82
(ii) Interest due thereon remaining unpaid as at March 31, 2009	0.07	0.01
(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	40.32	30.68
(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 on March 31, 2009 in respect of principal amount settled during the year	0.92	0.78
(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	0.78	—
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		
5. The Company has availed duty free licenses for import against which export obligations are outstanding as at 31st March 2009, customs duty thereon being	23.54	18.19
6. Purchases include provision on account of replacement of spares and accessories, (Schedule 14 Note 23)	28.62	56.47
7. (a) Provision for taxation for the current year ended 31st March 2009 has been calculated and for prior years retained in the books as at that date, keeping in view the current decisions of courts/ appellate tax authorities.		
(b) Transfer Pricing		
The Finance Act, 2001 has introduced, with effect from Assessment Year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant on or before the due date for filing the return of income.		
For the year ended March 31, 2008, the Company had undertaken a transfer pricing study and obtained the prescribed certificate of the Accountant to comply with the said transfer pricing regulations which did not envisage any tax liability.		
For the tax year ended March 31, 2009, the Company will carry out a similar study to comply with the said regulations.		



SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
(c) Deferred Taxation:		
The net Deferred Tax Asset as on March 31, 2009 amounting to Rs.47.40 million (2008: Rs.56.97 million) has been arrived at as follows:		
(A) Deferred Tax Assets arising from:		
(i) Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act, 1961.		
(a) Provision for Doubtful Debts	9.60	8.26
(b) Provision for Warranty	14.01	20.74
(c) Voluntary Retirement Compensation	1.87	3.13
(d) Provision for Gratuity	20.83	24.53
(e) Others	26.76	26.70
(B) (Less): Deferred Tax Liabilities arising from:		
Difference between carrying amount of fixed assets in the financial statements and the Income Tax Return.	(25.67)	(26.39)
Deferred Tax (Liability)/ Asset	47.40	56.97
Charge/ (credit) to Profit and Loss Account (Note Below)	9.56	61.44
Note:		
Represented by:		
Deferred Tax on Profit before extra ordinary items	10.88	61.44
Deferred Tax on extra ordinary items	(1.32)	—
	9.56	61.44
8. (i) Managerial Remuneration:		
(excluding contribution to group gratuity fund, provision for leave encashment and employee share based payments)		
(a) Salary [note (b)]	7.62	26.70
(b) Commission	2.71	8.19
(c) Perquisites	0.07	0.72
(d) Contribution to provident fund and other funds	0.91	2.16
	11.31	37.77
(a) Included in above is remuneration of Rs. 4.05 million (2008: Rs. NIL) in respect of Whole-time Director which is approved by the Board of Directors of the Company subject to the approval by the shareholders at annual general meeting.		
(b) Includes share based payments during the year NIL (2008: 18.54 million)		

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	(Rs. Million)	2009 (Rs. Million)	2008 (Rs. Million)
(ii) Calculation of net profit under Section 198 of the Companies Act, 1956:			
Profit as per Profit and Loss Account		672.05	2,805.33
Add:			
Directors' remuneration	11.31		37.77
Provision for taxation	355.27		951.56
Net expenses relating to Road Development Business sold in earlier years	14.30		—
Provision for depreciation	41.64		42.45
Provision for doubtful debts (net)	3.94		1.14
Provision for doubtful advances	—		15.72
		<u>426.46</u>	<u>1,048.64</u>
		1,098.51	3,853.97
Less:			
Depreciation u/s. 350 of the Companies Act, 1956	(41.64)		(42.45)
Profit on sale of fixed assets (Net)	(4.31)		(3.68)
Provision no longer required written back (Net)	(10.06)		(9.83)
Profit on sale of Investments	—		(37.50)
Profit on sale of Road Development Business	—		(1,873.17)
Profit on sale of Utility Equipment, Attachments and Bobcat Business	—		(917.46)
		<u>(56.01)</u>	<u>(2,884.09)</u>
Net Profit		<u>1,042.50</u>	<u>969.88</u>
(i) Commission payable to Whole-time Directors:			
At 1% of net profit for each Whole-time Director		10.43	9.70
Restricted to such amount as approved by the Board of Directors		0.71	6.79
(ii) Commission payable to Non Whole-time Directors:			
At 1% of net profit for all Non Whole-time Directors		10.43	9.70
Restricted to such amount as approved by the Board of Directors		2.00	1.40
9. (i) Refer Schedule 15 for quantitative information regarding capacities and production in respect of each class of goods manufactured and quantitative details pursuant to paragraphs 3(i)(a), 3(ii)(a)(1) and (2) and 3(ii)(b) of Part II of Schedule VI to the Companies Act, 1956			
(ii) Sales and purchases reported do not include materials sent to the sub-contractors and returned back.			
10. Value of imports calculated on CIF basis:			
(a) Raw materials		—	32.03
(b) Components and spares parts		1,126.73	911.56
(c) Capital goods		2.05	0.67
(d) Goods for resale		—	65.76
		<u>1,128.78</u>	<u>1,010.02</u>
11. Expenditure in foreign currency on account of:			
(a) Travelling		3.60	4.09
(b) Others		2.50	5.48
		<u>6.10</u>	<u>9.57</u>
12. (a) Value of raw materials, spare parts and components consumed		2,543.58	2,714.55
(b) (i) Value of imported raw materials, spare parts and components consumed during the year		1,085.02	1,034.97
(ii) Percentage of total consumption		43%	38%
(c) (i) Value of indigenous raw materials, spare parts and components consumed during the year		1,458.56	1,679.58
(ii) Percentage of total consumption		57%	62%
Note: The item "spare parts" in paragraph 4D(c) of Schedule VI to the Companies Act, 1956 is interpreted to mean the components used in the manufacture of finished goods, sold as such, and not spare parts used for the maintenance of plant and machinery.			





SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
13. (a) Remittance in foreign currency on account of dividend:		
(i) For the year 2006 - 2007 (Final Dividend)	—	70.08
(ii) For the year 2007 - 2008 (Interim Dividend)	—	70.08
(iii) For the year 2007 - 2008 (Final Dividend)	70.08	—
(iv) For the year 2008 - 2009 (Interim Dividend)	70.08	—
(b) Number of shares held by non-residents	23,360,000	23,360,000
(c) Number of non-resident shareholders	1	1
14. Earnings in foreign exchange on account of:		
(a) Exports calculated on FOB basis	837.27	967.16
(b) Freight and insurance on exports	9.56	6.08
(c) Service Income/ Recovery of expenses	16.58	6.68
(d) Engineering fees	—	1.30
	863.41	981.22

15. Disclosure as required by Accounting Standard (AS) 19, "Leases" are given below:

Where the Company is a lessee

- (i) The Company's significant leasing arrangements are in respect of godowns/ residential/ office premises (including furniture and fittings therein, as applicable). The aggregate lease rentals payable are charged to Profit and Loss Account as Rent in Schedule 12.
- (ii) The Leasing arrangement, which are generally cancellable, range between 11 months and 120 months. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally, refundable interest free deposits have been given. An amount of Rs.13.19 million (2008: Rs.12.00 million) towards deposit and unadjusted advance rent is recoverable from the lessor.

Future minimum lease rentals payable under non-cancellable lease:

- not later than one year	9.07	—
- one to five years	4.14	—

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

16. Segment Information:

The business segment has been considered as the primary segment, namely

Air Solutions (AS) - comprising of reciprocating compressors, centrifugal compressors and system components is continuing business.

Construction Technologies and Compact Vehicle Technologies (CT & CVT)- comprising of specialty equipment, portable compressors and road construction equipment which was discontinued during the previous year.

Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.

Particulars	CT & CVT (notes)		AS		Total	
	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>						
External Revenue	—	1,084.81	4,045.90	4,221.76	4,045.90	5,306.57
Intersegment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	<b>—</b>	<b>1,084.81</b>	<b>4,045.90</b>	<b>4,221.76</b>	<b>4,045.90</b>	<b>5,306.57</b>
<b>RESULT</b>						
Segment Result	—	80.02	474.81	476.76	474.81	556.78
Less:						
Interest					1.73	8.77
Unallocable Other Expenditure					88.87	27.69
Voluntary Retirement Compensation					4.85	—
Loss on Sale of Road Development Business					14.30	—
Prior Period Expenditure					—	24.46
Add:						
Profit on Sale of Road Development Business					—	1,873.17
Profit on Sale of Utility Equipment, Attachments and Bobcat Business					—	917.46
Profit on sale of Investments					—	37.50
Unallocable Other Income					662.26	432.90
<b>Profit Before Taxation</b>					<b>1,027.32</b>	<b>3,756.89</b>
<b>OTHER INFORMATION</b>						
Segment Assets	—	161.32	2,450.86	2,224.52	2,450.86	2,385.84
Unallocable Assets					6,198.13	5,903.65
<b>Total Assets</b>					<b>8,648.99</b>	<b>8,289.49</b>
Segment Liabilities	—	31.84	1,062.28	1,120.57	1,062.28	1,152.41
Unallocable Liabilities					112.81	113.63
<b>Total Liabilities</b>					<b>1,175.09</b>	<b>1,266.04</b>
<b>Capital Expenditure</b> (Excluding Capital Work in Progress)						
Segment Capital Expenditure	—	2.00	42.90	44.86	42.90	46.86
Unallocable Capital Expenditure					—	—
<b>Total Capital Expenditure</b>					<b>42.90</b>	<b>46.86</b>
<b>Depreciation</b>						
Segment Depreciation	—	3.16	41.64	39.29	41.64	42.45
Unallocable Depreciation					—	—
<b>Total Depreciation</b>					<b>41.64</b>	<b>42.45</b>
Non-Cash Expenses other than Depreciation	25.51	—	72.71	147.92	98.22	147.92
<b>GEOGRAPHICAL SEGMENT</b> (based on secondary segmentation)						
<b>Revenue</b>						
India					3,208.63	4,339.42
Outside India					837.27	967.16
					<b>4,045.90</b>	<b>5,306.57</b>
<b>Assets</b>						
India					8,307.58	7,904.60
Outside India					341.43	384.88
					<b>8,648.99</b>	<b>8,289.49</b>



## SCHEDULE TO ACCOUNTS

### 14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

#### 17. Related Party Disclosures:

##### 17.1 Parties where control exists

Related Party	Relationship
Ingersoll - Rand Company Limited, Bermuda	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 31st March, 2009)

##### 17.2 Other Related Parties:

###### Fellow Subsidiaries:

ABG, Allgemeine Baumaschinen Gesellschaft, Germany *	Ingersoll - Rand Drilling Machinery (Zhangjiakou) Company Limited, China
Blaw-Knox Construction Equipment Corporation, U.S.A. *	Ingersoll - Rand Equipment de Construction, France
Clark Equipment Company, U.S.A. *	Ingersoll - Rand Japan Limited, Japan
Club Car Inc., U.S.A.	Ingersoll - Rand Asia Pacific Inc., U.S.A.
Etablissements Montabert S.A., France	Ingersoll - Rand European Sales Limited, United Kingdom
GHH - Rand Schraubekompressoren GmbH, Germany	Ingersoll - Rand International (India) Limited, India
Hussmann do Brasil Ltda., Brazil	Ingersoll - Rand International Sales S.A., Switzerland
Hussmann Koxka, S. L., Spain	Ingersoll - Rand Italiana, S.P.A., Italy
Ingersoll - Rand (Australia) Limited, Australia	Ingersoll - Rand Malaysia Co. Sdn. Bhd., Malaysia
Ingersoll - Rand (China) Investment Company Limited, China	Ingersoll - Rand South-East Asia (Pte) Limited, Singapore
Ingersoll - Rand (Guilin) Tools Company Limited, China	Ingersoll Rand Industrial Products Private Limited, India
Ingersoll - Rand (Hong Kong) Limited, Hong Kong	IRCR Manufacturing S.R.O., Czech Republic
Ingersoll - Rand (Wuxi) Road Machinery Company Limited, China *	Luoyang Hussmann Refrigeration Company Limited, China
Ingersoll - Rand Architectural Hardware (Australia) Pty. Limited, Australia	Nanjing Ingersoll -Rand Compressor Co. Ltd. China
Ingersoll - Rand Brasil Ltda, Brazil	Schlage Lock Company, U.S.A.
Ingersoll - Rand Company Limited, United Kingdom	Shanghai Ingersoll - Rand Compressor Limited, China
Ingersoll - Rand Company South Africa (Pty) Limited, South Africa	Thermo King India Private Limited, India
Ingersoll - Rand International Limited, Ireland	Trane India Pvt. Limited, India
Ingersoll - Rand Machinery (Shanghai) Company Limited, China	Xuanhua Ingersoll - Rand Mining & Construction Machinery Limited, China
Ingersoll-Rand Equipment Manufacturing Czech Republic s.r.o.	Hibon Inc., Canada
Officina Meccaniche Industriali SRL, Italy	Ingersoll-Rand Air Solutions Hibon Sarl, France
Ingersoll - Rand Philippines Inc., Philippines	Thermoking Corporation, USA

\* Not a fellow subsidiary during the current year

##### 17.3 Key Management Personnel:

Whole-time Director:	Daljit L. Mirchandani (part of the year)	Jaideep Wadhwa (part of the year)
Others:	Jaideep Wadhwa (part of the year) Prasad Y.Naik Glennville da Silva (previous year)	B. Jayaraman Priya Manoj

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

##### 17.4 Transactions with Related Parties:

	Holding Company		Fellow Subsidiaries	
	2009	2008	2009	2008
	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)
(a) Sale of finished goods	600.28	675.81	195.04	272.95
(b) Lease Rental received	—	—	0.29	—
(c) Sale of fixed assets	—	—	0.50	—
(d) Purchase of raw materials, components and Trading items	149.33	165.04	438.52	432.80
(e) Purchase of fixed assets	—	—	0.72	1.41
(f) Expenses recharged by other Companies	4.90	12.44	0.55	—
(g) Income from services / Expenses recharged	16.89	6.83	86.18	56.58
(h) Engineering Fees charged to other companies	—	1.30	—	—
(i) Intercorporate Loans given	—	—	277.00	325.00
(j) Intercorporate Loans repaid	—	—	—	15.00
(k) Interest Income on Intercorporate Loans given	—	—	103.48	56.99
(l) Dividend	140.16	140.16	—	—
(m) Outstanding Receivables	241.94	319.80	100.19	69.68
(n) Outstanding Intercorporate Loans receivable	—	—	1,162.95	859.02
(o) Outstanding Payables	180.11	131.13	96.68	108.67

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
17.5 Details relating to persons referred to in Note 17.3 above:		
Remuneration Paid:		
(a) Daljit L. Mirchandani	1.82	36.37
(b) Jaideep Wadhwa	8.24	10.75
(c) B. Jayaraman	7.42	9.07
(d) Prasad Y.Naik	4.73	5.73
(e) Priya Manoj	3.14	N.A
(f) Glenville da Silva	—	3.72
17.6 Names of parties having related party transaction in excess of 10% in line transactions:		
(a) Sale of finished goods		
- Nanjing Ingersoll-Rand Compressor Co. Ltd., China	51.95	85.26
- Ingersoll-Rand Company South Africa (Pty.) Limited, South Africa	N.A	32.00
- Ingersoll-Rand European Sales Limited, United Kingdom	34.02	6.20
- Ingersoll-Rand International Limited, Ireland	72.58	107.26
(b) Lease Rental received		
- Trane India Pvt. Limited, India	0.29	—
(c) Sale of fixed assets		
- Ingersoll-Rand International (India) Limited, India	0.50	—
(d) Purchase of raw materials, components and Trading items		
- Clark Equipment Company, U.S.A.	N.A.	76.58
- Ingersoll-Rand International Limited, Ireland	340.61	222.47
(e) Purchase of fixed assets		
- Thermo King India Private Limited, India	—	1.41
- Ingersoll-Rand International Limited, Ireland	0.63	—
- IRCR Manufacturing S.R.O., Czech Republic	0.09	—
(f) Expenses recharged by other Companies		
- Ingersoll-Rand Industrial Products Private Limited, India	0.55	—
(g) Income from services / Expenses recharged		
- Ingersoll-Rand Industrial Products Private Limited, India	20.30	17.94
- Ingersoll-Rand International (India) Limited, India	36.27	22.30
- Thermo King India Private Limited, India	16.16	10.41
(h) Intercorporate Loans given		
- Ingersoll-Rand International (India) Limited, India	100.00	265.00
- Thermo King India Private Limited, India	177.00	60.00
(i) Intercorporate Loans repaid		
- Ingersoll-Rand Industrial Products Private Limited, India	—	15.00
(j) Interest Income on Intercorporate Loans given		
- Ingersoll-Rand International (India) Limited, India	64.40	34.80
- Ingersoll-Rand Industrial Products Private Limited, India	N.A.	5.07
- Thermo King India Private Limited, India	33.45	17.11

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.



SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
18. Employee Benefits		
The details of the Employee Benefit Schemes are as under:		
(i) Defined Benefit Plans		
Gratuity:		
The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees.		
The Gratuity Plan provides for a lump sum payment to vested employees at retirement or termination of employment, whichever is earlier, based on the respective employee's last drawn salary and years of employment with the Company. The employee's gratuity funds are managed by an Insurance Company.		
(A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
(a) Obligations at the beginning of the year	139.31	188.16
(b) Add: Current Service Cost	6.15	8.61
(c) Add: Interest Cost	9.74	15.31
(d) Add: Actuarial (Gain) / Losses due to change in assumptions	7.13	13.48
(e) Add: Expenses recognised in Profit and Loss Account under Extra ordinary and Prior period items	—	24.46
(f) (Less): Liability Transferred out on sale of Road development Business	—	(76.63)
(g) (Less): Benefits paid during the year	(31.30)	(34.08)
(h) Obligations at the end of the year	<u>131.03</u>	<u>139.31</u>
(B) Reconciliation of opening and closing balances of the fair value of plan assets		
(a) Fair Value of Plan assets at the beginning of the year	67.13	131.95
(b) Add: Expected Return on Plan Assets	6.59	11.29
(c) Add: Actuarial Gain / (Loss)	(9.06)	(0.99)
(d) Add: Contributions	36.40	35.59
(e) (Less): Plan Assets Transferred out on sale of Road development Business	—	(76.63)
(f) (Less): Benefits Paid	(31.30)	(34.08)
(g) Fair Value of Plan assets at the end of the year	<u>69.76</u>	<u>67.13</u>
(C) Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the balance sheet:		
(a) Present Value of Obligation as at March 31, 2009	131.03	139.31
(b) (Less): Fair Value of Plan Assets as at March 31, 2009	69.76	67.13
(c) Amount recognised in the Balance Sheet	<u>(61.27)</u>	<u>(72.18)</u>
(D) Expenses recognised in Profit and Loss account under "Payments to and Provision for Employees" in Schedule 12:		
(a) Current service cost as per valuation report	6.15	8.61
(b) Add: Interest cost	9.74	15.31
(c) Less: Expected Return on Plan Assets	(6.59)	(11.29)
(d) Less: Actuarial Gain due to change in assumptions	16.19	14.47
(e) Add: Expenses recognised in Profit and Loss Account under Extra Ordinary and Prior period items	—	24.46
(f) Net gratuity cost	<u>25.49</u>	<u>51.56</u>
(E) Percentage of each major category of Plan Assets to total Fair Value of Plan Assets		
(a) Bank Deposits	0.00%	16.88%
(b) Government Securities	0.00%	9.13%
(c) Equities	0.00%	24.31%
(d) NCDs issued by Corporates	0.00%	41.77%
(e) Others	100.00%	7.91%
(F) Actuarial Assumptions		
(a) Discount rate per annum	7.50%	7.50%
(b) Expected rate of Return on Plan Assets	8.00%	7.50%
(c) Expected salary increase per annum	6.00%	6.00%
(d) Average past service of employees	13 Years	15 Years
(e) Mortality rate	LIC (1994-96) published table of Mortality rate	LIC (1994-96) published table of Mortality rate

Note:

The estimates of future increase in salary, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Defined Contribution Plans

Contribution to Provident and other funds under "Payments to and Provision for Employees" (Schedule 12) includes Rs. 24.95 million (2008: Rs.36.05 million), being expenses debited under the defined contribution plans.

(iii) Accounting Standards Board Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits, states that benefits involving employer established provident funds, which require interest shortfall to be recompensed, are to be considered as defined benefit plans. Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
19. Extra ordinary And Prior Period Items include:		
(A) Extra ordinary Items		
(a) Profit/ (Loss) on Sale of Road Development Business (Net)	—	1,873.17
(b) Profit on Sale of Utility Equipments, Attachments and Bobcat business (Net)	—	917.46
(c) Profit on Sale of Investments	—	37.50
(d) Net expenses relating to Road Development Business sold in earlier years	(14.30)	—
(e) Voluntary Retirement Compensation	(4.85)	—
	<u>(19.15)</u>	<u>2,828.13</u>
(B) Prior Period Items		
Gratuity Charge for Prior Years	—	(24.46)
Total (A+B)	<u>(19.15)</u>	<u>2,803.67</u>
20 Employee Share-based Payments		
(a) Certain executives of the Company are eligible to participate in the employee share based payment plans of Ingersoll Rand Company Limited (the holding company), which are explained below:		
(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 Company's Class A common shares.		
(iii) Incentive Stock Option Plan of 2007 (2007 plan)		
On June 6, 2007, the shareholders of the Company approved the Incentive Stock Plan of 2007, which authorizes the 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 instalments 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 costs related to such share based payments pertaining to the Company's employees are being recharged to the Company by the holding company at the time of exercise of the options/ rights. However, as at the year end, the Company has accrued for the expected proportionate costs of share based payments pertaining to the Company's employees.		
(b) The number and weighted average exercise prices of stock options for each of the above plans are given in US \$ currency as Rupee values are not available		
	2009	2008
	Number of options	Number of options
	Weighted Average Exercise Price (US \$)	Weighted Average Exercise Price (US \$)
(A) The 1998 and 2007 plan		
(a) outstanding at the beginning of the year	25,327	13,840
(b) granted during the year	—	13,607
(c) forfeited/ cancelled during the year	—	2,120
(d) exercised during the year	—	—
(e) outstanding at the end of the year	25,327	25,327
(f) exercisable at the end of the year	12,702	5,056
(B) SAR 1998		
(a) outstanding at the beginning of the year	49,525	66,802
(b) granted during the year	—	—
(c) forfeited/ cancelled during the year	—	977
(d) exercised during the year	—	16,300
(e) outstanding at the end of the year	49,525	49,525
(f) exercisable at the end of the year	49,525	45,480
(C) RSU		
(a) outstanding at the beginning of the year	—	—
(b) granted during the year	2,770	—
(c) forfeited/ cancelled during the year	—	—
(d) exercised during the year	—	—
(e) outstanding at the end of the year	2,770	—
(f) exercisable at the end of the year	—	—
(D) The Weighted average share price at the date of exercise		
Date of exercise		
October 2, 2007	—	54.92
April 26, 2007	—	45.34



SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

(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, 2009	Weighted Average Contractual Life (years)	Outstanding as at March 31, 2008	Weighted Average Contractual Life (years)
5.00 - 60.00	77,622	3.78	74,852	6.23

(F) The weighted average fair value at the grant date of the stock options granted during the year was estimated to be \$ 10.38 (2008: \$10.79) per share, using the Black-Scholes option-pricing model.

The following assumptions were used:

Dividend yield	1.54%	1.75%
Volatility	31.50%	26.10%
Risk-free rate of return	2.75%	4.71%
Expected life	5.10 years	4.70 years

Expected volatility is based on the historical volatility from traded options on the Parent 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 said 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.

	2009 (Rs. Million)	2008 (Rs. Million)
(G) Other information regarding employee share-based payment plans is as below:		
(a) Expense arising from employee share-based payment plans (included under "Salaries, Wages, Bonus and Commission" in Schedule 12)	11.96	39.92
(b) Closing balance of liabilities arising from employee share-based payment plans	33.04	21.08
(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	—	18.02

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

SCHEDULE TO ACCOUNTS

14 - NOTES TO THE FINANCIAL STATEMENTS - *Contd.*

	2009 (Rs. Million)	2008 (Rs. Million)
21. Earnings per share		
The numbers used in calculating basic and diluted earnings per equity share are as stated below:		
Profit after taxation and before extra ordinary items	684.05	688.46
Profit after Taxation	672.05	2,805.33
Weighted average number of shares	31,568,000	31,568,000
Face Value per share (Rs.)	10	10
Earning per share before extra ordinary items (Basic and Diluted) (Rs.)	21.67	21.81
Earning per share (Basic and Diluted) (Rs.)	21.29	88.87
22. Refer Schedule '16' for Balance Sheet Abstract and Company's General Profile as required by Part IV of Schedule VI to the Companies Act, 1956.		
23. Provision for warranty as disclosed in Schedule 10 are as follows:		
At the beginning of the year	64.43	62.06
Add: Additional provisions made during the year (Schedule 14 Note 6)	28.62	56.47
	93.05	118.53
(Less): Utilised (incurred and charged against provision) during the year	51.85	54.10
At the end of the year	41.20	64.43
Note: 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.		
24. The Excise Duty charged to Profit and Loss Account Rs.323.31 million (2008: 436.97 million) has been disclosed as follows:		
- Deduction from Sales (Gross)	317.42	437.52
- Under Cost of Goods Sold	5.89	(0.55)
	323.31	436.97
25. During the year, there have been no significant purchases of machinery spares, which are of irregular usage.		
26. Previous year's figures have been regrouped wherever necessary.		

Signatures to Schedules '1' to '15' forming part of Balance Sheet and Profit and Loss Account.

<p>S. DUTTA Partner For and on behalf of <b>PRICE WATERHOUSE</b> Chartered Accountants Bangalore: April 29, 2009</p>	<p>D. L. MIRCHANDANI Chairman</p> <p>P. R. SHUBHAKAR Gen. Manager - Corp. Finance and Company Secretary</p>	<p>JAIDEEP WADHWA Managing Director</p>	<p>H. C. ASHER Director</p> <p>B. JAYARAMAN Vice President - Finance</p> <p>Bangalore: April 29, 2009</p>
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SCHEDULE TO ACCOUNTS

15. (i) QUANTITATIVE INFORMATION REGARDING CAPACITIES AND PRODUCTION IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED

Class of Goods manufactured	Annual Installed Capacity at the year end (as certified by the Management and accepted by the Auditors without verification, being a technical matter) (Nos.)	Actual Production for the year (Nos.)
Air Compressors	90,000 (90,000)	61,057 (70,719)
Rock and Waterwell Drilling Equipment and Accessories (including Hammers and Bits)	— (—)	— (1)
Compaction Equipment	— (—)	— (61)
Pavers	— (—)	— (2)
Light Towers	— (—)	— (25)

NOTE: Figures in brackets are in respect of the year ended 31st March, 2008.

15 (ii) VALUE AND QUANTITATIVE INFORMATION IN RESPECT OF OPENING AND CLOSING STOCK OF FINISHED GOODS, PURCHASES, SALES AND CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND COMPONENTS FOR THE YEAR ENDED 31ST MARCH, 2009

	Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value
	Nos.	(Rs. Million)	Nos.	(Rs. Million)
1. Opening and Closing Stocks of Goods Produced and Purchased:				
A) Goods Produced:				
Air Compressors	20 (156)	51.71 (56.13)	26 (20)	68.26 (51.71)
B) Goods Purchased For Resale:				
Loaders	— (7)	— (7.48)	— (—)	— (—)
Utility Vehicles	3 (4)	— (0.82)	— (3)	— (—)
		51.71 (64.43)		68.26 (51.71)
2. Details of Purchases for Resale:				
Loaders			— (96)	— (78.55)
Light Towers			— (83)	— (30.86)
Pavers			— (2)	— (21.89)
Air Compressors			— (210)	— (164.45)
Components				— (301.10)
				— (596.85)

NOTE: Figures in brackets are in respect of the year ended 31st March 2008

SCHEDULE TO ACCOUNTS

15 (ii) VALUE AND QUANTITATIVE INFORMATION IN RESPECT OF OPENING AND CLOSING STOCK OF FINISHED GOODS, PURCHASES, SALES AND CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND COMPONENTS FOR THE YEAR ENDED 31ST MARCH, 2009

	2009		2008	
	Quantity	Value	Quantity	Value
	Nos.	(Rs. Million)	Nos.	(Rs. Million)
3. Details of Sales Turnover:				
A) Goods Produced:				
Air Compressors				
Complete Machine and Accessories	61,051	2,215.62	70,853	2,373.82
Rock Drilling and Waterwell Equipment (including Hammers and Bits)				
Complete Machine and Accessories	—	—	1	19.34
Vibratory Compactors				
Complete Machine and Accessories	—	—	55	117.99
Pavers				
Complete Machine and Accessories	—	—	1	3.44
Light Towers				
Complete Machine and Accessories	—	—	25	11.93
Spare Parts and Components		1,512.86		1,553.90
Excise Duty		317.42		437.52
B. Trading Items:				
Loaders	—	—	93	166.59
Light Towers	—	—	82	43.06
Pavers	—	—	2	27.15
Utility Vehicles	—	—	1	0.16
Air Compressors	—	—	206	223.47
Components				328.20
		4,045.90		5,306.57
Note: Out of manufactured stock:				
1. NIL (2008: 6 nos.) of Vibratory Compactors, NIL (2008: 1 no.) of Paver were transferred to Volvo India Pvt. Ltd. as a part of the business sale.				
2. NIL (2008: 2 nos.) of Air Compressors were transferred to Doosan International India Pvt. Ltd. as a part of the business sale.				
Out of Trading stock:				
1. NIL (2008: 1 no.) of Light Tower, NIL (2008: 4 nos.) of Air Compressors, NIL (2008: 10 nos.) of Loaders were transferred to Doosan International India Pvt. Ltd. as a part of the business sale.				
2. 3 Nos. (2008: NIL) of Utility Vehicles scrapped during the year.				
4. Details of Raw Materials, Spare Parts and Components Consumed:				
Castings, Bars, Plates, Channels, Angles, Flats, etc. - Metric Tonnes	2,925	207.05	4,214	229.47
Spare Parts and Components (which individually do not account for more than 10% of the total consumption)		2,336.53		2,485.08
		2,543.58		2,714.55



SCHEDULE TO ACCOUNTS

16. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS REQUIRED PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 AS REFERRED TO IN NOTE 22 ON SCHEDULE '14'

I. Registration Details

Registration No.   -

Balance Sheet Date

Date                      Month                      Year

State Code

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="4"/>
Sources of Funds	Reserves and Surplus
Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Deferred Tax Liability	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	
Application of Funds	Investments
Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="0"/>
Net Current Assets	Miscellaneous Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Accumulated Losses	Deferred Tax Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="6"/>
Other Income	Profit After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/>
+ - Profit Before Tax	+ -
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
(Please tick appropriate box + for Profit - for Loss)	
Earning per Share in Rs.	Dividend Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/>

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

**INGERSOLL-RAND (INDIA) LIMITED**

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

April 29, 2009

To,  
THE SHAREHOLDERS OF

**INGERSOLL - RAND (INDIA) LIMITED**

Dear Member,

**1. Depository System :**

As you are aware the securities of the Company are included for dealings in the Depository System in India operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS), which facilitates scripless trading in the Company's shares. The Company has set up connectivity through the Company's Registrar and Share Transfer Agent i.e. TSR Darashaw Limited with both the Depositories.

In view of the numerous advantages offered by the Depository System, members are once again requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as mentioned above if not already done so.

We would like to remind our members that w.e.f January 17, 2000, settlement of trades has become compulsory in the demat form for all shareholders of the Company.

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 :

- |   |  |
|---|--|
| <p>i) National Securities Depository Ltd<br/>Trade World, 4<sup>th</sup> Floor,<br/>Kamala Mills Compound,<br/>Senapati Bapat Marg, Lower Parel<br/>Mumbai- 400 013<br/>Tel : 022 - 2499 4200<br/>Fax : 022 - 2495 0664</p>     | <p>ii) Central Depository Services ( India ) Limited<br/>Phiroze Jeejeebhoy Towers.<br/>17<sup>th</sup> Floor, Dalal Street,<br/>Mumbai- 400 023<br/>Tel : 022 - 2272 3333<br/>Fax : 022 - 2272 3199</p> |
| <p>iii) TSR Darashaw Limited,<br/>6-10, Haji Moosa Patrawala Ind. Estate,<br/>20, Dr. E. Moses Road,<br/>Mahalaxmi, Mumbai 400 011<br/>Tel : 022 - 6656 8484<br/>Fax : 022 - 6656 8494<br/>Email : csg-unit@tsrdarashaw.com</p> |  |

**2. 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 :

2001-2002 (Final)	August 3, 2009
2002-2003 (Interim)	December 12, 2009
2002-2003 (Final)	August 25, 2010
2003-2004 (Interim)	December 20, 2010
2003-2004 (Final)	September 23, 2011
2004-2005 (Interim)	November 22, 2011
2004-2005 (Final)	August 20, 2012
2005-2006 (Interim)	December 29, 2012
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

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.

### 3. Dividend Payment :

The Final Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2009 if declared at the Annual General Meeting will be made payable on September 15, 2009 to those members whose names appear in the Register of Members of the Company on August 13, 2009. 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 [CDS] for this purpose as on August 13, 2009.

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 Agent 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 and  
Company Secretary



**Ingersoll-Rand (India) Limited**

Plot No. 35, KIADB Industrial Area,

Bidadi,

Bangalore - 562 109