

Annexure - E

REPORT ON CORPORATE GOVERNANCE

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

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

MANDATORY REQUIREMENTS

A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

B. BOARD OF DIRECTORS

Composition and category of directors:

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

Number of Board Meetings:

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

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

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

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

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

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

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

None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company. None of the independent directors of the Company is a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director

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

| Name of Director | No. of other companies on which Director (other than Private Limited Companies) | No. of Committees* [other than Ingersoll – Rand (India) Limited] in which member |
|---|---|--|
| Mr. Amar Kaul (Chairman and Managing Director) | NIL | NIL |
| Ms. Jayantika Dave | 1 | 1 |
| Mr. Sekhar Natarajan | 2 | 4 |
| Ms. Vijaya Sampath | 5 | 7 |
| Mr. Naveen Samant | NIL | NIL |
| Ms. Preeti Mohanty | NIL | NIL |

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

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

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

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

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

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

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

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

Skills of Directors

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

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

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

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

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

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

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

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

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

Meeting of independent directors:

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

C. COMMITTEES OF THE BOARD

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

1. AUDIT COMMITTEE

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

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

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

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

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

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

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

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

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

- Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, primarily focusing, inter alia, on
 - ◆ Any change in accounting policies and practices and reasons for the change;
 - ◆ Significant adjustments made in financial statements arising out of audit findings;
 - ◆ Major accounting entries based on exercise of judgment by Management;
 - ◆ Compliance with accounting standards;
 - ◆ The going concern assumption;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Related party transactions;
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors;
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees;
- Approval for payment to statutory auditors for other services;
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit;
- Review with internal auditors and senior management, of any significant findings and follow-ups thereon;
- Review of the Company's financial risk and management policies;
- Review functioning of the Whistle Blower mechanism;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- Any other function as may be stipulated by any law/Government guidelines;
- Such other functions as may be specified by the Board of Directors of the Company from time to time;

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

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

2. NOMINATION AND REMUNERATION COMMITTEE

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

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

* ceased to be member effective August 8, 2019.

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

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

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

The performance evaluation criteria for Non-Executive Independent Directors is determined by the Nomination and Remuneration Committee and the factors evaluated inter alia includes attendance and participation at meetings, independence of behaviour and judgement, make use of knowledge and expertise, integrity and maintenance of confidentiality etc.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

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

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

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

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

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

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

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

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

The Registrar and Share Transfer Agents of the Company - TSR Darashaw Consultants Private Limited, attend to all grievances received from shareholders and investors.

All queries like non-receipt of annual reports, dividend, transfer of shares, change of address etc. were resolved to the satisfaction of the shareholders / investors. During the year, 834 grievances / queries were received from shareholders / investors and 5 complaints were received from Securities Exchange Board of India (SEBI) and other statutory authorities. All investor grievances/queries and complaints from statutory authorities have been resolved to the satisfaction of the complainants before the end of the financial year. There was no outstanding complaint at the end of the year or on date of this report.

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

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

5. RISK MANAGEMENT COMMITTEE

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

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

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

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

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

Non – Executive Directors are paid remuneration by way of fixed commission. The commission is decided by the Board of Directors in terms of the ordinary resolution passed by the shareholders at the Annual General Meeting held on August 29, 2019 and is within the ceiling of 1% of net profits of the Company as computed under the applicable provisions of the Companies Act, 2013,

The Company has formulated a Nomination and Remuneration Policy as per which the criterion for payment of commission to Non-Executive Directors inter alia includes the time spent in attending Board/Committee meetings, time spent in perusing the paper/records/documents, time spent in participating in strategy development, contribution at the Board and certain Committee meetings and advice given to the Management from time to time on strategic matters.

The company's Nomination and Remuneration policy has been uploaded on the website of the company www.irco.com

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

Non-Executive Directors:

(Rs. In Lakhs)

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

Executive Directors:

(Rs. In Lakhs)

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

E. GENERAL BODY MEETINGS

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

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

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

F. DISCLOSURES

Related Party Transactions:

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

Reconciliation of Share Capital Audit Report:

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

Whistle Blower Policy and Vigil Mechanism:

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

Policy on determination of materiality for disclosures:

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

Dividend Distribution Policy:

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

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

G. COMPLIANCES

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

H. ADOPTION OF DISCRETIONARY REQUIREMENTS

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

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

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

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

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

I. CODE OF CONDUCT

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

J. CEO/CFO CERTIFICATION

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

K. RISK MANAGEMENT

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

L. MEANS OF COMMUNICATION

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

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

M. GENERAL SHAREHOLDER INFORMATION

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

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

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

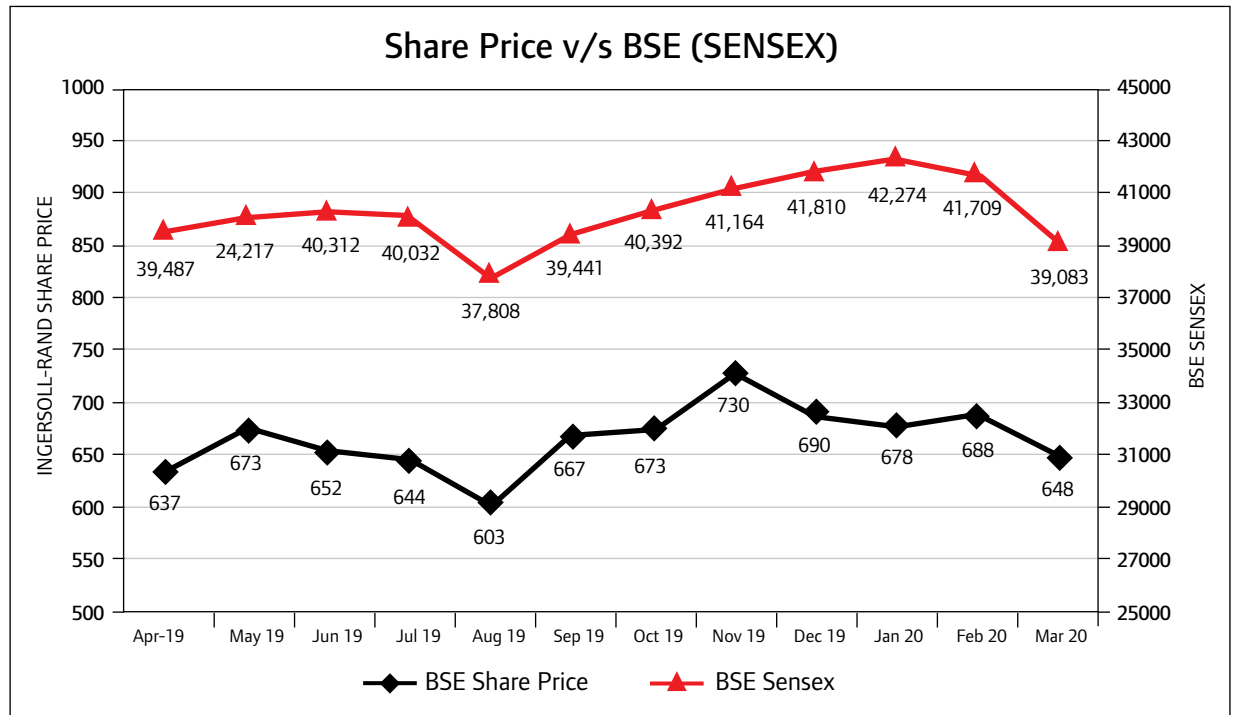
Monthly Highs and Lows for the period April 2019 to March 2020

(in Rupees)

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

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

Stock Performance in comparison to BSE Sensex:



Registrars & Share Transfer Agents

Name and Address

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

Telephone

+91 22 6656 8484

Fax

+91 22 6656 8494

E-mail

csg-unit@tsrdarashaw.com

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

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

a. Branches offices:

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

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

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

b. Agents:

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

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

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

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

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

Distribution of shares as on March 31, 2020

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

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

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

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

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

Dematerialization of shares and liquidity

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

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

Not issued

Plant Location

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

Address for correspondence

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

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

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

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

N. OTHER DISCLOSURES

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

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

Disclosure in relation with sexual harassment at workplace:

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

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Gurugram
Date: June 30, 2020

Amar Kaul
Chairman and Managing Director

Declaration - Compliance with Code of Conduct

In accordance with Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Amar Kaul, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2020.

For and on behalf of the Board of Directors

Place: Gurugram
Date: June 30, 2020

Amar Kaul
Chairman and Managing Director