



Ingersoll Rand (India) Limited
Corporate Office
Plot No. 35, KIADB Industrial Area
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INDIA
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July 21, 2011

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejibhoy Towers
Dalal Street
MUMBAI - 400 001

Subject : Eighty-ninth Annual General Meeting held on July 21, 2011

Dear Sir,

The Eighty-ninth Annual General Meeting of the Company was held as planned today at Eagleton - The Golf Resort, 30th Km., Bangalore-Mysore Highway, Shyanamangala Cross, Bidadi Industrial Area, Bangalore 562 109 at 12.00 noon.

A final dividend of Rs 3.00 per share (30%) was declared out of the profits for the year ended March 31, 2011. After considering the interim dividend of Rs 3.00 per share (30%), the total dividend pay-out for the year would absorb, in all, Rs. 189,408,000/-. The Company will pay tax on distributed profits (including surcharge and education cess) as applicable on the final dividend.

Address of the Chairman Mr. Venkatesh Valluri, to the members is enclosed for your ready reference and we shall be thankful if you arrange to inform your members accordingly.

Very truly yours,
INGERSOLL-RAND(INDIA)LIMITED

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

Encl : as above

c.c : National Stock Exchange of India Limited
c.c : Ahmedabad Stock Exchange Limited
c.c : National Securities Depository Limited
c.c : Central Depository Services Limited

REGISTERED OFFICE: PLOT No. 35, KIADB INDUSTRIAL AREA, BIDADI, BANGALORE - 562 109

ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS AND OTHER CONDITIONS BEYOND OUR CONTROL
ALL CONTRACTS ARE SUBJECT TO APPROVAL BY AN OFFICER OF THE COMPANY, QUOTATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE



INGERSOLL-RAND (INDIA) LIMITED

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

Chairman's Speech – 2011

Dear shareholders,

It gives me great pleasure to welcome you all to the 89th Annual General Meeting (AGM) of your Company. I would like to take this opportunity to provide you with an update on our progress and the road ahead.

Overview:

2010-2011 has been a year of challenges for organizations all over the world. Despite these hurdles, your company has made significant progress in the goals it established for itself. We are taking rapid steps towards achieving our vision of growing our market share and becoming a dominant player in the markets in which we operate. Over the last two years, we have refocused our approach to leverage the upcoming opportunities in an emerging economy like India. Our strategic intent has been to achieve growth, profitability, innovation and operational excellence through a balanced approach. This progress that we have made would not have been possible without your unwavering support.

We have consistently tried to create value for our Customers, Employees and Shareholders. You should be pleased to note that the market value of the company has almost doubled over the last two years. This reflects the confidence our customers, employees and shareholders have in our technology, innovation and service.

With our strong technology inheritance, our excellent team of people, and our portfolio of products and services, we are confident that with increasing opportunities in a rapidly developing market like India, we will be able to continue to grow rapidly. We achieved a number of successes in the financial year 2010-2011 and created a strong foundation for the company to build upon. I am certain that we will continue to make significant advances, to enhance competitive performance and maintain our long-term leadership in the markets we operate. We are excited and anticipate another strong year during the current financial year.

Performance 2010-2011:

Let me begin by reviewing the performance of the Company, which primarily consists of the Air Solutions business, for the financial year 2010-2011.

Overall gross sales for the year 2010-11 grew by a record 32% from Rs. 3,767 million to Rs. 4,970 million. We also recorded an extremely strong backlog for the financial year 2011-2012

Air Solutions business registered a significant growth in net operating revenue at Rs. 4,668 million as compared to Rs. 3,655 million last year. The robust growth is reflective of the focus on quality, service, geographical expansion and innovation. The profitability of the Air Solutions business decreased marginally to 12.3% of net operating revenue from 13.1%, due to inflation in commodity prices and added expenses towards talent upgrades, channel and market, expansion programs. But, management interventions on price realization, product mix and cost reduction has helped in maintaining profitability on higher net operating revenue. We continue to position ourselves strongly for the future.

The net operating revenue from contract manufacturing activity for other businesses of Ingersoll Rand, i.e., bus air-conditioners also increased during the year to Rs. 162 million as compared to Rs. 45 million in the previous year.

The profit before tax, extra ordinary and prior period items was higher at Rs. 1,019 million as against Rs. 769 million in the previous year.



The off-take of compressors by your parent company increased, despite of a cautious global environment, resulting in higher export revenues to Rs. 950 million as compared to Rs. 718 million last year. This demonstrates the recognition of our ability to produce world class products through enhanced operational efficiencies. We successfully produced the products on time and met the export requirements.

The Air-Solutions business continued to expand its service footprint and market penetration. It expanded the distribution base by appointing additional dealers. Training was imparted to our Distributors to enhance their capability to address the new technology trends.

We continue to build competencies and expanding our manufacturing footprint in India. A new manufacturing plant to expand the range of products will be set up with an approximate investment of about Rs. 100 Crores in the first phase. Land is being identified in the southern part of India for this new plant and the lease deed will be executed in due course once the formalities are completed. Construction of this plant, is likely to commence before end of December 2011. The plant will be a multi product facility catering to the growing needs of Ingersoll Rand in India.

Working Capital:

The overall working capital was managed well in a growing economic situation. Increase in inventory as on the date of balance sheet is reflective of healthy backlog of customer orders. Greater focus on receivables resulted in reduction in receivables by Rs. 11 million.

Approach to Markets:

Ingersoll Rand realizes that as India grows, energy conservation, green technologies and efficiency would become important for the future. Your company is undertaking innovative business creation initiatives including new product development, localization of specific energy efficiency and convergence technologies specifically suited for emerging economies. These approaches should help us create new opportunities for various vertical markets based on such solutions. This would be the new strategic approach for your company going forward for aggressively driving profitable growth.

Innovation, Productivity and Operational Excellence:

Over the last year, we have developed a focused approach to growth through Innovation, Productivity and Operational Excellence.

We have constantly challenged ourselves to understand our customers' needs. The key to our growth strategy thus, has been through customer-focused innovation for emerging economies made available at the right value and at the right price points. This approach supported with the creation of a strong position in the markets we operate by enhancing our brand presence and quality has led us on the path of profitable growth. We are building our future with more innovative solutions, better quality, reduced cycle times and enhanced margins and profits. When we deliver innovative, value-added solutions, we enable our customers to excel.

Additionally, our continued focus on Productivity and Operational Excellence will further drive us to become a premier performance company and create value for all stakeholders. We are further improving the operational excellence of our plant by making additional investments to ensure that it delivers world-class manufacturing productivities.

Corporate Governance:

Ethics and Values are paramount to your company and cannot be compromised. Your Company is managed under a corporate governance framework. Our Corporate Governance Guidelines ensure



that we respect legal guidelines and are consistent with the highest ethical standards wherever we do business.

As part of the continuing commitment to highest levels of corporate governance, all the requirements of Clause 49 were complied with.

Ingersoll Rand has a Code of Conduct and all employees adhere to it, conducting their business ethically, respecting others, maintaining appropriate relationships with other employees as well as our customers and suppliers and avoiding conflicts of interest. We have established an Ethics and Compliance Helpline, available 24 hours a day, seven days a week and employees can use it when faced with a difficult situation involving business ethics or compliance with the law or to report non-compliance.

Sustainability and Corporate Social Responsibility (CSR):

For businesses all over the world, it has become critical to act as responsible participants in the society they are present. Today, the rules for engagement between a society and business are changing rapidly as societies gain greater understanding of the impact of business actions. Social responsibility is changing from 'CSR projects' undertaken by organizations to encompass – what you do in the boardroom; the strategic partnerships and the public-private collaborative projects you undertake; the relation between sustainability initiatives and the business strategy; and finally the metrics that integrate the financial effects of Environment, Social and Governance (ESG) programs for sustainability into the business.

Your company stands for the highest standards in ethical business practices and sound governance and this has helped us build trust with the societies within which we operate. We are proud of the progress we've made this past year in the area of sustainability and assisting our customers in improving their sustainable business practices. Our products, services and solutions are at the forefront of environmental stewardship and we endeavor to minimize the environmental impact of our actions.

As a regular practice, we also participate in several voluntary partnerships and initiatives that help drive improved performance for our company and the greater community. You would remember the devastating floods that hit north Karnataka in 2009 leaving millions homeless. In 2010, we participated in the relief and rehabilitation program and assisted in building of 100 houses. Apart from rebuilding the completely damaged houses with safe houses, the project also included preparing the community for future challenges through the Community Based Disaster Preparedness training program.

We continue to be active participants in industry forums on sustainability and contribute to public dialogue on climate change, use of environment friendly products and energy efficiency related issues.

We believe that we have great opportunities for growth through customer-focused innovations that improve the quality of life and our environment, including many that advance sustainable business practices. Recently in partnership with Ingersoll Rand global we supported the \$300 House campaign, that is a first step in providing affordable and sustainable housing for the world's poor.

Human Resources and Branding:

In your Company, we understand that the value of employment is much more than just a paycheck. We are dedicated to providing a wide variety of competitive programs that inspire progress, promote healthy living and encourage personal growth through a variety of employee friendly programs. While our employees help us advance our business, we in turn provide a host of resources to help them achieve personal progress.



There are no operations within your Company that have any risk of incidents of child or forced labor. Your Company has no operations at which the employees' right to exercise freedom of association or collective bargaining may be at risk.

We believe that having an engaged employee work force that drives business results. We are committed to make your company one of the most desirable workplaces to work at – which is known for its innovative approach, unique growth and productivity practices and driven by organizational values and ethics that others can only hope to emulate.

Our infusion of leadership at different levels has been a key initiative in the last one year. We are also actively engaged in developing internal talent to support the growth we are envisaging.

Over the last one year, your company has been driving thought leadership programs at different industry and government forums. As a result, today, Ingersoll Rand is beginning to be considered as a leader in the markets it operates in and with the Government. We are now increasing this effort significantly in 2011 and will make added investments in creating our image and brand in India.

Outlook for 2011 – 2012:

After addressing a challenging business environment of 2010 –2011, business confidence has rebound in the current year and we expect significant growth in our served and new markets. To position the company favorably, your Company has undertaken several steps to improve the competitiveness of our product and service offerings.

Your company has worked towards improving connectivity with the installed base as well as potential customers. The enhanced services infrastructure should help us improve customer satisfaction and drive recurring revenue growth. The company continues to invest in innovation and more than a third of the revenue in the current financial year is likely to come from products and services that have been launched or localized within the last three years. Product offerings in nearly all product categories are being revamped with these new additions. There is also a tremendous focus on component localization to drive competitiveness. Efforts have been made to increase the exports from our plant by improving competitiveness of existing products as well as by enhancing the export portfolio.

Working capital management will continue to be a priority item to improve the cash flow.

Acknowledgments and Conclusion:

Ingersoll Rand India is at a threshold of change for the better. It is positioning itself for leadership in the markets it operates in. The achievements of 2010–2011 are beginning to lay the foundation for a much stronger company of the future. These achievements would not have been possible without your support and interest in the company. We wish to place on record the contribution made by the Directors on the Board by way of their guidance and advice.

We also acknowledge and thank the support of our customers, suppliers, bankers, distributors and all the employees of the company.

INGERSOLL-RAND (INDIA) LIMITED

Venkatesh Valluri
Chairman

Bangalore, July 21, 2011

Note : This does not purport to be a record of the proceedings of the Annual General Meeting.