Carrier

ANNUAL REPORT
2019-20

CARRIER AIRCONDITIONING & REFRIGERATION LTD.

INDEX

Carrier Airconditioning & Refrigeration Limited
(CIN: U74999HR1992FLC036104)

The Board of Directors:

Mr. Chirag Baijal
(DIN: 08465289)
Managing Director

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Independent Director

Mr. Pankaj Prakash Sahni
(DIN: 07132999)
Independent Director

Ms. Nandita Luthra
(DIN: 06948082)
Whole-time Director

Mr. Pritesh Agrawal
(DIN: 08757017)
Whole-time Director & CFO

Mr. Rahul Kumar Jain
(DIN: 07858457)
Whole-time Director

Mr. Har Amrit Pal Singh Dhillon
(DIN: 07043895)
Non-Executive Director

Audit Committee:

Mr. Pankaj Prakash Sahni
(DIN: 07132999)
Chairman

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Member

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

Corporate Social Responsibility Committee:

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Chairman

Mr. Chirag Baijal
(DIN: 08465289)
Member

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

Board Committees:

Nomination and Remuneration Committee:

Mr. Pankaj Prakash Sahni
(DIN: 07132999)
Chairman

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Member

Mr. Har Amrit Pal Singh Dhillon
(DIN: 07043895)
Member

Stakeholder Relationship Committee:

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Chairman

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

Mr. Har Amrit Pal Singh Dhillon
(DIN: 07043895)
Member

Key Managerial Personnel:

Mr. Pritesh Agrawal
(PAN: AESPA8051M)
Chief Financial Officer

Mr. Suraj Arora
(PAN: AZKPS4573P)
Company Secretary

Auditors:

B S R & Associates LLP, Chartered Accountants
Statutory Auditors
(Firm Registration No.: 116231W/W-100024)

Jain Sharma & Associates, Cost Accountants
Cost Auditors
(Firm Registration No.: 000270)

Vinod Kothari & Company, Company Secretaries
Secretarial Auditors
(UIN No.: P1996WB042300)

Bankers:

Hongkong & Shanghai Banking Corporation
Standard Chartered Bank
Citibank N.A.
HDFC Bank Limited
ICICI Bank Limited
Yes Bank
State Bank of India
Bank of America

Registrar and Share Transfer Agent:

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi – 110020
CIN: U67120WB2011PLC165872
Ph.: +91 011 41406149/50/51/52
E-mail: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com

Registered Office and Corporate Headquarter:

Carrier Airconditioning & Refrigeration Limited

Narsingpur, Kherki Daula Post, Gurgaon 122001, Haryana
CIN: U74999HR1992FLC036104
Tel: 0124 - 4825500, Fax: 0124 – 2372230
Email: secretarial@carrier.com
Website: www.carrierindia.com

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104
Registered Office: Narsingpur, Kherki Daula Post, Gurgaon-122001, Haryana
E-mail: secretarial@carrier.com
Website: www.carrierindia.com
Tel: +91-124-4825500 **Fax:** +91-124-2372230

NOTICE OF THE 28th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th (Twenty Eighth) Annual General Meeting of members of Carrier Airconditioning & Refrigeration Limited (the "company") will be held on Wednesday, December 16, 2020 at 2:30 P.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the company for the financial year ended March 31, 2020 and the report of Board of Directors and Auditors thereon and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

   "Resolved that the audited financial statements of the company for the financial year ended March 31, 2020 together with the report of Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To appoint Ms. Nandita Luthra **(DIN: 06948082)** who retires by rotation and being eligible, offers herself for re-appointment as a director of the company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

   "Resolved that Ms. Nandita Luthra **(DIN: 06948082)** who retires by rotation and being eligible, offers herself for re-appointment be and is hereby re-appointed as a director of the company liable to retire by rotation."

SPECIAL BUSINESS:

3. To approve the appointment and remuneration of Mr. Pritesh Agrawal **(DIN: 08757017)** as whole-time director on the Board of Directors of the company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as special resolution:

   "Resolved that pursuant to the recommendations of nomination and remuneration committee and approval of Board of Directors of the company and pursuant to provisions of section 196, 197 and 203 read with schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules including any statutory modifications and/or re-enactment thereof for the time being in force and subject to such other approvals as may be required approval of members of the company be and is hereby accorded by way of special resolution for the appointment of Mr. Pritesh Agrawal **(DIN: 08757017)** as whole-time director on the Board of Directors of the company for a period of 5 (Five) years commencing from June 8, 2020 till June 7, 2025 ("tenure").

   Resolved further that pursuant to applicable provisions of Companies Act, 2013 approval of members of the company be and is hereby accorded by way of special resolution to pay Mr. Pritesh Agrawal **(DIN: 08757017)** a total minimum remuneration of Rs. 90,60,007/- (Rupees Ninety Lakh Sixty Thousand and Seven only) per annum subject to applicable policies related to variable pay of the company up to maximum of Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakh only) per annum during his said tenure with the company in compliance with applicable provisions of the Companies Act, 2013.

Resolved further that Mr. Pritesh Agrawal **(DIN: 08757017)** shall perform such duties and functions as may be delegated to him from time to time subject to the control and superintendence of the Board of Directors of the company.

Resolved further that in event of no profit or inadequate profit in any financial year during his tenure, absolute authority/liberty is hereby given to the Board of Directors of the company by this special resolution to approve/ratify the remuneration and/or any other term of appointment of Mr. Pritesh Agrawal **(DIN: 08757017)** as may be agreed between the Board of Directors and Mr. Pritesh Agrawal **(DIN: 08757017)** from time to time subject to ceiling of remuneration mentioned in above said resolution in compliance with applicable provisions of the Companies Act, 2013.

Resolved further that for purpose of giving effect to the above said resolution the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, things, matters as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

Resolved further that any director or chief financial officer or company secretary of the company be and is hereby severally authorized to file necessary e-forms, papers with statutory authorities including to Registrar of Companies as may be required and to seek approval of appropriate statutory authorities if required under law to give effect the above said resolution."

4. To ratify remuneration of cost auditors of the company for the financial year 2020-21 and in this regard to consider and if though fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification and/or re-enactment thereof for the time being in force the remuneration of Jain Sharma and Associates, Cost Accountants, (Firm Registration No. 000270) who have been appointed as cost auditors by the Board of Directors on the recommendation of audit committee to conduct the audit of the cost records of the company as per the scope of work approved by the Board of Directors for the financial year 2020-21 at the remuneration of Rs. 3,45,800/- (Rupees Three Lakh Forty-Five Thousand and Eight Hundred only) excluding out of pocket expenses and taxes as applicable as determined by the Board of Directors be and is hereby ratified.

Resolved further that any director or chief financial officer or company secretary of the company be and is hereby severally authorized to do all such necessary acts, deeds as may be required to give effect to this resolution including but not limited to making filings with office of Registrar of Companies and to issue certified true copy of this resolution as and when required."

Registered Office:

Carrier Airconditioning & Refrigeration Limited
CIN: U74999HR1992FLC036104
Regd. Office: Narsingpur, Kherki Daula Post,
Gurgaon – 122001, Haryana
Website: www.carrierindia.com
E-mail: secretarial@carrier.com
Tel: +91-124-4825500
Fax: +91-124-2372230

Date: November 12, 2020
Place: Gurugram

By order of the Board of Directors
For **Carrier Airconditioning & Refrigeration Limited**

Sd/-
Suraj Arora
Company Secretary
Membership No.: FCS 10752

NOTES:

1. In Accordance with General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and/or any other applicable notification/circular (collectively referred to as "MCA Circulars") issued by Ministry of Corporate Affairs ("MCA") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 and the rules made thereunder the 28th AGM of the company will be held though VC/OAVM and the members can attend and participate in the 28th AGM of the company through VC/OAVM. The deemed venue for the 28th AGM shall be the registered office of the company i.e. Carrier Airconditioning & Refrigeration Limited, Narsingpur, Kherki Daula Post, Gurgaon-122001, Haryana, India.

2. The explanatory statement pursuant to section 102 of the Companies Act 2013 with respect to the special business to be transacted at the AGM is annexed hereto and forms part of this notice.

3. Generally a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. Since this 28th AGM of the company is being held through VC/OAVM pursuant to the MCA circulars, physical attendance of members has been dispensed with. Accordingly the facility for appointment of proxies by the members will not be available for the 28th AGM of the company and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the 28th AGM will be held through VC/OAVM, the route map of the venue of the AGM is not annexed hereto.

5. Details of Directors retiring by rotation /seeking appointment at the 28th AGM of the company are provided in the **"Annexure"** to the Notice.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

6. In compliance with the MCA Circulars Notice of the 28th AGM of the company along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the company/ depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the company's website www.carrier.com/building-solutions/en/in/investor/ on the website of Registrars and Share Transfer Agent (R&T Agent) of the company i.e. MCS Share Transfer Agent Limited at http://www.mcsregistrars.com/downloads.php and also on the website of CDSL at www.evotingindia.com.

7. For receiving all communications including Annual Report from the company electronically:

   Members holding shares in physical mode and who have not registered / updated their email address with the company are requested to register / update the same by writing to the company with details of folio number and attaching a self-attested copy of PAN card at secretarial@carrier.com or to registrar & share transfer agent of company i.e. MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020 at admin@mcsregistrars.com.

   Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR JOINING THE AGM THORUGH VC/ OAVM:

8. Members will be provided with a facility to attend the 28th AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of company will be displayed.

9. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the instructions for shareholders for remote e-voting below after point 15.

10. Members can join the 28th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting. The facility of participation at the 28th AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 28th AGM without restriction on account of first come first served basis.

11. Members are encouraged to join the meeting through Laptops / IPads for better experience.

12. The participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

13. The Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the 28th AGM.

14. The Members who would like to express their views/ask questions during the 28th AGM may register themselves as a speaker by sending their request in advance at least 15 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at company email id secretarial@carrier.com. Those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

15. The members who do not wish to speak during the 28th AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id secretarial@carrier.com. These queries will be replied to by the company suitably by email.

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

Pursuant to the provisions of section 108 of the Companies Act read with rule 20 of the Companies (Management and Administration) Rules, 2014 and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 as amended from time to time the company is pleased to provide remote e-voting facility to its members to cast their votes electronically on all resolutions set forth in this notice. The members may cast their votes remotely using an electronic voting system on the dates mentioned herein below ("remote e-voting").

For this purpose, the company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the 28th AGM will be provided by CDSL.

i. The voting period begins on December 13, 2020 at 09:00 a.m. and ends on December 15, 2020 at 05:00 p.m. During this period shareholders of the company, holding shares either in physical form or in dematerialized form as on the cut-off date (record date) of December 9, 2020 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

iii. The shareholders should log on to the e-voting website www.evotingindia.com.

iv. Click on "Shareholders" module.

v. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in physical form should enter folio number registered with the company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

vi. Next enter the image verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company then your existing password is to be used.

viii. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the company/Depository Participant are requested to use the sequence number sent by company/RTA or contact company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for Carrier Airconditioning & Refrigeration Limited on which you choose to vote Click on the relevant EVSN for.

xiii. On the voting page you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.

xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xix. Members can also cast their votes using CDSL’s mobile app “m-Voting” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 28th AGM ARE AS UNDER:

16. The facility for voting through electronic voting system during the 28th AGM shall be made available only to those members who would be present in the 28th AGM through VC/OAVM facility and have not casted their votes on the resolutions through remote e-voting and are otherwise not barred from doing so. The procedure for e-voting on the day of the 28th AGM is same as the instructions mentioned above for remote e-voting.

17. If votes are casted by the shareholders through the e-voting available during the 28th AGM and if the same member have not participated in the meeting through VC/OAVM facility, then the votes casted by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM.

18. Shareholders who have voted through remote e-voting will be eligible to attend the 28th AGM. However they will not be eligible to vote at the 28th AGM. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his/her share in the paid-up equity share capital of the company as on the cut-off date i.e., Wednesday, December 9, 2020.

19. The Board of Directors have appointed Vinod Kothari & Company practicing company secretaries, New Delhi as scrutinizer to scrutinize the e-voting during 28th AGM and remote e-voting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

NOTE FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:

20. Non-Individual shareholders i.e. other than Individuals, HUF, NRI etc. and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

21. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

22. After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

23. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their votes.

24. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

25. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the company at the email address secretarial@carrier.com if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

    If you have any queries or issues regarding attending 28th AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

    All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

    PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

    For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to company ID secretarial@carrier.com or admin@mcsregistrars.com

    For Demat shareholders- please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to company ID secretarial@carrier.com/admin@mcsregistrars.com

    After due verification the Company / RTA will forward your login credentials to your registered email address.

    PROCEDURE FOR INSPECTION OF DOCUMENTS:

26. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Companies Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the 28th AGM of the company. Members seeking to inspect such documents can send an email to secretarial@carrier.com

27. Members seeking any information with regard to the accounts or any matter to be placed at the 28th AGM are requested to write to the Company on or before Monday, December 7, 2020 through email on secretarial@carrier.com The same will be replied by the company suitably.

    IEPF RELATED INFORMATION:

28. Pursuant to the provisions of section 124 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules, 2016") the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) Constituted by the Central Government.

29. As per the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the company has uploaded the details of unpaid and unclaimed dividend amounts lying with the company on its website and the same can be accessed through the web-link: www.carrier.com/building-solutions/en/in/investor/. The said details have also been uploaded on the

website of investor education and protection fund and the same can be accessed through the link: www.iepf.gov.in.

30. The members who have not yet encashed their dividend warrant(s) for such period may send their request for revalidation of dividend warrant(s) or issue of duplicate dividend warrant(s) as the case may be to the company well before the due date of transfer to IEPF. Unclaimed amount of final dividend declared by the company for the financial year 2009-10 was transferred to the investor education and protection fund in the year 2017 within the prescribed time.

31. Attention of the members is also drawn to the provisions of section 124(6) of the Companies Act which require a company to transfer all the shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more in the name of IEPF authority. In accordance with the aforesaid provision of the Companies Act read with IEPF Rules, 2016 as amended from time to time the company has already taken necessary action for transfer of all shares in respect of which dividend declared has not been paid or claimed by the members for seven (7) consecutive years or more. Members are advised to visit the web-link: www.carrier.com/building-solutions/en/in/investor/ to ascertain details of shares transferred in the name of IEPF authority.

OTHER INFORMATION

32. Members attending the 28th AGM through VC/ OAVM shall be reckoned for the purpose of the quorum under section 103 of the Companies Act.

33. The company's ISIN number is INE040I01011.

34. The members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Ltd. registrar and share transfer agent of the company for consolidation into a single folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

35. In case of joint holders only such joint holder whose name appears as the first holder in the order of names as per the register of members of the company shall be entitled to attend and vote.

36. Pursuant to section 72 of the Act the members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13 pursuant to the rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 to the registrar and transfer agents of the company. Members holding shares in demat form may contact their respective depository participants for recording of nomination.

37. Non-resident Indian members are requested to inform the company's registrar & share transfer agent MCS Share Transfer Agent Limited immediately: (i) the particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank if not furnished earlier and (ii) any change in their residential status on return to India for permanent settlement.

38. The ministry of corporate affairs has taken a green initiative in corporate governance by allowing paperless compliances by the companies and has issued circulars allowing companies to send official documents to their members electronically to prevent global environment degradation. In support of the green initiative your company proposes to send the documents i.e. notice convening general meetings, annual report containing audited financial statements, directors' report, auditors' report etc. and other communications in electronic form. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses in respect of electronic holdings with the depository through their concerned depository participants. The members who hold shares in physical form are requested to register their e-mail addresses with the company.

39. The register of members and the share transfer register of the company will remain closed from Thursday, December 10, 2020 till Wednesday, December 16, 2020 (both days inclusive) for the purpose of 28th AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means and voting at the 28th AGM is Wednesday, December 9, 2020.

40. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, December 9, 2020 shall only be entitled to avail the facility of remote e-voting / e-voting during 28th AGM. Any person who acquires shares of the company and become member of the company after dispatch of the notice and holding shares as on the cut-off date i.e. Wednesday, December 9, 2020 may obtain their user ID and password for remote e-voting and e-voting during 28th AGM by sending a request to registrar & share transfer agent i.e. MCS Share Transfer Agent Limited at admin@mcsregistrars.com.

41. The scrutinizer after scrutinizing the votes casted at the 28th AGM (e-voting during 28th AGM) and through remote e-voting, will not exceeding 3 days from the conclusion of the 28th AGM, make a consolidated scrutinizer's report of the votes casted in favor or against, if any, and submit the same to the chairman of the 28th AGM. The results declared shall be available on the website of the company www.carrier.com/building-solutions/en/in/investor/ and on the website of the CDSL. The resolutions will be deemed to be passed on the date of 28th AGM subject to receipt of the requisite number of votes in favor of the resolutions.

Annexure

Name and Designation of the Director	**Ms. Nandita Luthra** **Whole-time Director**	**Mr. Pritesh Agrawal** **Whole-time Director**
Director Identification Number	06948082	08757017
Date of Birth (Age in years)	October 14, 1968 (52 years)	August 16, 1976 (44 years)
Original Date of Appointment	April 1, 2019	June 8, 2020
Qualifications	B.Sc., L.LB	Chartered Accountant and Company Secretary
Experience and expertise in specific functional area	26 years	18 plus years varied experience across manufacturing and service sectors - Airconditioning and Refrigeration, Elevators, Security Systems, Pharmaceuticals, Cement and Plastics. Worked extensively on Financial Planning, Controllership, Business finance, Taxes and Treasury aspect in various finance positions.
Shareholding in the company	Nil	Nil
Remuneration last drawn from company in FY 2019-20	20,643,252/-	4,716,458/-
Number of board meetings attended during the financial year	3 (Three)	Nil He was appointed additional director w.e.f. June 8, 2020 and whole-time director w.e.f. June 8, 2020

Name and Designation of the Director	Ms. Nandita Luthra Whole-time Director	Mr. Pritesh Agrawal Whole-time Director
Terms and conditions of appointment/ re-appointment and remuneration	Appointed as a whole-time director liable to retire by rotation. As per nomination and remuneration policy forming part of director's report.	Appointed as a whole-time director liable to retire by rotation. As per nomination and remuneration policy forming part of director's report.
Relationship with other director/ KMP	No relationship with other director/KMP	No relationship with other director/KMP
Directorships held in other companies	Nil	Nil
Members/Chairmanship of committees in public limited companies in India	Nil	Carrier Airconditioning & Refrigeration Limited – member of audit committee, member of stakeholder relationship committee and member of corporate social responsibility committee.

<u>EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:</u>

Item No. 3: To approve the appointment and remuneration of Mr. Pritesh Agrawal (DIN: 08757017) as whole-time director on the Board of Directors of the company:

The Board of Directors of the company in their meeting held on August 10, 2020 on the recommendation of the nomination and remuneration committee appointed Mr. Pritesh Agrawal **(DIN: 08757017)** as an additional director of the company with effect from June 8, 2020. The Board of Directors also appointed him as whole-time director of the company for a period of 5 (Five) years with effect from June 8, 2020 subject to approval of members of the company and on terms and conditions including remuneration as recommended by nomination and remuneration committee and approved by the Board of Directors of the company.

It is proposed to seek member's approval for resolution given in item number 3 above for appointment and remuneration of Mr. Pritesh Agrawal **(DIN: 08757017)** as Whole-time director of the company in terms of applicable provisions of the Companies Act. Mr. Pritesh Agrawal **(DIN: 08757017)** shall get a minimum remuneration of Rs. 90,60,007/- (Rupees Ninety Lakh Sixty Thousand and Seven only) per annum subject to applicable policies related to variable pay of the company up to a maximum of Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakh only) per annum in compliance with applicable provisions of Companies Act, 2013.

Mr. Pritesh Agrawal **(DIN: 08757017)** satisfies all other conditions set out in part-I of schedule V, section 196 (3) of the Companies Act and eligible for his appointment. He is not disqualified from being appointed as whole-time director in terms of section 164 of the Companies Act. Notice in writing under section 160 of the Companies Act, 2013 is received from Mr. Pritesh Agrawal **(DIN: 08757017)** signifying his candidature for the office of whole-time director of the company. The above may also be treated as a written memorandum setting out the terms of appointment of Mr. Pritesh Agrawal **(DIN: 08757017)** under section 190 of the Companies Act.

Additional information in respect of Mr. Pritesh Agrawal **(DIN: 08757017)** as required in the secretarial standard is appearing in the notes to notice. Mr. Pritesh Agrawal **(DIN: 08757017)** is interested in the resolution set out at item number 3 of the notice. Save and except the above, none of the other directors / key managerial personnel of the company / their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board of Directors recommends the special resolution set out at item number 3 of the notice for approval by members of company and relevant documents related to above said resolution can be inspected at the registered office of the company during business hours up to the date of passing of above resolution.

Item No. 4: To ratify remuneration of cost auditors of the company for the financial year 2020-21:

In terms of the provisions of section 148(3) of the Companies Act, 2013 read with rule 14 of the Companies (Audit & Auditors) Rules, 2014 the remuneration payable to the cost auditors shall be fixed by the Board of Directors of the company on the recommendation of the audit committee and the same shall be subsequently ratified by the members of the company at a general body meeting.

The Board of Directors of the company on the recommendation of the audit committee has approved the remuneration of Jain Sharma & Associates, Cost Accountants (Firm Registration No. 000270) as cost auditors of the company to conduct the audit as per the scope of work approved by the Board of Directors, of the cost records of the company for the financial year 2020-21 at a remuneration of Rs. 3,45,800/- (Rupees Three Lakh Forty-Five Thousand and Eight Hundred Only) excluding out of pocket expenses and taxes as applicable.

Accordingly the consent of the members is sought by passing an ordinary resolution as set out at item number 4 of the notice for ratification of the remuneration payable to the cost auditors for the financial year 2020-21.

None of the directors/key managerial personnel/ their relatives are in any way concerned or interested financially or otherwise in this resolution.

By order of the Board of Directors
For **Carrier Airconditioning & Refrigeration Limited**

Registered Office:
Carrier Airconditioning & Refrigeration Limited
CIN: U74999HR1992FLC036104
Regd. Office: Narsingpur, Kherki Daula Post,
Gurgaon – 122001, Haryana
Website: www.carrierindia.com
E-mail: secretarial@carrier.com
Tel: +91-124-4825500
Fax: +91-124-2372230

Sd/-
Suraj Arora
Company Secretary
Membership No.: FCS 10752

Date: November 12, 2020
Place: Gurugram

BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 28th (Twenty Eighth) Annual Report on the business and operations of your company along with audited financial statements and Auditor's report thereon for the financial year ended March 31, 2020.

The company's financial performance for the year ended March 31, 2020 is summarized below:

1. Financial Performance: **(In INR Lakh)**

Particulars	March 31, 2020	March 31, 2019
Revenue from operations	152,444	147,681
Other Income	2,501	3,457
Total Income	154,945	151,138
Total Expenses	146,880	140,315
Profit before tax	8,065	10,823
Tax Expense	3,320	4,021
Profit for the year (A)	4,745	6,803
Items that will not be reclassified to profit or loss (B)	(151)	(162)
Total comprehensive income for the year (A) + (B)	4,594	6,641
Basic Earnings per Share*	4.46	6.40

** Nominal Value per share Rs. 10*

2. State of Affairs of the company and outlook:

During the financial year ended March 31, 2020 your company has total net revenue from operations is Rs. 152,444 Lakh as against Rs. 147,681 Lakh in the previous financial year and total comprehensive income is Rs. 4,594 Lakh against Rs. 6,641 Lakh in the previous financial year.

An update on performance of your company's main business segments is mentioned herein below:

Light Commercial Airconditioning (LC): Unitary business is dominated in India by ducted and cassettes.

Ducted Segment: Your company did well in ducted segment (especially with launch of inverter ducted in 2018). This product is highly energy efficient and widely accepted across all segments. Going forward your company is working on products which create a benchmark in terms of technology and energy efficiency.

Cassette Segment: The BEE labelled Cassette range is gaining traction in the market. Customers are looking at efficiency levels for taking buying decisions and so are the requirement of Inverter Cassette is also increasing. We have Inverter range of cassettes in Toshiba and working on new cassette products in Carrier as well.

Commercial Airconditioning: The commercial business sales grew significantly on the backdrop of growth across locally manufactured screw chillers with deeper penetration into segments like pharma and industrial. The portfolio expansion in the centrifugal range with improved efficiency levels and the water-cooled screw chillers helped your company improve share of segment in tough economic environment.

Toshiba: The business unit continued driving growth through innovative energy efficient and highly reliable products. Your company repeated its success in the light commercial range which has VRF, inverter high walls, inverter cassettes and ducted products. There were prestigious wins in healthcare, hospitality, condominiums, retails, institutions, corporates and also the company was able to enter new segment of e-commerce and retail business which shall yield both TL and BL in years to come, especially when this industry in India is growing in double digit.. Toshiba is now a much sought after brand known for high end airconditioning technology and quality products in the market. Your company continued to invest in talent across all businesses and all geographies. Many new additions were done to support our growth initiatives. We opened new offices and added people across the regions. During the year, your company has launched new range of products to enter some new segment and capture market.

The new product introductions in SMMS7 top discharge VRF and mini SMMS7 side discharge VRF, made by your company were well accepted in market owing to superior energy efficiency, reduced footprint and local fit design.

Commercial and Toshiba Service: In line with growth requirement of the organization, after market team took various initiatives such as retrofits, capture and recapture (third party machines) in our contracts. For commercial applied segment, your company has focused on recapture and retrofits /upgrade of chillers along with annual maintenance contracts for plant rooms. The focus of the company has also been on the connected services to diagnose failure, predictive maintenance and taking prior corrective actions. Also with the help of mobility app which was launched last year your company is focusing on implementing and working with the channel to enhance the customer experience which going forward would help to reduce the down time on account of spares. Apart from this we are digitizing our commercial applied portfolio which will help us to move to paperless office, increase productivity and have more visibility.

Channel Business Service: With the new organization design in place and closer to the customer and in line with the growth requirement and customer enhanced experience, the focus got sharper onto the initiatives like Recapture and Retrofits and move on to digitization–, PM Module, MRP process in Spare Parts, Mobility. The emphasis continued getting the customers into an Annual Maintenance Contracts, would be the key with GTM and connect with the Customers in main cities and upcountry. The focus on “Connected Services” continued in LC Segment Customers.

TOTALINE: Your company has focused on sale of Carlyle compressors business and has grown 100% on Carlyle. TOTALINE has introduced new products in its offering to touch base on high demand for these products and increase market penetration thereby continuing the momentum in financial year 2019-20.

Commercial Refrigeration: The Sales grew steadily in last year with major growth coming in from non-food retail or cold room market. Your company retained its SOS with the major food retail customer’s. The food retail business was relatively slow because of external factors influencing the investment of major global food retail chains in India. Your company’s commercial refrigeration business saw good jump coming in channel sales. The company also expanded wings in the India Region countries and steadily grew sales in the neighboring countries. The company also expanded its business in certain special segments like IQF, mushroom growth chambers etc.

The service business again witnessed consistent growth over last year and tapped more multinational and local top segments. The company effectively positioned our energy saving solutions such as compressor rack, condensers and localized condensing units with two-stage Carlyle compressors coupled with robust application and project management support helping sustain our share of wallet with existing key accounts as well as expanding our footprint to local retailers/independents entering the fray.

Carrier Commercial Refrigeration continued to present industry in many forums both in India and globally. Our Managing Director Mr. Viney Khunger-Commercial Refrigeration was panelist in the discussions hosted by All India Cold chain Federation in Agra as well as he represented the organization in Asia cold chain show held in Kathmandu last year. This gives lots of boost to international partners plus gives organization an additional visibility in international forums.

Transicold: Carrier Transicold India continue to innovate, provide sustainable solutions and educate cold chain industry stakeholders in order to establish robust cold chains in India. We continue to be the preferred suppliers of truck refrigeration systems due a large and reliable sales and service network which has now grown to more than 60 service centers pan India.

Carrier Transicold Business channeled its focus to increase its geographic reach and build its brand image by penetrating tier II and tier III cities and towns. We received orders from several such locations for F and

V, Milk and dairy product transportation, where our focus on new products in the CitimaxTM range and CitifreshTM has met with success.

The latest introductions of CitimaxTM 280, CitimaxTM 350, CitimaxTM 400 and the CitimaxTM 700 for chilled and frozen applications has gained traction in the direct vehicle engine driven segment. The acceptance of Supra® 550 and Supra® 850 has also witnessed an uptick in the fast-evolving Diesel Truck category.

The refrigerated transportation segment has steadily grown over the past few years due focus on the growth of cold chain from the government and industry. Major market drivers owing to this growth are the increase in quick service restaurant chains, growth in the pharmaceuticals and dairy segment as well as foreign investments and initiatives taken by government.

Carrier Transicold continues to foster strong relations with cold chain clients, truck and container manufacturing OEM's. Our continuous efforts of educating and training our clients as well as policy engagement with various government bodies have enabled better understanding of the cold chain in India.

In light of our efforts to reduce food loss and creating awareness in the rapidly growing cold chain sector, Carrier Transicold India has been actively involved with various initiatives of the Ministry of Agriculture and Ministry of Food Processing Industries in spreading awareness about the cold chain.

We continue to be an active member of the Confederation of Indian Industry (CII) Task Force on Post Harvest and Logistics and the National Center for Cold Chain Development (NCCD) set up by the Government of India to promote the usage of the cold chain.

Members of the Carrier Transicold India team are regular speakers at various cold chain conferences which focus on reducing food losses and increasing farmers' income by better connectivity to new markets.

Carrier Transicold India is committed to providing efficient cold chain solutions by offering sophisticated equipment, engineered applications, sharing vast experience and offering access to best global practices. Our strength lies in adapting products to suit Indian conditions, engineering them as per requirement and supporting them with our after-sales team.

AdvanTE3C:

AdvanTEC Solutions Center worked on Carrier's approach of energy sustainability in brownfield market offering differentiated and customized solutions of chilled water plant room for customers. Carrier's experts in the AdvanTEC Solutions group has been continuously applying innovations to capture greater energy efficiency and environmental benefits. Further, focusing the business growth in air side healthy building solutions for our customers.

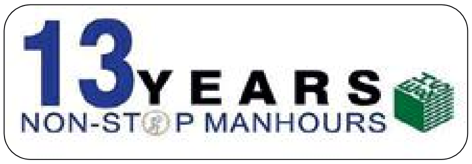
3. Environment, Health and Safety:

At Carrier India, EH&S is one of our key absolutes and imperatives to success and we all are committed to this value. We want all our employees and partners to return home safe every day.

Our this fundamental effort is now making us differentiated in the marketplace and also helping stakeholders connected with us in the form of customers, vendors, dealers and service providers to become aware of EH&S and benefit from the same too.

2019 has been a year of great pride and honor towards our contribution towards safety. We are pleased to inform you that Carrier India Commercial HVAC achieved their 'Zero Accident' (LWIR & TRIR) goals in 2019. We achieved an audit rating of 88% and 85% in Carrier Annual EH&S Program Evaluation Review Audit for Factory & Carrier S&D.

Carrier India (HVAC) has crossed 13 Years (28 Million Man Hours) without a lost-time incident which essentially means that no work hours were lost due to an employee injury for employees in factory and S&D.



We were delighted to see the positive trend of internal and external initiatives for safety practices from our employees, channels and customers as well. We call upon every individual in Carrier India to sustain this achievement since the satisfaction of our employees and customers is key to achieving superior operational results.

"I am counting on your leadership and commitment towards driving these initiatives and achieving our safety goals for 2020. Our families are counting on us and I am sure that they would want each one of us to return home safely at the end of the day". - Chirag Baijal, Managing Director

This remarkable achievement not only exemplifies our Company's focus on employee's safety but also underscores our EH&S leadership as a best-in-class organization within our industry. In this journey we have earned many other milestones for its commitment to health and safety and our continued focus on environment goals from 2015 to 2019 in factory highlighted below:

- 13% absolute reduction in Energy usage.
- 25% absolute reduction in Water consumption.
- 38 % absolute reduction in Hazardous Waste.

Let's sustain and reinforce our belief every day in creating a safe work environment by behaving in a responsible way on safety, health and environment and becoming an employer of choice a first choice for HVACR for our customers.

Safety Always Wins

4. Reserves:

No amount is transferred to the general reserve during the financial year under review.

5. Change in the nature of business if any:

There are no changes in business of the company during the year under review.

6. Dividend:

In order to cater working capital requirements of the company, the Board of Directors did not recommend any dividend on the equity shares of the company for the financial year 2019-20.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company`s operations in future:

No significant and material orders had been passed by the regulator or courts or tribunals impacting the going concern status and company's operations in future.

8. The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:

During the financial year under review, no company has become or ceased to be subsidiary, joint venture or associate of your company.

9. Changes in Board of Directors and Key Managerial Personnel:

During the financial year under review and till the date of this report the following changes have occurred in the composition of Board of Directors and Key Managerial Personnel of the company:

S. No.	Name of Director	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1.	Mr. Arun Kumar Bhatia (DIN:00031279)	Managing Director	March 27,2015	June 25, 2019	Resignation
2.	Mr. Chirag Baijal (DIN: 08465289)	Managing Director	June 25, 2019	N.A.	N.A.
3.	Ms. Nandita Luthra (DIN: 06948082)	Whole-time Director	April 1, 2019	N.A.	N.A.
4.	Mr. Har Amrit Pal Singh Dhillon (DIN:07043895)	Non-Executive Director	April 1, 2019	N.A.	N.A.
5.	Mr. Sugeeth Kumar (DIN: 07420265)	Whole-time Director & Chief Financial Officer	February 12, 2016	March 25, 2020	Resignation
6.	Mr. Pritesh Agrawal (DIN: 08757017)	Chief Financial Officer & Whole-time Director	March 25, 2020 June 8, 2020	N.A.	N.A.
7.	Kunal Aggarwal (PAN: AILPA0760E)	Company Secretary	September 22, 2016	June 21, 2019	Resignation
8.	Suraj Arora (PAN: AZKPS4573P)	Company Secretary	July 1, 2019	N.A.	N.A.

Further in accordance with the articles of association of the company and relevant provisions of the Companies Act, 2013, Ms. Nandita Luthra **(DIN: 06948082)**,whole-time director is liable to retire by rotation at the 28th annual general meeting and being eligible offer herself for re-appointment and resolution for her re-appointment is purposed in the notice of 28th annual general meeting of the company. This shall not constitute a break in her office as whole-time director of the company.

10. Number of meetings of the Board of Directors:

During the financial year under review the company had four meetings of the Board of Directors as per section 173 of Companies Act, 2013 on June 25, 2019, August 13, 2019, December 6, 2019 and March 24, 2020. The provisions of Companies Act, 2013 and secretarial standard 1 for meetings of Board of Directors issued by The Institute of Company Secretaries of India were adhered to while considering the time gap between two meetings. The composition of the Board of Directors and their attendance at the board meetings during the financial year 2019-20 is as below:

S. No.	Name of the Directors and Director Identification Number	Category of Directorship	No. of Board Meetings during tenure of respective Board Member	
			Held	Attended
1.	Mr. Arun Kumar Bhatia* (DIN: 00031279)	Managing Director	1	1
2.	Mr. Chirag Baijal** (DIN: 08465289)	Managing Director	4	4
3.	Mr. Narendra Singh Sisodia (DIN: 06363951)	Non-Executive Independent Director	4	4
4.	Mr. Pankaj Prakash Sahni (DIN: 07132999)	Non-Executive Independent Director	4	2

S. No.	Name of the Directors and Director Identification Number	Category of Directorship	No. of Board Meetings during tenure of respective Board Member	
			Held	Attended
5.	Ms. Nandita Luthra (DIN: 06948082)	Whole-time Director	4	3
6.	Mr. Sugeeth Kumar (DIN: 07420265)	Whole-time Director & Chief Financial Officer	4	4
7.	Mr. Rahul Kumar Jain (DIN: 7858457)	Whole-time Director	4	4
8.	Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895)	Non-Executive Director	4	3

** Mr. Arun Kumar Bhatia resigned with effect from June 25, 2019.*
*** Mr. Chirag Baijal was appointed with effect from June 25, 2019.*

11. Directors' Responsibility Statement:

In terms of the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 the Board of Directors of the company confirms that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Secretarial Standards:

The directors state that applicable secretarial standards issued by the Institute of Company Secretaries of India i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the company.

13. Declaration of independence by independent directors:

Declarations given by independent directors meeting the criteria of independence as provided in sub-section (7) of section 149 of the Companies Act, 2013 and the relevant rules are received and taken on record by the Board of Directors of the company.

14. Annual Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual performance evaluation of independent directors and of its own performance and that of its committees and individual directors for the year under review. Members of nomination and remuneration committee have also carried out evaluation of every director's performance. The independent directors assessed the performance of non-independent directors and other directors of the company as well as of the board as a whole for the financial year and timeliness of flow of information between management and the board. The manner of performance evaluations was based on parameters including but not limited to knowledge of business/operations of the company, effective participation in board/committee meetings, independence, their value addition/ contribution to company's objectives and plans, efficient discharge of their responsibilities, governance, trust & confidentiality and other relevant parameters. It was further acknowledged that board, every individual director and committee of the board contributes its best in the overall growth of the organization and the independent directors are having expertise, experience (including the proficiency) and integrity.

15. Corporate Social Responsibility (CSR):

Your company is committed to the belief that it exists not just to run business and generate profits but also to fulfill its duties as a responsible corporate citizen. Your company recognizes its need to deliver value to the society which is the reason for its existence. Your company's most important responsibility is to fulfill the expectations of stakeholders and to continuously improve social, environmental and economic performance while ensuring the sustainability and operational success of your company. Your company has undertaken activities as per the CSR policy available on company's website: https://www.carrier.com/building-solutions/en/in/investor the details thereof are given in **Annexure "A"** forming an integral part of this report. Your company will continue to support projects that are consistent with the policy.

16. Nomination and Remuneration Policy:

The Board of Directors has on the recommendation of the nomination and remuneration committee framed a policy for selection and appointment of directors, key managerial personnel, senior management and their remuneration including criterion for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Companies Act, 2013. The policy formulated by nomination and remuneration committee under is attached as **Annexure "B"** forming an integral part of this report. and is also available on https://www.carrier.com/building-solutions/en/in/investor.

17. Annual Return:

As required under section 134(3)(a) of the Companies Act, 2013, the annual return for the financial year ended March 31, 2020 as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 has been placed on the company's website and can be accessed at www.carrier.com/building-solutions/en/in/investor/

18. Audit Committee:

Composition of Audit Committee:

The audit committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. The committee comprises of following three directors out of which two are independent directors and one is whole-time director. During the year, all the recommendations made by the audit committee were accepted by the Board.

- Mr. Pankaj Prakash Sahni, Chairman & Non-Executive Independent Director;
- Mr. Narendra Singh Sisodia, Non-Executive Independent Director; and
- Mr. Sugeeth Kumar Whole-time Director & Chief Financial Officer

On account of resignation of Mr. Sugeeth Kumar on March 25, 2020 the Board of Directors has reconstituted the audit committee and appointed Mr. Pritesh Agrawal as member of the audit committee with effect from June 8,2020.

Meetings and Attendance:

During the financial year under review three meetings of audit committee were held on June 25, 2019; August 13, 2019 and March 24, 2020. The attendance of the members of audit committee meetings during the financial year 2019-20 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Pankaj Prakash Sahni	Non-Executive Independent Director	3	2
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	3	3
Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	3	3

19. Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee:

The nomination and remuneration committee review and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review the committee comprises of the following three directors out of which two are independent directors and one is non-executive director :

- Mr. Pankaj Prakash Sahni, Chairman & Non-Executive Independent Director;
- Mr. Narendra Singh Sisodia, Non-Executive Independent Director; and
- Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director

Meetings and Attendance:

During the financial year under review three meetings of nomination and remuneration committee were held as on June 25, 2019; August 13, 2019 and March 24, 2020. The attendance of members of nomination and remuneration committee meetings held during the financial year 2019-20 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Pankaj Prakash Sahni	Non-Executive Independent Director	3	2
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	3	3
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	3	3

20. Corporate Social Responsibility Committee:

Composition of Corporate Social Responsibility Committee:

The corporate social responsibility committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review the committee comprises of following three directors out of which one is non-executive independent director and two are executive directors:

- Mr. Narendra Singh Sisodia, Chairman &Non-Executive Independent Director;
- Mr. Chirag Baijal, Managing Director; and
- Mr. Sugeeth Kumar Whole-time Director & Chief Financial Officer

On account of resignation of Mr. Arun Kumar Bhatia on June 25, 2019 the Board of Directors has reconstituted corporate social responsibility committee (CSR) and appointed Mr. Chirag Baijal, Managing Director as member of the committee with effect from June 25, 2019. Due to resignation of Mr. Sugeeth Kumar the Board of Directors again reconstituted the CSR committee and appointed Mr. Pritesh Agrawal as member of CSR committee with effect from June 8,2020.

Meetings and Attendance:

During the period under review two meeting of corporate social responsibility committee was held as on August 13, 2019 and March 24, 2020. The attendance of the members of corporate social responsibility at the meeting during the financial year 2019-20 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	2	2
Mr. Chirag Baijal	Managing Director	2	2
Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	2	2

21. Stakeholder Relationship Committee:

Composition of Stakeholder Relationship Committee:

The stakeholders' relationship committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review, the committee comprises of the following three directors out of which first is non-executive independent director, second is executive director & chief financial officer and third is non-executive director:

- Mr. Narendra Singh Sisodia, Chairman & Non-Executive Independent Director;
- Mr. Sugeeth Kumar, Whole-time Director & Chief Financial Officer; and
- Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director.

On account of resignation of Mr. Sugeeth Kumar on March 25, 2020 the Board of Directors has reconstituted Stakeholder Relationship Committee and appointed Mr. Pritesh Agrawal whole-time director as member of the committee with effect from June 8,2020.

Meetings and Attendance:

During the period under review one meeting of stakeholder's relationship committee was held on March 24, 2020 with following members:

Chief Financial Officer	Category	No. of Meetings	
		Held	**Attended**
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	1	1
Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	1	1
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	1	1

22. Statutory Auditor and Auditor's Report:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and rules framed thereunder B S R & Associates LLP, Chartered Accountants (Firm Registration Number: 116231W/W-100024) was appointed as statutory auditors of the company in the adjourned 25th annual general meeting (AGM) held on September 27, 2017 for a period of five (5) years till the conclusion of the 30th AGM subject to ratification of such appointment by members of the company at each ensuing general meeting.

The ministries of corporate affairs vide Companies (Amendment) Act 2017 dated 7th May 2018 omitted the requirement of ratification of appointment of statutory auditors at every annual general meeting. Accordingly, no resolution is proposed for ratification of appointment of statutory auditors B S R & Associates LLP (116231 W/W- 100024) in the ensuing annual general meeting.

The notes to the accounts as referred to in the auditors' report by the auditor are self-explanatory. There are no qualifications, reservation, adverse remark or disclaimer in the auditor's report on financial statements of the company for the financial year ended March 31, 2020. Hence no explanation or comments of the Board of Director is required in this matter.

23. Cost Auditors and Cost Accounting Records:

As per the requirement of Central Government and pursuant to section 148 of the Companies Act, 2013 and rules made thereunder as amended from time to time your company maintains the cost records and accounts and carries out an audit of cost records relating to manufacturing activities. The Board of Directors of the company has appointed Jain Sharma & Associates, Cost Accountants (Firm Registration Number - 000270) as Cost Auditor to audit the cost accounts of the company for the financial year 2019-20 at their meeting held on August 13, 2019 and remuneration of Jain Sharma & Associates was ratified by the members of the company at their 27th annual general meeting held on September 20, 2019. The cost audit report for the financial year 2018-19 was filed with the ministry of corporate affairs within prescribed time.

For the financial year ended March 31, 2020, the Cost Auditor has submitted its report to the Board of Directors on November 12, 2020. The Board of Directors took note of the same and said report shall be filed with the ministry of corporate affairs within prescribed time. There are no qualifications of cost auditors report on the cost accounts of the company for the financial year ended March 31, 2020.

24. Secretarial Auditor:

The Board of Directors of your company appointed Vinod Kothari & Company, Practicing Company Secretaries as the secretarial auditor of the company for financial year 2019-20 in terms of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The report of the secretarial audit is attached as **Annexure "C"** and forms an integral part of this report. There are no qualifications in secretarial audit report for the financial year ended March 31, 2020. Hence no explanation or comments of the Board of Directors is required in this matter.

25. Internal Auditor:

Pursuant to the provisions of section 138 of Companies Act, 2013 read with rules framed thereunder your company has appointed Mr. Amit Bhatia as internal auditor of the company with effect from May 16, 2017. He is a chartered accountant by qualification and has a rich work experience of 12 years on the date of appointment. Internal Auditor of the company has conducted internal audit of the functions and activities of the company. He has submitted his report to the chairman of the audit committee and this was further reviewed by the Board of Directors and taken on record.

26. Fixed Deposits:

Your company has not accepted any deposits within the meaning of section 73, 74, 75 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time and as such no amount of principal or interest was remained unpaid or unclaimed as at the end of the year under review. There was no default in repayment of deposits or payment of interest thereon during the year under review.

27. **Internal Financial Controls:**

A strong internal control culture is prevalent in the company. The internal auditor monitors the compliance with the objective of providing to the Board of Directors an independent and reasonable assurance on the adequacy and effectiveness of the organization's governance processes In the opinion of the Board of Directors the existing internal control framework is adequate and commensurate to the size and nature of the business of the company.

28. **Human Resources:**

Our relations with the employees are very cordial. Your Board of Directors would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the company without whose wholehearted efforts, the overall satisfactory performance of the company would not have been possible.

29. **Disclosure as required under The Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:**

The company has complied with provisions relating to the constitution of internal complaint committee under Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has an anti-sexual harassment policy in line with the requirement of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no matter has been reported to the internal complaint committee related to sexual harassment.

30. **Conservation of Energy, Technology Absorption, Research & Development, Foreign Exchange Earning & Outgo:**

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and amendments made thereto for the financial year ended March 31, 2020 are set out in the **Annexure "D"** and form an integral part of this report.

31. **Particulars of Loans, Guarantees or Investments under section 186:**

Details of loans, guarantees and investment covered under the provisions of section 186 of the Companies Act, 2013 read with the rules framed thereunder as amended from time to time are given in the notes to the financial statements. The company has complied with the requirements of section 186 of the Companies Act, 2013 read with the rules framed thereunder as applicable.

32. **Fraud Reporting:**

There was no fraud reported by the auditors of the company under section 143(12) of the Companies Act, 2013 to the audit committee or the Board of Directors during the year under review.

33. **Particulars of Contracts or Arrangements with Related Parties:**

All the related party transactions that were entered into during the financial year under review were in ordinary course of business and on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013. Omnibus approval is being obtained for all potential related party transactions from the audit committee. The related party transactions are disclosed in notes of the financial statements.

34. Enterprise Risk Management Policy:

In today's economic environment, risk management is a very important part of business. Your company's risk management is embedded in business. The company has formulated and implemented a mechanism for risk management and has developed an enterprise risk management policy. Risks are classified in different categories such as financial risks, operational risks, market risks, business and compliance related risks. These risks are reviewed on a periodic basis and controls are put in place and mitigation planned with identified process owners and defined timelines. The risks are taken into account while preparing the annual business plan for the year.

35. Code of Ethics:

Your company follows the Carrier Code of Ethics which allows any stakeholder including directors, officers and employees to report suspected or actual violations without fear of retaliation. In addition, any stakeholder can also report any violation to the compliance officer designated within your company. Further there is also a system of reporting any suspected/ actual violation through confidential mails or telephonic call. The policy on code of ethics is available on the website of the company at www.carrier.com/building-solutions/en/in/investor/. All such matters are disclosed to management as a standard worldwide practice.

36. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and date of the report:

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statement relate and the date of this report.

37. Acknowledgement:

Your Board of Directors wish to express their gratitude to the company's dealers, suppliers, bankers, auditors, customers, central and state government departments for their continued guidance, support, help and encouragement they extend to the company. Your directors also like to place on record their sincere appreciation to business associates and employees at all levels for their unstinting efforts in ensuring all round operational performance. Last but not the least; your directors would also like to thank valuable shareholders and other stakeholders for their support and contribution and look forward for your continued support in the future.

By order of the Board of Director
For **Carrier Airconditioning & Refrigeration Limited**

Date: November 12,2020
Place: Gurugram

Sd/-	**Sd/-**
Chirag Baijal	**Pritesh Agrawal**
Managing Director	Whole-time Director & Chief Financial Officer
DIN: 08465289	DIN: 08757017

ANNEXURE "A"

ANNUAL REPORT ON CORPORATE SOCIAL RESPOSNISIBLITY PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. **A brief outline of the company's corporate social responsibility policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Corporate Social Responsibility ("CSR") policy and projects on program:**

   In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the company has an approved CSR policy.

   In accordance with the primary CSR philosophy of the group and the specified activities under schedule VII of the Companies Act, 2013, the CSR activities of the company cover certain thrust areas such as promoting education including special education and employment enhancing vocation skills especially among children, women, and the differently abled, livelihood enhancement projects and environmental sustainability.

   The corporate social responsibility policy of the company is available on the website of the company www.carrierindia.com/investors.html in the 'Investors' section.

2. **The composition of CSR Committee:**

   The corporate social responsibility committee comprises of 3(three) members of the Board, one is non-executive independent director and two are executive directors. The chairman of the committee is an independent director.

S. No.	Name	Category	Designation
1.	Mr. Narendra Singh Sisodia	Non-Executive Independent Director	Chairman
2.	Mr. Chirag Baijal*	Managing Director	Member
3.	Mr. Pritesh Agrawal**	Whole-time Director & Chief Financial Officer	Member

   **Mr. Arun Bhatia has resigned from position of managing director and member corporate social responsibility committee of the company with effect from June 25, 2019 and Mr. Chirag Baijal has been appointed as managing director and member of corporate social responsibility committee of the company with effect from June 25, 2019.*

   *** Mr.Sugeeth Kumar has resigned from position of whole-time director& chief financial officer and member of corporate social responsibility committee of the company with effect from March 25, 2020 and Mr. Pritesh Agrawal has been appointed as whole-time director and member of corporate social responsibility committee of the company with effect from June 8, 2020*

3. Average net profit of the Company for last three financial years: The average net profit of last three financial years preceding the reporting financial year (i.e. 2018-19, 2017-18, 2016-17) calculated in accordance with section 135 of the Companies Act, 2013 is Rs.112.91 Crores.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): The prescribed CSR expenditure to be incurred during the financial year i.e. 2019-20 is Rs. 2.26 Crores.

5. Details of CSR spent during the financial year:

   (a) Total amount spent for the FY - Rs. 2.26 Crores.

   (b) Manner in which the amount spent during the FY is detailed as below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programmer wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency***
1.	**Covid-19 CSR Project** **Objective:** • Support health workers with PPEs and hospitals with infrastructure for serving COVID-19 patients. • Raise awareness and provide PPEs in KherkiDaula village (area adjacent to Carrier factory). • Provide PPEs and training to AC service technicians so that they take the right precautions for interest of customers	Covid-19	Delhi (New Delhi) & Gurugram, Haryana	12,671,030	(1) Direct expenditure: 12,671,030 (2) Overheads: Nil	INR 12,671,030 for FY 2019-20	Through implementing agency: United Way of Delhi
2.	**United for Air** **Objective:** To reduce Carbon Footprint & enhance environmental sustainability **Specific objectives:** • Raise awareness on alarming levels of air pollution and its implications on climate change. • Educate on the direct impact of air pollution on human health and existence. • Promote mechanisms for raising capacity of communities to deal with pollution at community level and adopt a healthy lifestyle. • Encourage community and government action to adopt the "refuse, reduce, reuse and renew" for a better environment and to promote healthy lifestyle.	Environment	Gurugram, Haryana	INR 2,358,970	(1) Direct expenditure: INR 2,358,970 (2) Overheads: Nil	INR 2,358,970 for the F.Y. 2019-20	Through Implementing Agency: United Way of Delhi

3	**Green Your School** **Objective:** To raise awareness on Green Buildings and sustainability amongst the youth of India **Specific objectives:** Encouraging the youth to come up with ideas on implementation of Green Building initiatives in their schools Awarding the best adjudged schools to implement initiatives in the schools	Environment	PAN India	INR 4,400,000	(1) Direct Expenditure -INR 4,400,000 (2) Indirect Expenses- Nil	INR 4,400,000 for the F.Y. 2019-20	Through the Implementing Agency: United Way of Delhi
4	**SOS Children's Villages in India** Funding project "Samarth" to support the quality education of 77 children at three locations of SOS in order to bring sustainable changes in their lives under Carrier's CSR activity	Education	Bawana/ Faridabad, Rajpura and Bangalore	INR 2,070,000	(1) Direct Expenditure -INR 2,070,000 (2) Indirect Expenses- Nil	INR 2,070,000 for the F.Y. 2019-20	Direct
5	Administrative Costs (5% of the total CSR budget)	-	Evaluation of CSR projects	INR 1,100,000	(1) Direct Expenditure - INR 1,100,000 (2) Indirect Expenses- Nil	INR 1,100,000 for the F.Y. 2019-20	Through EY

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof the company shall provide the reason for not spending the amount in its Board report: The funds allocated for last financial year have been completely disbursed to the identified institutions. *Out of the above expenditure of Rs. 226 lacs, payment of Rs. 194 lacs was initiated by the Company on 31 March 2020 however, it could not be credited to the beneficiary due to certain technical errors. Subsequently, the payment was reinitiated pursuant to which it got credited to the beneficiary on 3 April 2020.

7. Responsibility Statement: The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

By the order of the Board
For **Carrier Airconditioning & Refrigeration Limited**

Sd/-
Chirag Baijal
Managing Director
DIN: 08465289

Sd/-
Pritesh Agrawal
Whole-time Director & Chief Financial Officer
DIN: 08757017

Sd/-
Narendra Singh Sisodia
Chairman, CSR Committee
DIN: 06363951

Place: Gurugram
Date: November 12, 2020

ANNEXURE "B"

NOMINATION & REMUNERATION POLICY

The Board of Directors of Carrier Airconditioning & Refrigeration Limited, the ("Company") constituted the "Nomination and Remuneration Committee" at its Meeting held on March 27, 2015 with immediate effect, consisting of three Non-Executive Directors of which not less than one-half are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee ("Committee") and this Policy shall be in compliance with section 178 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder. The Key Objectives of the Committee would be as under:

i. To formulate the criteria for determining qualifications, positive attributes and independence of a director.

ii. To identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

iii. To recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

2. DEFINITIONS

i. 'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

ii. 'Board' means Board of Directors of the Company.

iii. 'Directors' mean Directors of the Company.

iv. 'Key Managerial Personnel' means:

Chief Executive Officer or the Managing Director or the Manager;

Whole-time director;

Chief Financial Officer;

Company Secretary; and

Such other officer as may be prescribed.

v. 'Senior Management' mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the Functional Heads.

3. ROLE OF THE COMMITTEE

i. Matters to be dealt with pursued and recommended to the Board by the Nomination and Remuneration Committee

a. The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

ii. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel

a. Appointment criteria and qualifications

i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

b. Term / Tenure

i. Managing /Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

c. Evaluation

The Committee shall carry out evaluation of performance of the Directors at regular intervals (yearly).

d. Removal

Due to reasons, for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

iii. Policy relating to the Remuneration for the Managing/ Whole-time Director, KMP and Senior Management Personnel

a. General:

i. The remuneration / compensation / commission etc. to the Managing / Whole-time Director, KMP and Senior Management Personnel will be as per the Company Policies. The Committee shall recommend the same to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

ii. The remuneration and commission to be paid to the Managing / Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing/ Whole-time Director.

iv. Where any insurance is taken by the Company on behalf of its Managing Director/ Whole- time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b. Remuneration to Managing /Whole-time Director, KMP and Senior Management Personnel:

i. Remuneration

The Managing / Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as per the Company Policies, as may be approved by the Board on the recommendation of the Committee and subject to member's approval and central government approval, to the extent required.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company Policies.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing / Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iii. Provisions for excess remuneration:

If any Managing /Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c. Remuneration to Non- Executive / Independent Director:

i. Sitting Fees:

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

4. MEMBERSHIP

i. The Committee shall consist of a minimum 3 non-executive directors, not less than one-half of them being independent.

ii. Minimum (2) members (in person or through any audio visual means) shall constitute a quorum for the Committee meeting.

iii. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

i. Chairperson of the Committee shall be appointed by the Board.

ii. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

iii. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee meeting.

10. MODIFICATION OF POLICY

The Committee may modify this Policy unilaterally at any time. Modification may be necessary, among other reasons, to maintain compliance with the rules and regulations imposed by the Regulatory authorities.

By order of the Board of Directors
For **Carrier Airconditioning & Refrigeration Limited**

Sd/-
Chirag Baijal
Managing Director
DIN: 08465289

Sd/-
Pritesh Agrawal
Whole-time Director &
Chief Financial Officer
DIN: 08757017

Date: November 12, 2020
Place: Gurugram

VINOD KOTHARI & COMPANY
Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata — 700 017, India
Phone: 033-2281 7715 | 1276 | 3742
Email: vinod@vinodkothari.com
Web: www.vinodkothari.com, www.india-financing.com
Unique Code - P1996W B042300
Udyog Aaddhar Number - WB10D0000448

ANNEXURE "C"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Carrier Airconditioning & Refrigeration Limited
Kherki Daula Post, Narsingpur, Gurgaon-122004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Carrier Airconditioning & Refrigeration Limited** (hereinafter called "the Company") for the financial year ended 31st March 2020 **['Audit Period']**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per **Annexure –1**, hereinafter referred to as **"Books and Papers"**) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
3. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, including but not limited to, that is to say:
    a. The Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Room Air Conditioners) Regulations, 2009;
    b. Factories Act, 1948;

Mumbai Office: 403-406 175 Shreyas Chambers, D.N. Road, Fort, Mumbai-400001 Delhi *Office:* A-11 Hauz Khas, New Delhi-110016 Ph-011- 41315340

c. Punjab Labour Welfare Fund Act, 1965;
d. Legal Metrology Act, 2009;
e. The Environment (Protection) Act, 1986;
f. The Air (Prevention and Control of Pollution) Act, 1981;
g. The Water (Prevention and Control of Pollution) Act, 1974;
h. The Hazardous Wastes (Management and Handling) Rules, 1989;
i. E-Waste (Management) Rules, 2016; to the extent applicable

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings [SS-1], and for General Meetings [SS-2] issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Management Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion;
3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws;
5. We have not examined any other specific laws except as mentioned above.
6. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For M/s Vinod Kothari & Company
Practising Company Secretaries

Sd/-
Pammy Jaiswal
Partner
Membership No. A48046
CP No. 18059
UDIN: A048046B000471865

Date: July 18, 2020
Place: Kolkata

Annexure 1

LIST OF DOCUMENTS

1. Minutes books of the following were provided in original
   a) Board Meeting;
   b) Audit Committee;
   c) Nomination and Remuneration Committee;
   d) Stakeholders Relationship Committee;
   e) Corporate Social Responsibility committee;
   f) General Meeting;
   g) Independent Director's Meeting
2. Notice and Agenda papers for Board and Committee Meetings on sample basis;
3. Annual Report 2018-19;
4. Memorandum and Articles of Association;
5. Disclosures under Companies Act and rules made thereunder on sample basis;
6. Statutory Registers under Companies Act;
7. Policies framed under Companies Act;
8. Forms and returns filed with the ROC and RBI on sample basis;
9. Specific law compliance checklist as informed by the Company;

ANNEXURE “D”

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

a. installed air cooled Compressor as an alternate of water-cooled compressor for plant utility service, which has resulted in 100%reduction of water usage also avoid to running of cooling tower motor

b. Additional 200 KWp solar power plant installed in December 2018, which will generate about 0.29 million units per annum from Solar lights and have life span of about 25 years. Also, carbon footprint reduced by 250 ton

c. Motion sensor and day light sensor added in Offices and plant for energy saving.

d. Paint shop conversion from HSD to LPG gas, which has resulted in reduction of carbon footprint by 310 Ton

e. Airwasher converted from Fix speed running to Variable speed running for energy saving

(b) Total energy consumption and energy consumption per unit of production

Although the Company does not come under purview of the industries mentioned under Schedule to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 yet the information on total energy consumption and energy consumption per unit is being provided as per Form A annexed to the said Rules for information sake.

Power fuel consumption

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1. Electricity		
(a) Purchased		
Units (in Lakhs)	28.02	22.95
Total amount (in Lakhs)	250.01	208.8
Rate/unit (Rs)	8.92	9.69
(b) Own generation		
(i) Through diesel generator		
Units (in Lakhs)	8.9	10.16
Units per litre of diesel oil	3.02	3.25
Cost/unit (Rs)	21.18	19.69
(ii) Through steam turbine/generator		
Units	-	-
Units per litre of fuel oil/gas	-	-
Cost/unit (Rs)	-	-
2. Coal		
Quantity (Tonnes)	-	-
Total cost (Rs)	-	-
Average rate (Rs)	-	-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
3. Furnace oil		
Quantity (K. ltrs.)	-	-
Total amount (Rs)	-	-
Average rate (Rs)	-	-
4. Other/internal generation (SOLAR)		
Quantity (Unit) (in Lakhs)	3.91	1.85
Total cost (Rs.)	NIL	NIL
Rate/unit (Rs.)	NIL	NIL

B. TECHNOLOGY ABSORPTION

(a) Research and Development (R&D)

(i) Specific areas in which R&D carried out by the Company:

- R410A based ducted range was launched at significantly low cost and more environment friendly through reduction in refrigerant charge. With the result of this effort by program team, there has been significant conversion of sales from R22 to R410A refrigerant products.
- Extending the range of localized evaporator up to 32kW for commercial refrigeration category.

(ii) Benefits derived as a result of the above R&D:

- Designed products as per India specific requirements for local market.
- Competitive advantages in terms of cost and additional revenue generation.
- Improvement in the performance and reliability of the units.
- Lead time reduction for product availability by localization of commercial products Company branded / indigenized products available from India factory.

(iii) Future plan of action:

- Develop new products in keeping upcoming technology and market requirements.
- Localize more products for cost/lead time benefit to customers.
- VAVE to optimize product cost with improved/same performance.
- Provide energy efficient solutions.
- Quality/reliability improvement for products supplied from factory.
- Low temperature application condensing & evaporating unit to bridge the gap with existing range.

(iv) Expenditure on R&D

During the period under review, the Company has incurred following expenditure on R&D:

a. Capital : Rs. 109,021,243

b. Recurring : Rs. 26,172,916

c. Total : Rs. 13,594,159

d. Total R&D expenditure as a percentage of turnover: 0.89

(b) Technology absorption, adaptation and innovation

(i) Efforts, in brief, made towards technology absorption, adaptation and innovation.

Technology transfer and absorption for water cooled and air-cooled screw chillers for cost and lead time reduction to help in gaining market share. Indigenized product in evaporator product category available for customer.

(ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.

The above stated efforts have resulted in improving capability of producing of various products and helped in better customer service through cost/lead time reduction. Also, this will help in increasing revenue and profitability.

(iii) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year 2010), following information may be furnished:

Technology imported	Year of import	Has technology been fully absorbed?	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Manufacturing of water cooled screw schillers	2012-13	Yes	-

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

The foreign exchange earned in terms of actual inflows and actual outgo during the financial year is given below:

(In INR Lakhs)

S. No.	Foreign Exchange Earnings and Outgo	2019-20	2018-19
1.	Earnings in foreign exchange	1,500	3730.15
2.	Expenditure in foreign currency	1288.17	688.65
3.	CIF Value of Import	67,057	79,839

By order of the Board of Directors
For **Carrier Airconditioning & Refrigeration Limited**

Sd/-
Chirag Baijal
Managing Director
DIN: 08465289

Sd/-
Pritesh Agrawal
Whole-time Director &
Chief Financial Officer
DIN: 08757017

Date: November 12, 2020
Place: Gurugram

Information regarding Production, Purchases, Sales and Closing Stocks:

(a) Production, Sale and Stocks - Manufactured Goods

Products	Opening Stock		Production	Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Qty (No's)	Amount
Compressor					
Current Year	151	7	-	55	3
Previous Year	161	7	-	151	7
Room Airconditioners					
Current Year	4,306	2,107	26,621	6,259	2,959
Previous Year	4,129	1,893	27,449	4,306	2,107
AHU/ FCU & Chillers					
Current Year	1,246	1,131	2,685	959	1,032
Previous Year	808	300	3,607	1,246	1,131
Condenser/Evaporator Module					
Current Year	1,001	487	4,021	860	392
Previous Year	599	288	3,939	1,001	487
Freezers / Cold Room Systems					
Current Year	42	11	-	7	3
Previous Year	733	131	11	42	11
Cylinder & Gas & Fluid					
Current Year	740	15	99,071	3,909	154
Previous Year	401	7	1,44,259	740	15
Nozzle & Valve					
Current Year	30	2	2,660	140	6
Previous Year	42	2	2,976	30	2
Suppression Accessories					
Current Year	67	27	154	21	4
Previous Year	4	@	703	67	27

@ Amount is below the rounding off norm adopted by the Company.

		Compressor	Room Airconditioners ##	AHU/ FCU & Chillers	Condenser/ Evaporator Module	Visi-Cooler ###	Freezers / Cold Room Systems
Sale #							
Current Year	Qty(Nos)	96	24,668	2,972	4,162	-	35
	Amount	1	22,167	7,105	2,628	-	2
Previous Year	Qty(Nos)	10	27,272	3,169	3,537	@	702
	Amount	@	21,723	5,987	2,447	@	168

		Cylinder & Gas & Fluid	Nozzle& Valve	Suppression Accessories
Sale #				
Current Year	Qty(Nos)	95,902	2,550	200
	Amount	2,340	71	61
Previous Year	Qty(Nos)	1,43,920	2,988	640
	Amount	3,503	115	124

@ Amount is below the rounding off norm adopted by the Company.

The unit sales quantities include Inventory adjustments as well.

Excludes 4 Room Air Conditioners (Previous Year 4) capitalised during the year.

Effective June 10, 2011, the company has discontinued Visi-Cooler products.

(b) Purchases, Sales and Stocks - Traded Goods

Products	Opening Stock		Purchase		Sale *		Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount
Room Airconditioners					**			
Current Year	28,807	8,890	1,13,259	34,941	1,11,039	42,777	30,819	9,894
Previous Year	16,984	5,335	1,16,261	35,892	1,04,286	40,247	28,807	8,890
AHU/FCU & Chillers								
Current Year	403	459	6,639	4,632	6,526	5,490	516	372
Previous Year	612	180	6,328	5,592	6,537	6,227	403	459
Stabilizers & others					***			
Current Year	61,686	944	68,493	2,631	80,748	3,326	49,320	879
Previous Year	34,413	793	1,73,543	3,339	1,46,130	4,010	61,686	944

Products	Opening Stock		Purchase		Sale *		Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount
Truck Refrigeration								
Current Year	489	1,473	1,679	6,062	1,431	7,027	737	2,306
Previous Year	446	1,409	1,360	5,319	1,317	6,667	489	1,473
Freezers & System								
Current Year	161	274	32,048	2,482	31,903	3,121	305	368
Previous Year	105	130	34,655	2,815	34,600	3,410	161	274
Condenser/Evaporator								
Current Year	16	20	485	543	463	664	38	53
Previous Year	18	34	408	736	410	906	16	20
Cylinder								
Current Year	11	@	-	-	7	@	4	@
Previous Year	24	6	47	2	60	11	11	@
Nozzle & Valve								
Current Year	1,284	21	50	7	143	5	1,191	24
Previous Year	2,355	30	400	10	1,471	30	1,284	21
Spares								
Current Year	#	7,374	#	18,856	#	21,186	#	8,539
Previous Year	#	6,798	#	19,450	#	24,759	#	7,347

* The unit sales quantities include Inventory adjustments as well.

** Excludes 208 Room Air Conditioners (Previous Year 152) capitalised during the year.

*** Excludes 111 (Previous Year 140) Stabilisers capitalised during the year.

@ Amount is below the rounding off norm adopted by the Company.

The Company also trades in spares and components. However, at the time of purchase of these items, it is not known whether these will be used for captive consumption or for sale. Such items are large in number which differ in size and nature and it is not practicable to furnish quantitative details thereof.

Cost of materials consumed

	Year ended March 31, 2020		Year ended March 31, 2019	
	Quantity	Amount	Quantity	Amount
Aluminium (Kgs)	4,22,783	1,091	4,00,897	907
Compressor (Nos)	27,068	6,682	28,401	5,965
Copper (Kgs/Nos)	24,60,232	4,058	23,60,158	3,490
Motors (Nos)	76,209	1,501	78,922	1,274
Refrigerant / Gas (Kgs)	2,79,517	1,957	3,11,948	2,546
Valve (Nos)	1,77,741	964	1,79,843	975
Electrical Parts (Nos)	11,90,831	2,999	11,46,005	1,736
Others*		4,076		7,335
Total	**46,34,381**	**23,328**	**45,06,174**	**24,228**

*Includes inventory adjustments and consumption for internal use. It is not practicable to furnish quantitative information of other raw materials and components consumed in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Includes consumption of consumables which are consumed with raw material. The value of such consumables is not material and hence same is not shown separately.

Value of imported and indigenous raw materials, components

	Current Year		Previous Year	
	%	Amount	%	Amount
Imported				
Indigenous	69	16,081	61	14,747
	31	7,247	39	9,481
Total	**100**	**23,328**	**100**	**24,228**

By order of the Board of Directors
For **Carrier Airconditioning & Refrigeration Limited**

Sd/-
Chirag Baijal
Managing Director
DIN: 08465289

Sd/-
Pritesh Agrawal
Whole-time Director &
Chief Financial Officer
DIN: 08757017

Date: November 12, 2020
Place: Gurugram

INDEPENDENT AUDITOR'S REPORT

To the Members of Carrier Airconditioning & Refrigeration Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" ;

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 14, Note 28 and Note 29 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W /W-100024

Sd/-
Girish Arora
Partner
Membership No.: 098652
ICAI UDIN: 20098652AAAABJ1402

Place: Gurugram
Date: 12 November 2020

Annexure A to the Independent Auditor's report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets in which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year. No material discrepancies were noticed on such verification during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the erstwhile names of the Company. Subsequently, the Company had changed its name to Carrier Airconditioning & Refrigeration Limited.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, inventory except stock lying with third parties and goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Confirmations have been obtained for stock lying with third parties at the year-end. According to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, to the extent applicable. Accordingly, provisions of paragraph 3(iv) of the Order are not applicable to the Company.

(v) The Company has not accepted any deposits covered under Section 73 to 76 or any other provisions of the Act and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Duty of customs, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases related to payment of Income-tax and Employees State Insurance. Undisputed statutory dues in respect of Professional tax and Labour welfare Fund have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise, Value added tax during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Sales tax, Value added tax, Provident fund, Income tax, Employees State Insurance, Duty of Customs, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became due for payment.

(b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax , Sales tax , Service tax , Duty of customs , Goods and Services tax, Duty of excise or Value added tax that have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income tax					
Income tax Act, 1961	Demand against disallowance of certain expenses	8*	-	Assessment year 2001-02	Income tax appellate tribunal
Income tax Act, 1961	Demand against short credit of taxes paid and brought forward losses	63	-	Assessment year 2007-08	Assistant commissioner of Income-tax
Income tax Act, 1961	Disallowance on account of arm's length price	266*	-	Assessment year 2006-07	Income tax appellate tribunal
Income tax Act, 1961	Disallowance on account of arm's length price	79	79@	Assessment year 2014-15	Income tax appellate tribunal
Income tax Act, 1961	Disallowance on account of arm's length price	152	-	Assessment year 2015-16	Income tax appellate tribunal
Income tax Act, 1961	Disallowance on account of arm's length price	11	-	Assessment year 2016-17	Commissioner of Income tax (Appeals)
Sales tax					
Sales tax/Value added tax Act of various states	Demand against non-submission of various Forms	3,867	391	1988-90, 1992-93, 1994-95 to 2019-20	Appellate authorities of various states
Sales tax/Value added tax Act of various states	Demand against non-submission of various Forms	557	276	1997-2002, 2004-10, 2012-13, 2014-15 and 2017-18	Sales tax Appellate tribunal of various states

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Sales tax/Value added tax Act of various states	Demand against non-submission of various Forms	169	79	1989-90, 1995-97, 1998-2002 and 2003-06	High Courts of various states
Sales tax/Value added tax Act of Kerala	Demand against non-submission of various Forms	46	18	2002-03	Supreme Court
Central Excise duty					
Central Excise Act, 1944	Interest on Duty reversed on Input cleared as such	5	-	2002-08	Commissioner of Excise (Appeals)
Central Excise Act, 1944	Demanding for refund amount on stock transfer of non MRP goods from Factory to Branches	13	-	2006-08	Central Excise and Service tax Appellate Tribunal
Custom duty					
Customs Act, 1962	Show cause notice imposing redemption, fine, penalty etc.	25	-	1998-00	Commissioner of Customs (Appeals)
Customs Act, 1962	Demand for short levy of duty due to misclassification.	11	-	2014-15	Commissioner of Customs (Appeals)
Customs Act, 1962	Show cause notice for demanding additional duty on imported filters.	1	-	1999-00	Assistant Commissioner of Customs
Service tax					
Finance Act, 1994	Demand for service tax on overseas commission income	2,084	-	2006-10	Central Excise and Service tax Appellate Tribunal
Finance Act, 1994	Demand for service tax on overseas commission income	744	-	2010-14	Commissioner of Excise and Service tax (Appeals)

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Show cause notice for recovery of cenvat credit taken on AMC service, booking commission, Service commission and warranty service	10,184	-	2005-12	Hon’ble High Court
Finance Act, 1994	Show cause notice imposing penalty for service tax credit taken on various input services.	10	-	2006-12	Central Excise and Service tax Appellate Tribunal
Finance Act, 1994	Show cause notice for recovery of cenvat credit taken on AMC service, booking commission, Service commission and warranty service	3,809	143	2012-15	Central Excise and Service tax Appellate Tribunal
Finance Act, 1994	Show cause notice for recovery of cenvat credit taken on AMC service, booking commission, Service commission and warranty service	2,289	-	2015-18	Commissioner of Excise and Service tax (Appeals)
Finance Act, 1994	Show cause notice for recovery of cenvat credit taken on AMC service, booking commission, Service commission and warranty service	783	-	2014-16	Commissioner of Excise and Service tax (Appeals)
Finance Act, 1994	Show cause notice for disallowance of input credit on event management services	21	2	2012-13 to 2015-16	Assistant Commissioner of Central Excise
Finance Act, 1994	Levy of service tax on certain services of installation/ commissioning	9	-	1997-02	Assistant Commissioner of Central Excise

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Show cause notice for disallowance of input credit on various input services	16	-	2015-2018	Commissioner of Excise and Service tax (Appeals)
Finance Act, 1994	Show cause notice for disallowance of input credit on various input services	34	-	2015-2018	Assistant Commissioner (Central Tax, Gurugram)
Local Area Development tax/Entry tax					
Local Area Development Tax Act, 2000	Demand for local area development tax	53	-	2000-08	Supreme court
Local Area Development Tax Act, 2000	Demand for local area development tax	3,415	-	2008-2018	High Court
The West Bengal Tax on Entry of Goods into Local Area Act, 2012	Demand for Entry tax	67	-	2015-2018	Supreme court

*Represents tax impact due to reduction in business loss and unabsorbed depreciation of the respective assessment year.

@ Represents tax impact on account of addition in taxable income adjusted from refund payable to the Company.

Note: The above excludes cases remanded back to relevant authorities.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowings from government or financial institutions or any dues to debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.

(xiii) According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

***For* B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W /W-100024

Sd/-
Girish Arora
Partner
Membership No.: 098652
ICAI UDIN: 20098652AAAABJ1402

Place: Gurugram
Date: 12 November 2020

Annexure B to the Independent Auditor's report on the financial statements of Carrier Airconditioning & Refrigeration Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***For* B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231W /W-100024

Sd/-
Girish Arora
Partner
Membership No.: 098652
ICAI UDIN: 20098652AAAABJ1402

Place: Gurugram
Date: 12 November 2020

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

		Note	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**			
	Non-current assets			
	Property, plant and equipment	3	7,111	5,079
	Right-of-use assets	4.1	1,640	-
	Capital work-in-progress	3	334	2,222
	Other intangible assets	4	314	306
	Financial assets			
	Investments	5.1	1	1
	Loans	5.2	216	423
	Others	5.3	323	-
	Income tax assets (net)	6	2,218	2,643
	Deferred tax assets, net	7	3,524	4,269
	Other non-current assets	8	1,851	2,500
	Total non-current assets		**17,532**	**17,443**
	Current assets			
	Inventories	9	29,294	26,219
	Financial assets			
	Trade receivables	10.1	28,073	31,039
	Cash and cash equivalents	10.2	4,879	16,732
	Bank balances other than above	10.3	11	-
	Loans	10.4	276	3,900
	Others	10.5	1,603	1,101
	Other current assets	11	4,207	5,177
	Assets held for sale	37	1,054	1,192
	Total current assets		**69,397**	**85,360**
	TOTAL ASSETS		**86,929**	**1,02,803**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	12	10,638	10,638
	Other equity	13	11,175	41,424
	Total equity		**21,813**	**52,062**
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Lease liabilities	31	946	-
	Provisions	14	5,728	5,767
	Other non-current liabilities	15	278	234
	Total non-current liabilities		**6,952**	**6,001**

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Current liabilities			
Financial liabilities			
Borrowings	16.1	15,337	-
Lease liabilities	31	770	-
Trade payables	16.2		
a) total outstanding dues of micro and small enterprises; and		348	888
b) total outstanding of creditors other than micro and small enterprises		31,410	33,657
Other current financial liabilities	16.3	1,579	1,281
Other current liabilities	17	7,567	7,657
Provisions	18	1,153	1,257
Total current liabilities		**58,164**	**44,740**
Total liabilities		**65,116**	**50,741**
TOTAL EQUITY AND LIABILITIES		**86,929**	**1,02,803**

Significant accounting policies 2

The notes referred above form an integral part of these financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

For and on behalf of the Board of Directors of
Carrier Airconditioning & Refrigeration Limited

Sd/-
Chirag Baijal
Managing Director
DIN No. 08465289

Sd/-
Pritesh Agrawal
WTD & CFO
DIN No. 08757017

Sd/-
Girish Arora
Partner
Membership No: 098652
UDIN No. 20098652AAAABJ1402
Place : Gurugram
Date: November 12, 2020

Sd/-
Suraj Arora
Company Secretary
Membership No: F10752

Place : Gurugram
Date: November 12, 2020

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	19	1,52,444	1,47,681
Other income	20	2,501	3,457
Total income		**1,54,945**	**1,51,138**
Expenses			
Cost of materials consumed		23,328	24,228
Purchase of traded goods (Including spares)		70,155	73,155
Changes in inventories of finished goods, stock-in -trade and work-in-progress	21	(3,832)	(5,905)
Employee benefits expense	22	14,854	15,231
Finance costs	23	1,619	157
Depreciation and amortization expense	24	1,804	803
Other expenses	25	38,952	32,646
Total expenses		**1,46,880**	**1,40,315**
Profit before tax		**8,065**	**10,823**
Tax expense			
Current tax	7	2,537	3,878
Deferred tax	7	783	142
Profit for the year (A)		**4,745**	**6,803**
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss	34	(151)	(162)
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year (B)		**(151)**	**(162)**
Total comprehensive income for the year (A+B)		**4,594**	**6,641**
Earning per share			
Nominal value of share Rs. 10 [previous year Rs. 10]			
Basic	26	4.46	6.40
Diluted	26	4.46	6.40
Significant accounting policies	2		

The notes referred above form an integral part of these financial statements.
As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Sd/-
Girish Arora
Partner
Membership No: 098652
UDIN No. 20098652AAAABJ1402

Place : Gurugram
Date: November 12, 2020

For and on behalf of the Board of Directors of Carrier Airconditioning & Refrigeration Limited

Sd/-
Chirag Baijal
Managing Director
DIN No. 08465289

Sd/-
Pritesh Agrawal
WTD & CFO
DIN No. 08757017

Sd/-
Suraj Arora
Company Secretary
Membership No: F10752

Place : Gurugram
Date: November 12, 2020

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

a. Equity share capital

	Number	Amount
As at March 31, 2018	10,63,76,745	10,638
Changes in equity share capital during the year	-	-
As at March 31, 2019	10,63,76,745	10,638
Changes in equity share capital during the year	-	
As at March 31, 2020	**10,63,76,745**	**10,638**

b. Other equity

	Reserves and Surplus					Other comprehensive income	Total
	Capital reserve	Reserves on business combination	General reserve	Retained earnings	Share options outstanding account	Re-measurement gain/ (loss) on defined benefit obligations	
Balance as at April 01, 2018	1	657	895	32,709	326	-	34,588
Profit for the year	-	-	-	6,803	-	(162)	6,641
Transfer to retained earnings	-	-	-	(162)	-	162	-
Adjustment on transition to Ind AS 115				128	-	-	128
Share based payments (Refer Note 42)	-	-	-	-	67	-	67
Balance as at March 31, 2019	**1**	**657**	**895**	**39,478**	**393**	**-**	**41,424**
Profit for the year	-	-	-	4,745	-	(151)	4,594
Transfer to retained earnings	-	-	-	(151)	(16)	151	(16)
Dividend paid during the year (Refer Note 27)	-	-	-	(34,882)	-	-	(34,882)
Share based payments (Refer Note 42)	-	-	-	16	39	-	55
Balance as at March 31, 2020	**1**	**657**	**895**	**9,206**	**416**	**-**	**11,175**

The notes referred above form an integral part of these financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Sd/-
Girish Arora
Partner
Membership No: 098652
UDIN No. 20098652AAAABJ1402
Place : Gurugram
Date: November 12, 2020

For and on behalf of the Board of Directors of
Carrier Airconditioning & Refrigeration Limited

Sd/-
Chirag Baijal
Managing Director
DIN No. 08465289

Sd/-
Pritesh Agrawal
WTD & CFO
DIN No. 08757017

Sd/-
Suraj Arora
Company Secretary
Membership No: F10752

Place : Gurugram
Date: November 12, 2020

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities :		
Profit before tax	8,065	10,823
Adjustments for :		
Depreciation and amortization expense	1,804	803
Share based payments	39	67
Loss/ (Profit) on sale of Property, plant and equipments (net)	(27)	(117)
Interest on lease liabilities	135	-
Interest income on fixed deposits	(136)	(177)
Interest income on inter-corporate deposits	(50)	(362)
Provision for inventory obsolescence	285	156
Allowance for doubtful debts and advances	2,129	811
Bad debts & advances written off	32	-
MTM gain on forward contracts	(82)	49
Unrealised (gain)/ loss on foreign exchange fluctuations	194	(418)
Liabilities no longer required written back	(1,244)	(1,379)
Operating profit before change in assets and liabilities	**11,144**	**10,256**
Adjustments for :		
Decrease/(increase) in other current and non current assets	1,422	(1,483)
Decrease/(increase) in current and non current loans	(25)	(79)
Decrease/(increase) in inventories	(3,243)	(6,853)
Decrease/(increase) in current and non current financial assets -other	(757)	(125)
(Increase)/decrease in current financial assets- trade receivables	1,706	(1,299)
Increase/(decrease) in current financial liabilities - trade payables	(1,893)	12,074
Increase/(decrease) in current and non current financial liabilities - others	(53)	43
(Decrease) in other current and non current liabilities	(46)	549
Increase/ (decrease) in current and non-current provisions	(295)	271
B. Cash generated from operating activities	**7,960**	**13,354**
Income tax paid, net of refund and interest thereon	(2,149)	(4,271)
Net cash generated from operating activities (A)	**5,811**	**9,083**
Cash flow from investing activities :		
Acquisition of property, plant and equipment	(1,259)	(2,050)
Receipt / (payment) of inter-corporate deposit (net)	3,802	(305)
Proceeds from sale of property, plant and equipment / intangible assets	50	122
Interest received on deposits	146	259
Interest received on inter-corporate deposits	50	362
Investment in fixed deposits	(11)	-
Net cash flow from/ (used in) investing activities (B)	**2,778**	**(1,612)**
C. Cash flow from financing activities :		
Proceeds from short-term borrowings	15,337	-
Payment of lease liabilities	(873)	-
Dividend Paid (including corporate dividend tax)	(34,882)	(5,425)
Net cash used in financing activities ('C)	**(20,418)**	**(5,425)**

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
D. Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	**(11,829)**	**2,046**
E. Cash and cash equivalents at the beginning of the year	**16,732**	**14,669**
Add: Re-instatement gain on balance in EEFC account	(24)	17
Cash and Cash Equivalents at close of the year	**4,879**	**16,732**

Cash and cash equivalents consists of the following	**As at 31 March 2020**	**As at 31 March 2019**
Bank balance		
-in current account	4,859	15,634
-in deposit account	-	1,000
Cheques on hand	20	98
	4,879	**16,732**

Movement in financial liabilities	**Borrowings**	**Lease liabilities**
As at 31 March 2018	**-**	**-**
Additions/deletions during the year	-	-
As at 31 March 2019	**-**	**1,838**
Loan taken during the year	32,266	-
Repayment during the year	(16,929)	-
Other non cash transactions		
Lease acquisition during the year	-	617
Interest expense during the year	-	135
Payment during the year	-	(873)
As at 31 March 2020	**15,337**	**1,717**

Note:-

1. The cash flow statement have been prepared in accordance with "Indirect Method" as set out on Ind AS-7 on "Statement on Cash Flows " as notified under Section 133 of the Companies Act 2013, read with relevant rules thereunder.

Significant accounting policies (refer note 2)
The notes referred above form an integral part of these Ind AS financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Sd/-
Girish Arora
Partner
Membership No: 098652
UDIN No. 20098652AAAABJ1402

Place : Gurugram
Date: November 12, 2020

For and on behalf of the Board of Directors of
Carrier Airconditioning & Refrigeration Limited

Sd/-
Chirag Baijal
Managing Director
DIN No. 08465289

Sd/-
Pritesh Agrawal
WTD & CFO
DIN No. 08757017

Sd/-
Suraj Arora
Company Secretary
Membership No: F10752

Place : Gurugram
Date: November 12, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2020

1. Corporate Information

Carrier Airconditioning & Refrigeration Limited, ("Carrier" or "the Company") is a public limited Company principally engaged in the business of providing air-conditioning and refrigeration solutions in India. It manufactures/imports both commercial and light commercial air conditioning and refrigeration equipment and sells the same in Indian/overseas market.

The Company has been incorporated under the provisions of Indian Companies Act and is domiciled in India. The registered office of the Company is located at Narsingpur, Kherki Daula Post, Gurgaon 122001, Haryana.

2. Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ('the Act') and the relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on November 12, 2020.

b) Basis of measurement

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

a. Certain financial assets and liabilities (including derivative instruments) - measured at fair value (refer note 2(g)(5)).

b. Other financial assets and liabilities - measured at amortised cost (refer note 2(g)(5)).

c. Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.

c) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lacs) unless otherwise stated. Also refer note 2 (g)(11) for accounting policy in respect of accounting for foreign currency transactions.

d) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including those of contingent liabilities if any. Actual results could differ from these estimates.

The Company believes that the estimates used in preparation of financial statements are reasonable and management has made assumptions about the possible effects of novel coronavirus (COVID-19) pandemic on significant accounting judgement and estimates. Although these estimates and assumptions are based upon management's best knowledge of current events and actions, as of the date of approval of financial statements, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Company's financial statements. There are no assumptions and estimation uncertainties including expected future useful lives of assets and intangibles, that are at a significant risk of being adversely impacted resulting in a material adjustment in the future periods.

e) Assumptions and estimation uncertainties

(i) measurement of useful life, residual values and impairment of property, plant and intangible assets

(ii) impairment of financial assets and non-financial assets

(iii) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources

(iv) recognition and estimation of tax expense including deferred tax

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

Finance team regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

f) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

  Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as less than 1 year for the purpose of current/non-current classification of assets and liabilities.

g) Significant accounting policies

1) Property, plant and equipment and depreciation

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure and disposal

Subsequent expenditure is capitalised to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognised.

Any gain or loss from disposal of a property, plant and equipment is recognised in Statement of profit and loss.

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act, 2013 and are tabulated as below. These lives are also reflective of the management's estimate of the useful lives of the Company's property, plant & equipment.

Particulars	**Useful Life (Years)**
Buildings	30
Plant & machinery	15
Furniture & fixtures	10
Computers and office equipment	3 – 5
Vehicles	8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

However in case of certain assets of the Company which have useful lives different from Schedule II, the useful lives are mentioned below:

- Tools are depreciated over a period of one to five years based on the technical evaluation of estimated useful life done by the Management.
- Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.
- Property, plant and equipments costing less than INR 187,500 (equivalent USD 2,500) each are fully depreciated in the year of purchase.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which asset is read for use (disposed off).

The asset's residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2) Intangible assets and amortisation

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure and disposal

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Amortisation

Intangible assets of the Company are amortized using the straight-line method over the estimated useful life or the tenure of the respective software license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Particulars	Useful Life (Years)
SAP & SAP related upgradations	10
Computer Software	6
Technical- know how	3

3) Impairment of property, plant and equipment and Intangible assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

4) Inventories

Inventories are valued at lower of cost and net realizable value. Material costs are determined using the weighted average method. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition.Costs in case of work in progress and finished goods include material costs, conversion costs and appropriate production overheads incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale. Raw materials, components and other supples held in production of finished products are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed their net realisable value. The comparision of cost and net realisable value is done on a item by item basis. Provision for excess inventory and inventory obsolescence is determined based on Management's estimate.

5) Financial instruments

i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measure at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Modification of financial assets and liabilities

Financialassets:

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value. If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial Liabilities:

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

vi) Impairment

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at Fair value through profit and loss (FVTPL) are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrowers will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the company recognises impairment loss allowances based on life time ECLs at each reporting date, right from initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

vii) Income/loss recognition

• Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

6) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises and car leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term.

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective approach.

Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability. The Company has used discounted rate as the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019. There is no impact on retained earnings as on 1 April 2019.

The effect of this adoption is insignificant on the profit before tax, profit after tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize rightof-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. The incremental borrowing rate has been applied to lease liabilities.

7) Asset retirement obligations

Asset retirement obligations are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset and depreciated prospectively over the remaining useful life.

8) Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.The unwinding of the discount is recongnised as finance cost. Expected future operating losses are not provided for.

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

9) Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

10) Revenue recognition

Effective 1 April 2018, the Company has adopted Ind AS 115 “ Revenue from Contracts with Customers” using cumulative effect approach, as per the transitional provision option available to the Company. The Company also reassessed the revenue recognition method in respect of measuring percentage of completion for applicble prducts/services.

Revenue is recognized based on the price specified in the contract with customers, net of returns, rebates and discounts. Revenue excludes Goods & Services Tax, where applicable on the supply of goods and services.The Company recognizes revenue when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable and specific criteria have been met for each of the company’s activities as described below:

(i) Sale of products

Revenue from sale of goods is recognized when control of the goods has transferred when the goods have been delivered to the customer and there is no unfulfilled obligation that could affect the customer’s acceptance of the goods. Delivery occurs when the goods have been shipped to the customer location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the goods in accordance with the sales contract.

For contracts that allow the customers to avail the discount/incentives, the Company estimates the value of discount/incentives based on the terms of the scheme and past experience of the Company. No element of financing is deemed present as the sales are made with credit terms, which vary from 30 days to 90 days, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision.

A receivable is recognized when the goods are delivered and accepted by the Customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognized where payments received from the customers exceed the goods sold by the Company.

(ii) Income from services

Income from services rendered is recognized based on agreements/arrangements with the customers on the performance of service. Revenue from services is recognized in the accounting period in which the services are rendered. Revenue is recognised to the amount to which the Company has a right to invoice.

If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Annual Maintenance Contracts

Revenue from annual maintenance contracts is recognized on a pro-rata basis.

Repairs and Installation Jobs

Revenue from repairs and installation jobs is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the costs incurred, that best reflects the services performed to date.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to the costs incurred, that best reflects the services performed to date. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

(iii) Interest income, commission income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Commission and insurance claims are accounted for as and when the amounts receivable can be reasonably determined.

(iv) Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

11) Accounting for Foreign currency transactions

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit and loss.

12) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

13) Employee benefits

i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

ii) Post-employment benefits

a) *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. The Company has defined contribution plans for post retirement employment benefits' namely provident fund, superannuation fund, employee state insurance scheme and employee pension scheme. The Company makes specified monthly contributions towards these schemes. The Company's contributions are recorded as an expense in the Profit or loss during the period in which the employee renders the related service. If the contribution already paid is less than the contribution payable to the scheme for service received before the balance sheet date, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

b) *Defined benefit plan*

The Company has defined benefit plan namely gratuity, with Life Insurance Corporation of India. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

c) *Other long-term employee benefit obligations – Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

d) *Share based payment transactions:*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in other equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcome

14) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments:

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the board of directors which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

15) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Statement of profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

17) Non-current assets or disposal group held for sale

Non-current assets or disposal comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

3. Property, plant and equipment

	Gross block				Depreciation				Net block
Particulars	**As at April 01, 2019**	**Additions during the year**	**Deletions/ adjustments during the year**	**As at March 31, 2020**	**As at April 01, 2019**	**For the year**	**on deletions/ adjustments**	**As at March 31, 2020**	**As at March 31, 2020**
Freehold land	450	-	-	450	-	-	-	-	450
Buildings	763	455	-	1,218	162	52	-	214	1,004
Leasehold improvements	534	26	-	560	245	70	-	315	245
Plant and Equipment	4,598	2,216	38	6,776	1,327	601	33	1,895	4,881
Furniture and fixtures	543	70	22	591	220	95	22	293	298
Computers and office equipment	329	196	5	520	186	108	5	289	231
Vehicles	4	-	-	4	2	-	-	2	2
Sub total	**7,221**	**2,963**	**65**	**10,119**	**2,142**	**926**	**60**	**3,008**	**7,111**
Capital work-in-progress	-	-	-	-	-	-	-	-	**334**
Total	**7,221**	**2,963**	**65**	**10,119**	**2,142**	**926**	**60**	**3,008**	**7,445**

	Gross block				Depreciation				Net block
Particulars	**As at April 01, 2018**	**Additions during the year**	**Deletions/ adjustments during the year#**	**As at March 31, 2019**	**As at April 01, 2018**	**For the year**	**on deletions/ adjustments**	**As at March 31, 2019**	**As at April 01, 2019**
Freehold land	450	-	-	450	-	-	-	-	450
Buildings	717	53	7	763	124	38	-	162	601
Leasehold improvements	542	7	15	534	178	75	8	245	288
Plant and Equipment	3,981	722	105	4,598	886	476	35	1,327	3,272
Furniture and fixtures	403	146	6	543	150	76	6	220	323
Computers and office equipment	272	59	2	329	131	57	2	186	143
Vehicles	4	-	-	4	1	1	-	2	2
Sub Total	**6,369**	**987**	**135**	**7,221**	**1,470**	**723**	**51**	**2,142**	**5,079**
Capital work-in-progress									**2,222**
Total	**6,369**	**987**	**135**	**7,221**	**1,470**	**723**	**51**	**2,142**	**7,301**

#Includes assets held for sale relating to Fire & Suppression business. Refer note 37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

4. Intangible assets

Particulars	Gross block				Amortization				Net block
	As at April 01, 2019	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2020	As at April 01, 2019	For the year	on deletions/ adjustments	As at March 31, 2020	As at March 31, 2020
Computer software	420	70	-	490	114	62	-	176	314
Technical know-how	38	-	-	38	38	-	-	38	-
Total	**458**	**70**	**-**	**528**	**152**	**62**	**-**	**214**	**314**

Particulars	Gross block				Amortization				Net block
	As at April 01, 2018	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2019	As at April 01, 2018	For the year	on deletions/ adjustments	As at March 31, 2019	As at March 31, 2019
Computer software	411	9	-	420	46	68	-	114	306
Technical know-how	38	-	-	38	29	9	-	38	-
Total	**449**	**9**	**-**	**458**	**75**	**77**	**-**	**152**	**306**

4.1 Right-of-use assets

Particulars	Gross block				Amortization				Net block
	As at April 01, 2019	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2020	As at April 01, 2019	For the year	on deletions/ adjustments	As at March 31, 2020	As at March 31, 2020
Right-of-use assets	1,838	618	-	2,456	-	816	-	816	1,640
Total	**1,838**	**618**	**-**	**2,456**	**-**	**816**	**-**	**816**	**1,640**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

5.1 Non-current financial assets - Investments

	As at March 31, 2020	As at March 31, 2019
A. *Investment in equity shares (at FVTPL)*		
Unquoted		
Carrier Aircon Employees' Co-operative Thrift and Credit Society Limited (2,000 shares of Rs. 50 each)	1	1
B. *Investment in Govt. or trust securities (at amortised cost)*		
Unquoted		
6 Year National Savings Certificate VIII Issue (Pledged with Govt authorities)*	-	*
Total	**1**	**1**

* Amount is below the rounding off norm adopted by the Company.

Aggregate value of unquoted investments	1	1

5.2 Non-current financial assets - Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	216	423
Unsecured, considered doubtful		
Security deposits	-	15
Impairment allowance for doubtful advances	-	(15)
Total	**216**	**423**

5.3 Non-current financial assets - others

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Unclaimed dividend account	323	-
Total	**323**	**-**

6. Income tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Advance tax and tax deducted at source	2,218	2,643
Total	**2,218**	**2,643**

Net of provision for tax Rs 25,252 (as at March 31, 2019 Rs. 22,717).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

7. Income tax

The major components of tax expense/deferred tax assets recognised as at and for the year ended March 31, 2020 are indicated below:

a) Amounts recognised in profit or loss

	As at March 31, 2020	As at March 31, 2019
Current tax on profit for the year		
- for the year	2,537	3,878
Total current tax	**2,537**	**3,878**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	783	142
Total deferred tax	**783**	**142**
Tax charge/(credit) for the year	**3,320**	**4,020**

b) Amounts recognised in other comprehensive income

Current tax on defined benefit obligations	38	57
Deferred tax on defined benefit obligations	(38)	(57)
Tax charge/(credit) for the year	-	-

c) A reconciliation of income tax expense applicable to accounting profits/(loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Accounting profit before tax	8,065	10,823
Applicable tax rate	25.17%	34.94%
Tax on profit at statutory tax rate	2,030	3,782
Permanent differences	56	207
Remeasurement of deferred tax assets and liabilities*	1,194	-
Others	40	31
Tax charge/(credit) for the year	**3,320**	**4,020**

* On 20 September 2019, the Government of India vide the Taxation laws (Amendment) Ordinance, 2019 inserted section 115BAA in the income tax Act which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess (“New tax rate”) subject to certain conditions therein.

Further, INDAS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse. The Company has re-measured its deferred tax assets/liabilities at the new rate and impact of such re-measurement has been recognized in the Statement of Profit and Loss. The tax expense for the year ended 31 March 2020 include one time net reversal of Rs.1,194 lacs on account of re-measurement of deferred tax assets/liabilities.

d) Deferred tax assets/liabilities

	As at April 01, 2019	Charged/ (credited) to PL	Charged to OCI	As at March 31, 2020
Property, plant and equipment	(322)	87	-	(235)
Provision for doubtful debts and advances	1,560	(106)	-	1,454
Provision for inventory obsolescence	674	(78)	-	596
Provision for gratuity and compensated absences	602	(254)	38	386
Provision for litigation/disputes	1,537	(450)	-	1,087
Others	218	18	-	236
Total	**4,269**	**(783)**	**38**	**3,524**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	As at April 01, 2018	Charged/ (credited) to PL	Charged to OCI	As at March 31, 2019
Property, plant and equipment	(262)	(60)	-	(322)
Provision for doubtful debts and advances	1,467	93	-	1,560
Provision for inventory obsolescence	640	34	-	674
Provision for gratuity and compensated absences	434	111	57	602
Provision for litigation/disputes	1,609	(72)	-	1,537
Others	468	(250)	-	218
Total	**4,356**	**(143)**	**57**	**4,269**

8. Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital advances	187	44
Amount paid under protest	1,664	2,456
Unsecured, considered doubtful		
Amount paid under protest	394	520
Capital advances	18	18
Provision for doubtful advances	(412)	(538)
Total	**1,851**	**2,500**

9. Inventories

	As at March 31, 2020	As at March 31, 2019
Raw Materials and Components	3,119	3,858
- Stock-in-transit	1,471	966
Work-in-progress	194	134
Finished goods	4,464	3,751
Traded goods	17,805	15,121
Stock in transit (traded goods)	4,323	4,005
Provision for inventory obsolescence	(2,082)	(1,616)
Total	**29,294**	**26,219**

Provision for inventory obsolescence relates to provision made for Excess & Obsolete stock amounting to Rs. 2,082 (As at March 31, 2019 – Rs. 1,616). The provision is reversed as and when excess & obsolete inventory is sold/disposed off. Net provision for inventory obsolence expense during the year is Rs. 285 Lacs (March 2019 Rs. 156 lacs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

10.1 Current financial assets - Trade receivables*

	As at March 31, 2020	As at March 31, 2019
Trade receivable considered good- Unsecured	28,073	31,039
Trade receivable credit impaired	4,490	3,725
Total	**32,563**	**34,764**
Loss Allowance	(4,490)	(3,725)
Total	**28,073**	**31,039**

*refer note 40 for related parties balances

10.2 Current financial assets - Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cheques on hand	20	98
Balances with banks:		
- on current accounts	4,859	15,634
- on deposit accounts (with original maturity of 3 months or less)	-	1,000
Total	**4,879**	**16,732**

10.3 Current financial assets - Bank balances other than above

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
on deposit accounts	11	-
Total	**11**	**-**

10.4 Current financial assets - Loans

	As at March 31, 2020	As at March 31, 2019
(At amortised cost)		
Unsecured, considered good		
Loans and advances to related parties (Refer note 40)	-	3,802
Security deposits	276	98
Unsecured, considered doubtful		
Security deposits	119	51
Impairment allowance for doubtful security deposits	(119)	(51)
Total	**276**	**3,900**

10.5 Current financial assets - Others

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Unbilled revenue	1,223	127
Interest accrued on deposits	2	12
Receivables from related parties	-	208
Derivatives not designated as hedges	33	-
Others	345	754
Unsecured, considered doubtful		
Others	278	-
Impairment allowance	(278)	-
Total	**1,603**	**1,101**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

11. Other current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Contract assets #	993	1,193
Prepaid expenses	441	311
Advance to suppliers	509	257
Advance to employees	61	112
Balances with Government authorities	2,203	3,304
Unsecured, considered doubtful		
Contract assets #	74	-
Advance to suppliers	77	84
Balances with Government authorities	326	53
Impairment allowance for doubtful advances	(477)	(137)
Total	**4,207**	**5,177**

Contract asset is a right that is conditioned on something other than the passage of time therefore a contract asset is not a financial instrument. In some of the Company's contracts with customers, since the contractual right to payment arises only upon achievement of milestones specified in the contract, it is believed that the performance completed until the achievement of a particular milestone should be recorded as a contract asset under non-financial assets.

12. Share capital

	As at March 31, 2020	As at March 31, 2019
A. Authorised share capital		
Equity shares of ₹ 10 each (with voting rights)		
- Number	11,00,00,000	11,00,00,000
- Amount	11,000	11,000
B. Issued, subscribed and paid up		
Equity shares of ₹ 10 each (with voting rights)		
- Number	10,63,76,745	10,63,76,745
- Amount	10,638	10,638

C. Reconciliation of shares outstanding

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number	Amount	Number	Amount
Balance as at beginning of the year	10,63,76,745	10,638	10,63,76,745	10,638
Issued during the year	-	-	-	-
Balance as at end of the year	**10,63,76,745**	**10,638**	**10,63,76,745**	**10,638**

D. Shares held by ultimate holding Company and its subsidiaries/associates and details of shareholders holding more than 5% shares of the Company

	As at March 31, 2020		
	Numbers	Amount	Holding %
Holding company			
Carrier Corporation*	10,26,18,689	10,262	96.5%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2019		
	Numbers	Amount	Holding %
Holding company			
Carrier Corporation*	10,26,18,689	10,262	96.5%

*During the current year, the Board of Directors of United Technologies Corporation (ultimate holding company) has approved a plan to spinning off Carrier division into independent, publicly traded company, therefore shares held by United Technologies South Asia Pacific Pte Ltd have been transferred to Carrier Corporation on December 13, 2019.

E. The Company has one class of shares referred to as 'Equity Shares' having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share and has equal rights. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13. Other equity

	As at March 31, 2020	As at March 31, 2019
Capital reserve	1	1
Reserves on business combination	657	657
General reserve	895	895
Retained earnings	9,206	39,478
Share options outstanding account	416	393
	11,175	**41,424**

Nature and purpose of other reserves/ other equity

Reserves on business combination

This reserve was created on account of business combination in the prior years.

General reserve

Free reserves to be utilised as per the provision of the Act.

Other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Share options outstanding account

Share options outstanding account is used to record the impact of employee stock options scheme. Refer note 42 for further details of these plans.

Capital reserve		
Balance at the beginning of the year	1	1
Add : Additions made during the year	-	-
Balance at the end of the year	**1**	**1**
Reserves on business combination		
Balance at the beginning of the year	657	657
Add : Additions made during the year	-	-
Balance at the end of the year	**657**	**657**
General reserve		
Balance at the beginning of the year	895	895
Add : Additions made during the year	-	-
Balance at the end of the year	**895**	**895**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Retained earnings		
Balance at the beginning of the year	39,478	32,709
Add : Additions made during the year	4,745	6,803
Add : Adjustment on transition to Ind AS 115 (Refer to note 2(g)(10))	-	128
Less: Transfers from other comprehensive income	151	162
Less: Dividends paid (Refer to note 27)	34,882	-
Add: Share options outstanding account	16	-
Balance at the end of the year	**9,206**	**39,478**
Other comprehensive income		
Balance at the beginning of the year	-	-
Add : Additions made during the year	(151)	(162)
Transferred to retained earnings	151	162
Balance at the end of the year	**-**	**-**
Share options outstanding account		
Balance at the beginning of the year	393	326
Add : Additions made during the year	39	67
Less : Transferred to retained earnings	(16)	-
Balance at the end of the year	**416**	**393**

14. Non-current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Leave encashment	757	719
Gratuity (Refer note 34)	399	648
Other provisions		
Litigations/disputes (Refer note 28)	4,572	4,400
	5,728	**5,767**

Movement in Litigations/Disputes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance as at beginning of the year	4,400	4,605
Additions	185	80
Disposals/adjustments	13	285
Balance as at end of the year	**4,572**	**4,400**
Current maturity thereof	-	-
Balance of non-current provisions	**4,572**	**4,400**

(b) Litigation/Disputes

The Company has made provision for taxes and duties relating to cases that are pending assessments before Adjudicating Authorities where possible outflow of resources may arise in future which would depend on the ultimate outcome on conclusion of the cases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

15 Other non-current liabilities

	As at March 31, 2020	As at March 31, 2019
Deferred revenue	278	234
Total	**278**	**234**

16.1 Current financial liabilities- Borrowings

	As at March 31, 2020	As at March 31, 2019
Bank overdraft*	3,066	-
Working capital loan*	12,271	-
Total	**15,337**	**-**

* The ultimate holding company has executed corporate guarantee of Rs. 51,100 lacs in favour of the company.

Particulars	Amount	Maturity date	Interest rate
Bank overdraft	3,066	Payable on demand	6.75%
Working capital loan	6,000	15-Apr-20	6.61%
Working capital loan	2,000	21-Apr-20	6.53%
Working capital loan	4,271	27-Jun-20	6.50%

16.2 Trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payables	31,758	34,545
Total	**31,758**	**34,545**

Refer note 32 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

16.3 Other current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Security deposits	438	509
Unclaimed/unpaid dividend	323	-
Employee benefits payable	473	469
Interest accrued	11	-
Payable for purchase of property, plant and equipment	233	204
Royalty payable	101	50
Derivatives not designated as hedges	-	49
Total	**1,579**	**1,281**

17. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Advances from customers	3,010	2,982
Deferred revenue	3,268	3,722
Statutory dues	1,289	953
Total	**7,567**	**7,657**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

18. Current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Leave encashment	175	157
Gratuity (Refer to note 34)	200	200
Other provisions		
Warranty	778	900
Total	**1,153**	**1,257**

Movement in Warranty provisions

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance as at beginning of the year	900	741
Additions	710	1,325
Disposals/adjustments	832	1,166
Balance as at end of the year	**778**	**900**
Current maturity thereof	778	900
Balance of non-current provisions	**-**	**-**

Nature of Provisions

(a) Warranty

The Company provides for the estimated liability on warranties given on sale of its products based on past performance of such products. The provision represents the expected cost of replacement/repairs and free of charge services and it is expected that the expenditure will be incurred over the warranty period.

19. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of finished goods	34,373	39,098
Sale of traded goods	83,596	81,237
Sale of services #	33,807	26,715
	1,51,776	**1,47,050**
Other operating income		
Commission income	456	434
Scrap sales	212	197
Total	**1,52,444**	**1,47,681**

including contract revenue of Rs 3,956 lacs

Disclosures required by IND AS 115

a) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 19 to the financial statements. Further, the revenue is disclosed in the said note is net of Rs. 1,351 (Previous year Rs.1,655) representing incentives given to various customers and Rs. 34 (Previous year Rs.56) representing revenue on extended warranty.

b) Aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied amounts to Rs. 278 (Previous year Rs.234). The amount does not include the value of performance obligations outstanding as at 31 March 2020 that have an original expected duration of one year or less, as allowed by Ind AS 115.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

20. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets measured at amortised cost		
- On fixed deposits	136	177
- On inter-corporate deposits	50	362
Foreign exchange fluctuation gain (net)	296	615
Liabilities and provisions no longer required, written back	1,244	1,379
Profit on sale of property, plant and equipment (net)	27	117
Rental income from property leased (refer note 31)	18	-
MTM gain on forward contracts	82	-
Miscellaneous income	648	807
Total	**2,501**	**3,457**

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

Opening stock	Year ended March 31, 2020	Year ended March 31, 2019
Work-in-progress		
	134	101
Finished goods		
Traded goods	3,788	2,628
	19,427	14,715
Closing stock*	**23,349**	**17,444**
Work-in-progress		
Finished goods	194	134
Traded goods	4,552	3,788
	22,435	19,427
	27,181	**23,349**
Net (increase)/decrease	**(3,832)**	**(5,905)**

*includes inventory relating to Fire & Suppression business. Refer note 37

22. Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	13,269	13,309
Contribution to provident and other funds (Refer note 34)	673	634
Gratuity and Leave encashment	417	418
Share based payments (Refer note 42)	39	67
Staff welfare	456	803
Total	**14,854**	**15,231**

23. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on deposits	12	13
Interest on borrowings	1,357	-
Interest on lease liabilities (refer note 31)	135	-
Interest-others	115	144
Total	**1,619**	**157**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

24. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	926	726
Depreciation of right-of-use assets (refer note 31)	816	-
Amortisation of intangible assets	62	77
Total	**1,804**	**803**

25. Other expenses

		Year ended March 31, 2020		Year ended March 31, 2019
Power, fuel and water		594		570
Cost of services		21,935		16,358
Communication expenses		609		393
Rent, including lease rentals (Refer note 31)		573		1,087
Repairs and maintenance:				
Building		40		37
Machinery		115		121
Others		126		187
Insurance		372		338
Rates and taxes		695		803
Dealer/ Service commission		1,406		1,561
Travelling and conveyance		1,001		1,129
Advertisement and sales promotion		845		338
Sales and distribution expenses		4,326		4,347
Warranty		710		1,325
Bad debts & advances written off	711		810	
Less- Existing provision utilized	679	32	810	-
Allowance for doubtful debts and advances		2,129		811
Payment to auditors (excluding Goods and services tax)				
As Auditors:				
Audit fees		34		34
Tax audit fees		2		2
In other capacity		1		1
Out-of-pocket expenses				
Expenditure towards Corporate Social Responsibility (Refer note 36)		226		219
Training		46		101
Legal and professional		1,426		1,093
Royalty		289		212
Provision for inventory obsolescence		285		156
Research and development		262		283
Net loss on financial asset measured at fair value		-		49
Miscellaneous		873		1,091
Total		**38,952**		**32,646**

* Amount is below the rounding off norm adopted by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

26. Earnings per share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
Basic and diluted earnings per share		
Profit for the year	4,745	6,803
Weighted average number of shares	10,63,76,745	10,63,76,745
Nominal value per share	10	10
Earnings per share (Basic and diluted)	**4.46**	**6.40**

27. Distributions made and proposed

During the year, the Company has paid dividend related to financial year 2018-19 amounting to 34,882 (including Dividend Distribution Tax amounting 5,948), which was declared in the Board Meeting held on June 25, 2019.

	Year ended March 31, 2020	Year ended March 31, 2019
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2019 Rs.27.20 per share	28,934	-
Dividend distribution tax thereon	5,948	-
Total	**34,882**	**-**

28. CONTINGENT LIABILITIES AND COMMITTMENTS

	As at March 31, 2020	As at March 31, 2019
(a) Demands from regulatory authorities, (excluding applicable penalties)		
Income tax authorities*	305	63
Sales tax authorities	4,367	3,788
Excise, Customs Department and Service Tax#	19,946	19,882
Employee State Insurance (ESI) Department	126	126
(b) Claims against the Company, not acknowledged as debt	578	391
(c) Estimated value of contracts remaining to be executed on capital account (net of advances)	340	255
d) Financial guarantee issued on behalf of the Company	-	42

includes Rs. 19,802 lacs on account of service tax on overseas commission income and recovery of cenvat credit taken on booking and service commission.

*The company has filed appeals for the assessment year 2001-02 & 2006-07 involving tax amount of Rs. 8 & Rs. 266 before Income Tax Appellate Tribunal (ITAT) respectively under the Income Tax Act, 1961 , in response to Income tax orders involving certain disallowances and/or Transfer Pricing adjustment. No demand has been made by the Income tax authorities to the Company in view of the brought forward losses in the said years.

The amount shown in the items (a) and (b) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages competent advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

In February 2019, the Honorable Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. However, currently, there is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Owing to the aforesaid uncertainty and the interpretative challenges on the application of this judgement, the amount of Provident Fund obligation, if any, in respect to earlier periods cannot be reliably estimated.

Additionally, the Company is involved in other disputes, claims and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

29. During the year 2000-01, the Government of Haryana levied 'Local Area Development Tax' (L.A.D.T.) on material being purchased from outside Haryana. Based on legal advice, the erstwhile company, Carrier Aircon Limited ('CAI'), like other industries in Haryana, filed a writ petition before the Hon'ble High Court of Punjab & Haryana challenging the validity of this enactment. The Hon'ble High Court upheld the constitutional validity of the enactment of the Haryana Local Area Development Tax Act, 2000. CAI together with other industries, filed a Special Leave Petition before the Hon'ble Supreme Court of India. The Company has already provided for Rs. 53 (Previous Year Rs. 53) towards entry tax liability (net of payment) in the books of account.

The Haryana Local Area Development Tax Act, 2000 was repealed by the Govt. of Haryana effective from April 15, 2008. Further, the Haryana Govt. introduced Haryana Tax on Entry of Goods into Local Area Act, 2008 (Entry Tax) with effect from April 16, 2008 levying 2% entry tax on entry of all goods into the Local Area for consumption, use or sale. The Hon'ble Punjab & Haryana High court held this Act to be unconstitutional against which the Haryana Govt. filed Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court admitted the Special Leave Petition and tagged the case with the pending L.A.D.T matter. The Special Leave Petition has been heard by the Hon'ble Supreme Court and matter has been remanded back to respective High Courts. The Company had filed a writ petition before the Hon'ble High Court of Punjab & Haryana and Hon'ble High Court, which has since been accepted. The case is now awaited for hearing by Hon'ble High court. The Company has provided Rs. 3,415 (Previous Year Rs. 3,415) towards the entry tax liability in the books of account. The said amount has not been paid because of the above pending litigation challenging the validity of this act and non issuance of rules specifying the mechanism for payment of such tax.

During the year 2012, the Government of West Bengal introduced "The West Bengal Tax on Entry of Goods into Local Areas Act, 2012" for levy of entry tax on entry of certain goods into a local area of the State of West Bengal. In September 2015, based on legal advice, Carrier Airconditioning & Refrigeration Limited ('CARL'), like other industries in West Bengal, filed a writ petition before the Hon'ble High Court of Calcutta challenging the validity of the enactment. The Single Bench of the Hon'ble High Court vide order dated May 17, 2015 has sine die adjourned the matter, accordingly, realisation of dues gets automatically stayed. The Company has provided Rs. 67 (Previous Year Rs. 67) towards the entry tax liability in the books of account. The said amount has not been paid because of the above pending litigation challenging the validity of this the act.

In respect of the above cases, as regards the interest on arrears, the same has been stayed by the Hon'ble Supreme Court and accordingly has not been provided for. In case the levy of the interest is ultimately upheld, the Company may be liable to pay interest payable under respective legislations.

The above provisions are included in Note 14 - Provision for litigation/disputes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

30. The Company has foreign currency payables to various parties aggregating to Rs. 333 lacs (Previous Year Rs. 162 lakhs) as of March 31, 2020 and foreign currency receivables from various parties aggregating to Rs. 1,209 lakhs (Previous Year Rs. 1,410 lakhs) which are outstanding for more than respective stipulated time period as of March 31. 2020. Out of the above balance, the Company has subsequently settled and received substantial amount till date. The Company has also filed applications with the Authorized dealer seeking permission for extension of time period for settlement of trade receivables and payables and to write back certain payables.

31. Disclosure required by Ind AS 116

On 1 April 2019, the Company has recognised, a lease liability measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2019 and Right-of-Use (ROU) asset equal to the lease liability, adjusted by accrued lease payments recognised as at 31 March 2019. Also, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. The impact of transition Ind AS 116 have been summarized below:

A. Company as a lessee

This note provides information for leases where the Company is a lessee. The Company leases certain premises and Vehicles.

i) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2020	As at March 31, 2019
Right-of-use assets		
Leased premises	1,305	-
Leased vehicle	335	-
	1,640	**-**

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities		
Current	770	-
Non current	946	-
	1,716	**-**

ii) Amount recognised in the Statement of profit and loss

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation of right-of-use assets		
Leased premises	515	-
Leased vehicle	301	-
	816	**-**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest expense (included in finance costs - refer note 23)	135	-
Expense relating to short term/low value leases (included in other expenses - refer note 25)*	573	-
	708	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

* The Company has taken certain premises on leases with contract terms of one or less than one year which has been classified under short term leases. Further, the Company has also taken certain equipment, laptops and mobile phones on leases which are classified as. low value items . The Company has elected not to recognise Right-of-use assets and lease liabilities for these leases. Further, the total cash outflow relating to lease payments during the year amounts to Rs. 873 lacs.

B. Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company has leased out portions of its buildings under operating lease arrangements. These leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of 18 lacs (previous year nil) was recognised as rental income in the Statement of Profit and Loss.

32. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro Enterprises and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the Management, amounts outstanding to Micro and Small Suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006 are presented below. Further, the Company has not received any claim for interest from any supplier under the said Act.

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	348	888
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	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 MSMED Act 2006.	43	449
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	115	144
(v)	The amount of further interest remaining due and payable even in 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 MSMED Act, 2006.	561	375

33. The Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

34. Employee benefits

A. Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss, included in 'Contribution to provident fund and other funds' under Employee benefits expense:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Superannuation fund	91	86
Employer's contribution to Provident Fund	384	360
Employer's contribution to Employee State Insurance	*	*
Employer's contribution to Employee's Pension Scheme, 1995	198	188
Total	**673**	**634**

**Amount is below rounding off norm adopted by the Company*

B. Defined benefit plans

Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to Life insurance corporation of India. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

Based on the actuarial valuation conducted in accordance with Ind AS 19, The reconciliation of opening and closing balances of the present value of defined benefit obligations are as under:

(i) Present value of defined benefit obligation	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,155	1,807
Current Service Cost	212	191
Interest Cost	156	134
Actuarial (Gains) / Losses	165	152
Benefits paid	(95)	(129)
Total	**2,593**	**2,155**
(ii) Fair value of plan assets	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Balance at the beginning of the year	1,307	1,338
Expected return on plan assets	99	105
Actuarial Gains/ (Losses)	15	(10)
Contribution by the Company	668	3
Benefits paid	(95)	(129)
Total	**1,994**	**1,307**

(iii) Percentage allocation of plan assets	As at March 31, 2020	As at March 31, 2019
Life Insurance Corporation of India (100%)	1,994	1,307

(iv) Liability/(asset) recognised at Balance Sheet date	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation	2,593	2,155
Less: Fair Value of Plan Assets	(1,994)	(1,307)
Amounts recognised as liability	**599**	**848**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

(v) Actual return on plan assets	Year ended March 31, 2020	Year ended March 31, 2019
Actual return on Plan Assets	114	95

(vi) Amounts recognised in Profit or loss	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	213	191
Interest Cost (net of expected return on plan asset)	57	29
Net expense	**270**	**220**

(vii) Amounts recognised in Other Comprehensive Income	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (gain)/loss from demographic assumptions	(11)	4
Actuarial (gain)/loss from financial assumptions	48	32
Actuarial (gain)/loss arising from experience adjustments	129	116
Actuarial return on plan asset less interest on plan assets	(15)	10
Total	**151**	**162**

(viii) Actuarial assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	6.45%	7.60%
Expected Return on Plan Assets	7.61%	7.85%
Salary Growth Rate		
0-1 year	0.00%	8.00%
0-2 year	10.00%	8.00%
after 2 year	8.00%	8.00%
Attrition rate		
Age group 21-30 Years	20.00%	16.00%
Age group 31-40 Years	13.00%	11.00%
Age group 41-50 Years	7.00%	6% to 8%
Age group 51-59 Years	11.00%	6% to 8%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply factors in the employment market.

Expected rate of return is based on average long term rate of return expected on investment of the fund during the estimated term of the obligations.

(ix) Expected contribution in next fiscal year	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity fund	200	200

(x) Weighted average duration of defined benefit obligation (in years)	As at March 31, 2020	As at March 31, 2019
Gratuity	7.00	7.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

(xi) Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Increase / (Decrease) in defined benefit obligation	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate		
Increase by 0.50%	(88.30)	(78.91)
Decrease by 0.50%	93.45	83.76
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	92.41	83.04
Decrease by 0.50%	(88.20)	(78.98)
Attrition rate		
Increase by 0.50%	(8.14)	(2.89)
Decrease by 0.50%	8.47	2.89

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(xii) Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC) and the Company does not have any liberty to manage the fund provided to LIC.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability

35. The Company has provided a Corporate Guarantee aggregating to Rs. Nil as at March 31, 2020 ((Previous Year Rs. 42) to the Hongkong and Shanghai Banking Corporation Limited in favour of Agnice Fire Protection Private Limited. This guarantee is secured by Corporate Guarantee from United Technologies Corporation in favour of the Company.

36. Expenditure towards corporate social responsibility

	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the Company	226	198
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above*	226	198

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

*Out of the above expenditure of Rs. 226 lacs, payment of Rs. 194 lacs was initiated by the Company on 31 March 2020 however, it could not be credited to the beneficiary due to certain technical errors. Subsequently, the payment was reinitiated pursuant to which it got credited to the beneficiary on 3 April 2020.

37. The assets held for sale has been stated at lower of its carrying amount and fair value less costs to sell and comprises the following assets:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Property, plant and Equipment	61	81
Inventory#	993	1,111
	1,054	**1,192**

net of provision for inventory obsolescence Rs. 285 lacs (previous year 312 lacs)

On 28 March 2019, the Board of Directors of the Company approved and decided to sell certain assets pertaining to Fire and Suppression business. Accordingly, these assets have been disclosed as 'Assets held for Sale'. Further, subsequent to the year end, the Company has entered into an Asset Purchase agreement with one of its fellow subsidiary to sell the above mentioned assets at consideration above book value.

As a process to comply with statutory requirement fellow subsidiary applied for various approvals and registrations with various government authorities. During the year 2019-20, while fellow subsidiary received some approvals and registrations, few were still pending as on 31 March 2020. Pandemic situation in India and lockdown created abnormal delays in obtaining the necessary approvals as the government offices are working with limited resources. The fellow subsidiary is pursuing for the requisite approvals with the respective authorities and once all approvals are in place, the sale transaction will be executed.

In view of the fact that the business do not represents a major component of business of the entity, the Management believes that the above mentioned transaction shall not be treated as Discontinuing operations as specified in Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations".

38. Financial instruments – Fair values and risk management

i) Financial instruments by category and fair value

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

	March 31, 2020					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	216	-	-	216
Others	-	-	323	-	-	323
Current						
Trade receivables	-	-	28,073	-	-	28,073
Cash and cash equivalents	-	-	4,879	-	-	4,879
Bank balances other than above	-	-	11			11
Loans	-	-	276	-	-	276
Others	-	-	1,603	-	-	1,603
Total financial assets	**1**	**-**	**35,382**	**-**	**-**	**35,383**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Financial liabilities						
Current						
Borrowings	-	-	15,337	-	-	15,337
Lease liabilities	-	-	770	-	-	770
Trade payables	-	-	31,757	-	-	31,757
Others			1,579			1,579
Total financial liabilities	**-**	**-**	**49,443**	**-**	**-**	**49,443**

	March 31, 2019					
	Carrying Amount			Fair Value		
	FVTPL	**FVTOCI**	**Amortised Cost**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	423	-	-	423
Others	-	-	-	-	-	-
Current						-
Trade receivables	-	-	31,039	-	-	31,039
Cash and cash equivalents	-	-	16,732	-	-	16,732
Loans	-	-	3,900	-	-	3,900
Others	-	-	1,101	-	-	1,101
Total financial assets	**1**	**-**	**53,195**	**-**	**-**	**53,195**
Financial liabilities						
Current						
Trade payables	-	-	34,545	-	-	34,545
Others	49	-	1,232	-	49	1,183
Total financial liabilities	**49**	**-**	**35,777**	**-**	**49**	**35,728**

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans, other current and non current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts.

ii) Measurement of fair values

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices such as listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers in either direction for the years ended 31 March 2020.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Risk management framework

The Company's activities expose it to a variety of financial risks: credit risk liquidity risk and market risk (foreign exchange risk).

The Company's management under the directions of the board of directors implements financial risk management policies across the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits in order to minimize the financial impact of such risks. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit risk exposure. The Company has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

To cater to the credit risk for balances with banks/financial institutions, only high rated banks/institutions are accepted.

Derivatives are entered into with banks and financial institution counterparties, as per the approved guidelines for entering derivative contracts. The Company considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

The Company has given security deposits to Government departments and vendors for securing services from them and rental deposits. The risk of default is appropriately analyse and accounted for.

In respect of credit exposures from trade receivables, the Company has policies in place to ensure that sales on credit without collateral are made principally to dealers and corporate companies with an appropriate credit history.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Reconciliation of loss allowance provision	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	3,725	3,728
Addition during the year	1,444	757
Utilised during the year	679	760
Closing balance	**4,490**	**3,725**

The impairment provisions for trade receivable disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity risk management includes maintaining sufficient cash, ensuring the availability of funds through committed/undrawn credit facilities and ensuring cash flow from operating activities. The Company seeks to increase income by maintaining high quality standards resulting into higher sales, while reducing the related costs and by controlling operating expenses.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit to meet the short term funding requirement:

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term and long term liquidity needs.

(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

		Contractual cash flows		
March 31, 2020	**Carrying amount**	**Total**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowing	15,337	15,337	15,337	-
Lease liabilities (current & non current)	1,935	1,935	857	1,078
Trade payables	31,757	31,757	31,757	-
Other current financial liabilities	1,579	1,579	1,579	-
Total	**50,608**	**50,608**	**49,530**	**1,078**

		Contractual cash flows		
March 31, 2019	**Carrying amount**	**Total**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	34,545	34,545	34,545	-
Other current financial liabilities	1,232	1,232	1,232	-
	35,777	**35,777**	**35,777**	**-**

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31,2020	March 31,2019
Overdraft facilities and working capital loan from bank.	35,763	-
	35,763	**-**

iii. Market risk

The Company is exposed to market risk primarily relating to the risk of changes in market prices, such as foreign exchange rates, that will affect the Company's expense or the value of its holdings of financial instruments.

Currency risk

The Company's exposure to foreign currency risk is on account of payables of expenditure in currencies other than the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

		March 31, 2020		March 31, 2019	
	Currency	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	EUR	2	173	1	56
(Gross of forward exchange contracts)	GBP	*	8	*	4
	JPY	171	119	44	27
	USD	40	3,012	23	1,577
	CNY	339	3,589	290	3,098
	AUD	-	-	*	9
	SGD	*	7	*	9
	THB	695	1,578	1,359	3,034
			8,486		**7,814**
Trade receivables	USD	36	2,462	35	2,355
	JPY	-	-	26	16
	THB	-	-	3	6
			2,462		**2,377**

		March 31,2020		March 31,2019	
Forward exchange contracts	**Currency**	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	JPY	31	22	-	-
	CNY	75	797	252	2,692
	USD	-	-	11	789
	THB	**409**	**929**	**935**	**2,086**
			1,748		**5,567**

Sensitivity analysis

A reasonably possible strengthening/weakening of the Indian Rupee against foreign currency at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	**(Profit) or loss / Equity, net of tax**	
March 31,2020	Strengthening	Weakening
10% movement		
Foreign Currency	(403)	403
	(403)	**403**

Effect in INR	**(Profit) or loss / Equity, net of tax**	
March 31,2019	Strengthening	Weakening
10% movement		
Foreign Currency	(13)	13
	(13)	**13**

** Amount is below the rounding off norm adopted by the Company.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

The Company manages the risk by using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Exposure to Interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed-rate instruments		
Financial liabilities - Bank overdraft	3,066	-
	3,066	**-**
Variable-rate instruments		
Financial liabilities - working capital loans	12,271	-
	12,271	**-**
Total	**15,337**	**-**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Particulars	**100 bp decrease**	**100 bp decrease**	**100 bp decrease**	**100 bp decrease**
31 March 2020				
Financial liabilities	192	(192)	143	(143)
	192	**(192)**	**143**	**(143)**
31 March 2019				
Financial liabilities	-	-	-	-
	-	-	-	-

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all equity reserves attributable to the equity holders of the company. The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years end March 31, 2020.

There is no financial covenants which needs to be maintained under the term of borrowing facilities. The capital gearing ratio is as follows.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	65,116	50,741
Less: cash and cash equivalents	4,879	16,732
Adjusted net debt	60,237	34,009
Total equity	**21,813**	**52,062**
Adjusted net debt to equity ratio	**2.8**	**0.7**

40. RELATED PARTY DISCLOSURES

A. The names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

i) Holding Company

Carrier Corporation (refer note 12 (d))

United Technologies South Asia Pacific Pte Ltd.

ii) Ultimate Holding Company

United Technologies Corporation , USA

iii) Fellow Subsidiaries / Entities

a) Carrier Asia Limited, Hong Kong
b) Carrier ARCD Pte. Ltd, Singapore
c) Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China
d) United Technologies Electronic Controls, Inc., Delaware
e) CARRIER S.C.S., France
f) Carrier Singapore (PTE) Limited, Singapore
g) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China
h) Automated Logic Corporation, Georgia
i) Carrier International Sdn. Berhad, Malaysia
j) United Technologies Corporation India Private Limited, India
k) Carrier Race Technologies Private Limited, India
l) UTC Fire & Security India Ltd., India
m) Chubb Alba Control Systems Limited, India
n) Otis Elevator Company (India) Limited, India
o) UTC Fire & Security Singapore Pte Ltd, Singapore

p) Autronica Fire and Security A/S, Denmark

q) Kidde Deutschland GmbH, Germany

r) Kidde Products Ltd

s) Kidde-Fenwal, Inc., Delaware

t) Toshiba Carrier AirConditioning Sales (Shanghai) Co., Ltd, China

u) Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China

v) Carrier Refrigeration Operation Czech Republic s.r.o, Czech Republic

w) Carrier Refrigeration System Sales Service (Shanghai) Co. Ltd, China

x) Carrier Commercial Refrigeration (Thailand) Ltd., Thailand

y) Supriya Elevators Company (India) Limited, India

z) UTC Fire & Security B.V., Netherlands

aa) Carrier (Thailand) Limited, Thailand

ab) Carrier Hungary Refrigerating Trading and Manufacturing Limited Liability Co., Hungary

ac) Gulf Security Technology Company Limited, China

ad) Onity India Private Limited, India

ae) Carrier Transicold Europe, France

af) Shanghai Carrier Transicold Equipment Co., Ltd, China

ag) Chubb Group Security Limited, England

ah) Carrier Transicold Hong Kong Limited, Hong Kong

ai) Carrier Vietnam Air Conditioning Company Limited, Vietnam

aj) Carrier Commercial Refrigeration, Inc., Delaware

ak) Kidde China Limited, Hong Kong

al) Carrier Kältetechnik Deutschland GmbH, Germany

am)Carrier Australia Pty Ltd

an) Carrier Kaltetchnik Deutschland Gmb

ao) Guangdong Shengjie Fire Protection

ap) Chubb Singapore Private Limited

aq) Carrier International Corporation

iv) Key Management Personnel

a) Chirag Baijal (w.e.f June 25, 2019).

b) Arun Bhatia (Managing Director) (till june 25, 2019)

c) Sugeeth Kumar (Whole Time Director) (till mar 25, 2020)

d) Pritesh Agrawal (Whole Time Director) (w.e.f June 8, 2020)

e) Rahul Jain (Whole Time Director)

f) Narendra Singh Sisodia (Independent director)

g) Pankaj Prakash Sahni (Independent director)

h) Nandita Luthra (Whole Time Director)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40B - Description of Transactions with the Related Parties

(All amounts in ₹ Lacs, unless otherwise stated)

Sl No	Name of the Party	For the year ended	Sale of Goods and Services #	Purchase of Goods	Commission Income	Expenses		Dividend paid	Interest Income
						Incurred	Re-imbursement		
1	United Technologies South Asia Pacific Pte Ltd	31 March, 2020	-	-	-	-	-	27,919	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2020	-	2,722	448	-	207	-	-
		31 March, 2019	-	(2,269)	(198)	(118)	(-)	(-)	(-)
3	UTC Fire & Security India Ltd., India	31 March, 2020	193	*	-	440	408	-	-
		31 March, 2019	(130)	(6)	(-)	(442)	(390)	(-)	(-)
4	Carrier Corporation, Delaware	31 March, 2020	-	774	-	702	1,297	-	-
		31 March, 2019	(-)	(1,070)	(-)	(946)	(608)	(-)	(-)
5	Otis Elevator Company (India) Ltd., India	31 March, 2020	32	3	-	16	61	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)
6	Chubb Alba Control Systems Limited, India	31 March, 2020	5	12	-	328	488	-	12
		31 March, 2019	(30)	(29)	(-)	(272)	(648)	(-)	(63)
7	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2020	-	5,511	-	-	-	-	-
		31 March, 2019	(-)	(4,373)	(-)	(-)	(-)	(-)	(-)
8	Carrier Singapore (PTE) Limited, Singapore	31 March, 2020	-	-	-	705	734	-	-
		31 March, 2019	(-)	(-)	(-)	(18)	(489)	(-)	(-)
9	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2020	-	1,487	-	25	27	-	-
		31 March, 2019	(-)	(2,070)	(-)	(-)	(-)	(-)	(-)
10	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2020	-	75	-	-	166	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(157)	(-)	(-)
11	Others - Fellow subsidiaries	31 March, 2020	9	2,904	17	207	966	-	38
		31 March, 2019	(168)	(4122)	(27)	(188)	(1424)	(-)	(299)

including appliable taxes

* Amount is below the rounding off norm adopted by the Company.

Figures in bracket represent previous year's figures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40B - Description of Transactions with the Related Parties and balances at year end

(All amounts in ₹ Lacs, unless otherwise stated)

Sl No	Name of the Party	For the year ended	Remuneration Paid	Inter Corporate Deposits				Outstanding Balances at year end					Contribution to the Funds
				Given	Repayment received	Interest accrued	Interest received	Trade Receivable & Other receivable	Inter Corporate Deposit	Trade payables	Dividend payables	Guarantees Outstanding	
1	United Technologies South Asia Pacific Pte Ltd.	31 March, 2020	-	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7)	(-)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2020	-	-	-	-	-	40	-	640	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(268)	(-)	(645)	(-)	(-)	(-)
3	UTC Fire & Security India Ltd., India	31 March, 2020	-	-	-	-	-	237	-	67	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(245)	(-)	(38)	(-)	(-)	(-)
4	Carrier Corporation, Delaware	31 March, 2020	-	-	-	-	-	717	-	384	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(159)	(-)	(743)	(-)	(-)	(-)
5	United Technologies Corporation	31 March, 2020	-	-	-	-	-	-	-	-	-	73,149	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21,660)	(-)
6	Carrier Race Technologies Private Limited, India	31 March, 2020	-	-	3,098	38	898	-	-	-	-	-	-
		31 March, 2019	(-)	(-)	(-)	(287)	(-)	(90)	(3,153)	(83)	(-)	(-)	(-)
7	Otis Elevator Company (India) Ltd., India	31 March, 2020	-	-	-	-	-	7	-	*	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
8	Chubb Alba Control Systems Limited, India	31 March, 2020	-	-	576	12	90	188	-	118	-	-	-
		31 March, 2019	(-)	(-)	(-)	(63)	(-)	(330)	(578)	(223)	(-)	(-)	(-)
9	Carrier Refrigeration Management Superannuation Fund Trust	31 March, 2020	-	-	-	-	-	-	-	-	-	-	90
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(86)
10	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2020	-	-	-	-	-	-	-	2,346	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,242)	(-)	(-)	(-)
11	Carrier Singapore (PTE) Limited, Singapore	31 March, 2020	-	-	-	-	-	342	-	7	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(39)	(-)	(9)	(-)	(-)	(-)
12	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2020	-	-	-	-	-	-	-	437	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(568)	(-)	(-)	(-)
13	Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China	31 March, 2020	-	-	-	-	-	1,270	-	-	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(1636)	(-)	(-)	(-)	(-)	(-)
14	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2020	-	-	-	-	-	-	-	*	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
15	Nanda Kishore Lakkaraju	31 March, 2020	-	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(84)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
16	Arun Bhatia	31 March, 2020	52	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(255)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
17	Sugeeth Kumar	31 March, 2020	112	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(97)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
18	Rahul Jain	31 March, 2020	82	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(76)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
19	Pankaj Prakash	31 March, 2020	2	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(2)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Narendra Singh	31 March, 2020	3	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(3)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
21	Chirag Baijal	31 March, 2020	106	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
22	Nandita Luthra	31 March, 2020	198	-	-	-	-	-	-	-	-	-	-
		31 March, 2019	(188)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
23	Others - Fellow subsidiaries	31 March, 2020	-	-	128	*	28	1,666	-	208	-	-	-
		31 March, 2019	(-)	(-)	(-)	(12)	(-)	(633)	(128)	(405)	(-)	(-)	(-)

Figures in bracket represent previous year's figures

** Amount is below the rounding off norm adopted by the Company.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

41. Segment Reporting

General Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads.

For management purposes, the Company is organised into following two reportable segments:

Airconditioning

Others (Includes Cold Room, Transicold and Fire & Security Products)*

Cold Room includes manufacturing/ trading and supply of refrigeration, cold room and modern retail equipments.

Transicold includes supply & installation of refrigeration equipment to fleet operators and logistics companies. Fire & Security Products includes manufacturing / trading and supply of fire & saftey products, also refer note 37

*Cold Room, Transicold and Fire & Security Products are combined as "Others", as these individually do not meet the threshold requirements mentioned under IND AS 108 " Operating Segments".

		Current Year			Previous Year		
		Airconditioning	Others	Total	Airconditioning	Others	Total
(i)	**Revenue**						
	External sales and services (net)	1,30,977	20,799	1,51,776	1,24,145	22,905	1,47,050
	Total Revenue			**1,51,776**			**1,47,050**
(ii)	**Segment results**	9,295	203	9,498	9,823	619	10,442
	Operating income			**9,498**			**10,442**
	Finance charges			**(1,619)**			**(157)**
	Interest income			186			538
	Profit before tax			**8,065**			**10,823**
	Current tax			2,537			3,878
	Deferred tax			783			142
	Net Profit after tax (A)			**4,745**			**6,803**
	Other comprehensive income/ (loss)						
	(i) Items that will not be reclassified to profit or loss			(151)			(162)
	Other comprehensive income for the year (B)			**(151)**			**(162)**
	Total comprehensive income for the year (A+B)			**4,594**			**6,641**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

		Current Year			Previous Year		
		Airconditioning	Others	Total	Airconditioning	Others	Total
(iii)	**Other information**						
	Segment assets	66,565	9,420	**75,985**	62,206	13,150	75,356
	Add : Unallocated Assets	-	-	5,202	-	-	20,535
	Total Assets	**66,565**	**9,420**	**81,187**	**62,206**	**13,150**	**95,891**
	Segment liabilities	43,906	5,550	**49,456**	34,822	15,919	50,741
	Add : Unallocated Liabilities	-	-	**15,660**	-	-	-
	Total Liabilities	**43,906**	**5,550**	**65,116**	**34,822**	**15,919**	**50,741**
	Capital expenditure	**1,259**	**-**	**1,259**	**2,050**	**-**	**2,050**
	Depreciation / Amortization	**1,802**	**2**	**1,804**	**800**	**3**	**803**

	Revenue		Assets		Capital Expenditure		Non Current Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	1,50,473	1,43,711	78,725	93,514	1,259	2,050	11,790	10,531
Outside India	1,303	3,339	2,462	2,377	-	-	-	-
TOTAL	**1,51,776**	**1,47,050**	**81,187**	**95,891**	**1,259**	**2,050**	**11,790**	**10,531**

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2020 and 31 March 2019.

42. Employee Stock Option Scheme (ESOP)

A. Description of share based payment arrangements

The Company employees are entitled to various stock options under United Technologies Corporation (UTC), the Ultimate Parent Company's Long-Term Incentive Plan (LTIP), as amended and restated effective February 5, 2016 (the "LTIP"). The stock options provided to employees of the Company is subject to the terms and conditions of the LTIP. Under the LTIP and predecessor long-term incentive plans, the exercise price of awards is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock appreciation rights and stock options have a term of ten years and a minimum three-year vesting period. In the event of retirement, awards held for more than one year may become vested and exercisable subject to certain terms and conditions. LTIP awards with performance based vesting generally have a minimum three-year vesting period and vest based on performance against pre-established metrics. In the event of retirement, vesting for awards held more than one year does not accelerate but may vest as scheduled based on actual performance relative to target metrics. The Company measure the cost of all share-based payments, including stock options, at fair value on grant date, on the basis of information available from parent company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

The key terms and conditions related to various stock options under LTIP is as follows:-

Type of options granted	Vesting condition	Contractual life	Settlement
Restricted stock units (RSU's)	3 years service condition	Equal to vesting period	Settlement to be done by delivery of one common stock of UTC
Stock Appreciation Rights (SAR's)	3 years service condition	10 years	Settlement is done by delivery common stock of UTC and no cash is being paid to employees. The number of common stock issued represents the amount of appreciation in options granted to employee
Performance Share Units (PSU's)	3 years service condition	10 years	Settlement is done by delivery common stock of UTC.

B. Measurement of fair values

The parent company estimates the fair value of RSU option award, PSU option award and SAR option award on the date of grant using a binomial lattice model. The following table indicates the assumptions used in estimating fair value for the years ended March 31, 2020 and 2019. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31-Mar-2020	31-Mar-2019
Expected volatility	18.8%-19.7%	17.5%-21.1%
Weighted-average volatility	20%	18%
Expected term (in years)	6.5-6.6	6.5-6.6
Expected dividend yield	2.40%	2.20%
Risk-free rate	2.3%-2.7%	1.3%-2.7%

The weighted-average grant date fair value of SAR's stock options granted during 2019-20 was Rs.1,853 USD equivalent -$ 26.13

The weighted average grant date fair value of stock options granted during 2018-19 as estimated by parent is as follows:

RSU's - Rs.8,799 USD equivalent -$125.77
SAR's - Rs.1,543 USD equivalent -$22.05
PSU's - Rs.8,563 USD equivalent -$122.40

Expected volatilities are based on the returns of UTC's stock, including implied volatilities from traded options on UTC's stock for the binomial lattice model. Historical data is used to estimate equity award exercise and employee termination behavior within the valuation model. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2020 is as follows:-

RSU's stock options	31-Mar-20		31-Mar-19	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	195	-	1,705	-
Granted during the year	-	-	195	-
Exercised during the year	-	-	1,705	-
Forfeited/cancelled during the year	-	-	-	-
Outstanding at the end of the year	195	-	195	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 8.92 years (31 March 2019 : 9.92 years)

The weighted average share price at the date of exercise for shares options exercised in 2019-20: Rs. Nil USD equivalent -$ Nil (31 March 2019 : Rs.9,496 USD equivalent -$135.74)

PSU's stock options	31-Mar-2020		31-Mar-2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	140	-	-	-
Granted during the year	-	-	140	-
Exercised during the year	-	-	-	-
Forfeited/cancelled during the year	-	-	-	-
Outstanding at the end of the year	140	-	140	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 8.92 years (31 March 2019: 9.92 years)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lacs, unless otherwise stated)

SAR's	31-Mar-2020		31-Mar-2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	10,910	94.03	14,500	92.70
Granted during the year	3,330	145.15	3,760	124.58
Exercised during the year	2,300	92.06	7,350	93.67
Forfeited/cancelled during the year	-	-	-	-
Outstanding at the end of the year	11,940	118.51	10,910	94.03

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 6.87 years (31 March 2019 : 7.06 years)

The weighted average share price at the date of exercise for shares options exercised in 2019-20 was Rs.9,598 USD equivalent - $135.35 (2018-19: Rs.9,092 USD equivalent - $129.96)

D. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 22

43. With the Covid-19 outbreak it was only from the end of March that the existence of an effective "National Emergency" was declared and a pandemic was only declared on 24 March 2020. Its impact on the Company are constantly kept under close review by the management and appropriate measures are being implemented to protect the Company. Currently, the company believe that there is no substantial doubt about it's ability to continue as a going concern, for a reasonable period of time, from the date the financial statements are issued.

44. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Sd/-
Girish Arora
Partner
Membership No: 098652
UDIN No. 20098652AAAABJ1402
Place : Gurugram
Date: November 12, 2020

For and on behalf of the Board of Directors of Carrier Airconditioning & Refrigeration Limited

Sd/-
Chirag Baijal
Managing Director
DIN No. 08465289

Sd/-
Pritesh Agrawal
WTD & CFO
DIN No. 08757017

Sd/-
Suraj Arora
Company Secretary
Membership No: F10752

Place : Gurugram
Date: November 12, 2020

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

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