

**CARRIER**

**ANNUAL REPORT**

**2018 - 19**

**CARRIER AIRCONDITIONING & REFRIGERATION LTD.**

# INDEX

S. No.	Particulars	Page No.
1.	The Board of Directors	2
2.	Board Committees and Key Managerial Personnel	2-3
3.	Other Information	3
4.	AGM Notice	4-19
5.	Board's Report	20-31
	<ul style="list-style-type: none"> <li>Annual Report on Corporate Social Responsibility (<b>Annexure "A"</b>)</li> </ul>	32-34
	<ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Policy (<b>Annexure "B"</b>)</li> </ul>	35-38
	<ul style="list-style-type: none"> <li>Extract of Annual Return MGT-9 (<b>Annexure "C"</b>)</li> </ul>	39-45
	<ul style="list-style-type: none"> <li>Secretarial Audit Report (<b>Annexure "D"</b>)</li> </ul>	46-48
	<ul style="list-style-type: none"> <li>Disclosure under section 197 of the Companies Act, 2013 (<b>Annexure "E"</b>)</li> </ul>	49
	<ul style="list-style-type: none"> <li>Report on Conservation of Energy, Technology Absorption &amp; Foreign Exchange Earnings (<b>Annexure "F"</b>)</li> </ul>	50-52
	<ul style="list-style-type: none"> <li>AOC- 2 (<b>Annexure "G"</b>)</li> </ul>	53
	<b>FINANCIAL SECTION</b>	
6.	Independent Auditors' Report	54-64
7.	Balance Sheet as at March 31, 2019	65
8.	Statement of Profit and Loss for the year ended March 31, 2019	66
9.	Cash Flow Statement for the year ended March 31, 2019	67-68
10.	Notes to Financial Statements	69-117
11.	Proxy Form	118-119
12.	Attendance Slip	120
13.	Map to AGM Venue	121
14.	Instruction of E-Voting	122

## 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. Sugeeth Kumar**  
(DIN: 07420265)  
Whole-time Director & CFO

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

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

### Board Committees:

#### Nomination & 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

### Audit Committee:

**Mr. Pankaj Prakash Sahni**  
(DIN: 07132999)  
Chairman

**Mr. Narendra Singh Sisodia**  
(DIN: 06363951)  
Member

**Mr. Sugeeth Kumar**  
(DIN: 07420265)  
Member

### Corporate Social Responsibility Committee:

**Mr. Narendra Singh Sisodia**  
(DIN: 06363951)  
Chairman

**Mr. Chirag Baijal**  
(DIN: 08465289)  
Member

**Mr. Sugeeth Kumar**  
(DIN: 07420265)  
Member

### Stakeholder Relationship Committee:

**Mr. Narendra Singh Sisodia**  
(DIN: 06363951)  
Chairman

**Mr. Sugeeth Kumar**  
(DIN: 07420265)  
Member

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

**Key Managerial Personnel:****Mr. Sugeeth Kumar**

(PAN: AJEPK2528E)

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](mailto:helpdeskdelhi@mcsregistrars.com)

Website: [www.mcsregistrars.com](http://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.utc.com](mailto:secretarial@carrier.utc.com)

Website: [www.carrierindia.com](http://www.carrierindia.com)

## Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

Registered office: Narsingpur, Kherki Daula Post, Gurgaon 122001, Haryana

Email: [secretarial@carrier.utc.com](mailto:secretarial@carrier.utc.com)

Website: [www.carrierindia.com](http://www.carrierindia.com)

Tel: 0124 - 4825500, Fax: 0124 - 2372230

## NOTICE OF THE 27<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 27<sup>th</sup> (Twenty Seventh) Annual General Meeting of members of Carrier Airconditioning & Refrigeration Limited (the "company") will be held on Friday, September 20, 2019 at 11:00 A.M. at Fortune Select Global, Global Arcade, Mehrauli-Gurgaon Road, Sikanderpur, Sector 26, Gurugram-122002, Haryana, India to transact the following businesses:

### Ordinary Business:

1. To consider and adopt audited financial statements of the company for the financial year ended March 31, 2019 and the report of Board of Directors and auditors thereon and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:

**"Resolved that** audited financial statements of the company for the financial year ended March 31, 2019 together with the report of Board of Directors and auditors thereon be and are hereby considered and adopted."

2. To confirm an interim dividend of ₹ 27.20/- on each fully paid-up equity share of ₹ 10/- of the company already paid to the members of the company and consider the same as final dividend for the financial year ended March 31, 2019 and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:

**"Resolved that** an interim dividend of ₹ 27.20/- on each fully paid-up equity share of ₹ 10/- of the company already paid to the members of the company whose names appeared in the register of members on June 21, 2019 the record date determined by Board of Directors for payment of interim dividend for the financial year ended March 31, 2019 be and is hereby confirmed and approved.

**Resolved further that** an interim dividend stated herein above be and is hereby considered as final dividend for the financial year ended March 31, 2019."

3. To appoint Mr. Rahul Kumar Jain (**DIN: 07858457**) who retires by rotation and being eligible, offers himself for re-appointment as a director of the company and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:

**"Resolved that** Mr. Rahul Kumar Jain (**DIN: 07858457**) who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a director of the company who shall be liable to retire by rotation."

### Special Business:

4. To approve the appointment and remuneration of Ms. Nandita Luthra (**DIN: 06948082**) as whole-time director of the company and in this regard to consider and if thought fit to pass the following resolution as special resolution:

**"Resolved that** pursuant to the recommendation 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 Ms. Nandita Luthra (**DIN: 06948082**) as whole-time director of the company for a period of 5 (five) years with effect from April 1, 2019 till March 31, 2024 (“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 remuneration to Ms. Nandita Luthra (**DIN: 06948082**) up to maximum of ₹ 2,81,15,000/- (Rupees Two Crore Eighty One Lakh Fifteen Thousand only) per annum during her tenure with the company as may be approved by the Board of Directors and acceptable to Ms. Nandita Luthra (**DIN: 06948082**) from time to time in compliance with schedule V and other applicable provisions of the Companies Act, 2013.

**Resolved further that** in event of no profit or inadequate profit in any financial year during her 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 Ms. Nandita Luthra (**DIN: 06948082**) as may be agreed between the Board of Directors and Ms. Nandita Luthra (**DIN: 06948082**) 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** Ms. Nandita Luthra (**DIN: 06948082**) shall perform such duties and functions as may be delegated to her from time to time subject to the control and superintendence of the Board of Directors of the company.

**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 are hereby severally authorized to do all such acts, deeds and things including e-filing of necessary forms, papers with statutory authorities including to registrar of companies as may be necessary and to apply and seek approval of appropriate statutory authorities if any required under law to give effect the above said resolution and issue certified true copy of this resolution as and when required.”

5. To appoint Mr. Har Amrit Pal Singh Dhillon (**DIN: 07043895**) as a director of the company and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:

“**Resolved that** pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modifications and/or re-enactments thereof for the time being in force Mr. Har Amrit Pal Singh Dhillon (**DIN: 07043895**) who was, on the recommendation of the nomination and remuneration committee, appointed as an additional director of the company by the Board of Directors with effect from April 1, 2019 in terms of section 161(1) of the Companies Act, 2013 and who hold such office up to the date of 27<sup>th</sup> annual general meeting or the last date on which the annual general meeting should have been held whichever is earlier, be and is hereby appointed as a director liable to retire by rotation in the category of non-executive director of the company.

**Resolved further that** any director or chief financial officer or company secretary of the company be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to this resolution including but not limited to e-filing of necessary forms with office of registrar of companies and issue certified true copy of this resolution as and when required.”

6. To approve the appointment and remuneration of Mr. Chirag Baijal (**DIN: 08465289**) as managing director of the company and in this regard to consider and if thought fit to pass the following resolution as special resolution:

**“Resolved that** pursuant to the recommendation 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. Chirag Baijal (**DIN: 08465289**) as managing director of the company for a period of 5 (five) years with effect from June 25, 2019 till June 24, 2024 (“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 remuneration to Mr. Chirag Baijal (**DIN: 08465289**) up to maximum of ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh only) per annum during his tenure with the company as may be approved by the Board of Directors and acceptable to Mr. Chirag Baijal (**DIN: 08465289**) from time to time in compliance with schedule V and other applicable provisions of the Companies Act, 2013.

**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. Chirag Baijal (**DIN: 08465289**) as may be agreed between the Board of Directors and Mr. Chirag Baijal (**DIN: 08465289**) 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** Mr. Chirag Baijal (**DIN: 08465289**) 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** 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 are hereby severally authorized to do all such acts, deeds and things including e-filing of necessary forms, papers with statutory authorities including to registrar of companies as may be necessary and to apply and seek approval of appropriate statutory authorities if any required under law to give effect to the above said resolution and issue certified true copy of this resolution as and when required.”

7. To re-appoint Mr. Narendra Singh Sisodia (**DIN: 06363951**) as an independent director on the Board of Directors of the company and in this regard to consider and if thought fit to pass the following resolution as special resolution:

**“Resolved that** pursuant to the recommendation of nomination and remuneration committee of the company and pursuant to the provisions of section 149 and 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modifications and/or re-enactment thereof for the time being in force Mr. Narendra Singh Sisodia (**DIN: 06363951**) who has been appointed as an independent director and who holds office as an independent director on the Board of Directors of the company for a period of five years with effect from March 27, 2015 to March 26, 2020 and who is being eligible for re-appointment be and is hereby re-appointed as an independent director on the Board of

Directors of the company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from March 27, 2020 to March 26, 2025.

**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 to give effect the above said resolution.”

8. To re-appoint Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as an independent director on the Board of Directors of the company and in this regard to consider and if thought fit to pass the following resolution as special resolution:

**“Resolved that** pursuant to the recommendation of nomination and remuneration committee of the company and pursuant to the provisions of section 149 and 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modifications and/or re-enactment thereof for the time being in force Mr. Pankaj Prakash Sahni (**DIN: 07132999**) who has been appointed as an independent director and who holds office as an independent director on the Board of Directors of the company for a period of five years with effect from March 27, 2015 to March 26, 2020 and being eligible for re-appointment be and is hereby re-appointed as an independent director on the Board of Directors of the company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from March 27, 2020 to March 26, 2025.

**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 to give effect the above said resolution.”

9. To ratify remuneration of cost auditors of the company for the financial year 2019-20 and in this regard to consider and if thought fit to pass 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 & Associates Cost Accountants (Firm Registration No. 000270) who has 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 2019-20 at a remuneration of ₹ 3,64,000/- (Rupees Three Lakh Sixty Four Thousand 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 are 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**  
Narsingpur, Kherki Daula Post,  
Gurgaon 122001, Haryana  
CIN: U74999HR1992FLC036104  
Tel: 0124 - 4825500, Fax: 0124 – 2372230  
Email: [secretarial@carrier.utc.com](mailto:secretarial@carrier.utc.com)  
Website: [www.carrierindia.com](http://www.carrierindia.com)

**Date:** August 13, 2019  
**Place:** Gurugram

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

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No.: ACS 27675



## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE TWENTY SEVENTH ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy in order to be effective must be deposited at the company's registered office duly completed and signed not less than forty-eight (48) hours before the commencement of the AGM. A proxy form for the AGM is enclosed herewith. Pursuant to the provisions of the Companies Act, 2013 ("Act") and the rules made thereunder a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxy holder shall prove his/her identity at the time of attending the AGM. When a member appoints a proxy and both the member and proxy attend the AGM the proxy shall stand automatically revoked.
2. The explanatory statement pursuant to section 102 of the Companies Act, 2013 with respect to the special business of the notice is annexed hereto and forms part of this notice.
3. Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the company a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. Requisition for inspection of proxies shall be received by the company in writing from a member entitled to vote on any resolution at least three days before the commencement of the AGM.
5. Proxies shall be made available for inspection during the period beginning from twenty four hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM.
6. For effecting change of address, bank details, electronic clearing service (ECS) mandate, national electronic clearing service (NECS), nominations, power of attorney, change of name, e-mail address, contact numbers etc. if any, members are requested to notify the same to the following:
  - 6.1 If shares are held in physical mode: To the company and/or registrar and share transfer agent (R&T Agent) of the company i.e. MCS Share Transfer Agent Ltd., F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020. Members must quote their folio no. in all correspondence with the company/R&T Agent.
  - 6.2 If shares are held in electronic form: To their Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the company's records which will help the company and the company's registrar and transfer agents i.e. MCS Share Transfer Agent Ltd. to provide efficient and better services. The company/R&T agent will not entertain requests for noting change of address/bank details/ECS mandate, if any.
7. Pursuant to the notification number G.S.R. 853 (E) issued by the ministry of corporate affairs dated September 10, 2018 which includes any modifications thereof members holding shares in physical form are requested to convert their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company or MCS Share Transfer Agent Ltd., F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020 for assistance in this regard and company/R&T Agent shall facilitate dematerialization of physical shareholding.
8. The members desirous of seeking any information relating to the annexed audited financial statements of the company for the financial year ended March 31, 2019 or propose to raise any queries at the AGM, may please write to the company at its registered office at least 7 days prior to the date of AGM to enable the company to compile the information and answer them in the AGM.

9. Members/ proxies/ authorized representatives are requested to produce their attendance slip duly filled and signed as per the specimen signature recorded with MCS Share Transfer Agent Ltd. registrar and share transfer agent of the company and submit the same at the entrance for attending the AGM. The members who hold shares in the dematerialized form are requested to bring their Client-ID and DP-ID numbers for easier identification of attendance at the AGM.
10. The company's ISIN number is INE040I01011.
11. 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. at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 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.
12. In case of joint holders attending the AGM 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 vote.
13. Pursuant to the provisions of section 124 of the Companies Act, 2013 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.

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/](http://www.carrier.com/building-solutions/en/in/investor/). The said details have also been uploaded on the website of the ministry of corporate affairs and the same can be accessed through the link: [www.mca.gov.in](http://www.mca.gov.in).

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 within the prescribed time.

Attention of the members is also drawn to the provisions of section 124(6) of the Companies Act, 2013 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, 2013 read with IEPF Rules, 2016 as amended from time to time the company has taken necessary action for transfer of 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/](http://www.carrier.com/building-solutions/en/in/investor/) to ascertain details of shares transferred in the name of IEPF authority.

14. The register of members and the share transfer register of the company will remain closed from Saturday, September 14, 2019 till Friday, September 20, 2019 (both days inclusive) for the purpose of AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means and physical voting at the AGM is Friday, September 13, 2019.
15. Pursuant to section 72 of the Companies Act, 2013 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.

16. Electronic copy of the notice of the 27<sup>th</sup> AGM of the company along with attendance slip inter alia indicating the process and manner of remote e-voting and proxy form is being sent to all the members who have registered their email addresses with the company/depository participants for communication purposes. The physical copy of the notice of the 27<sup>th</sup> AGM of the company along with attendance slip inter alia indicating the process and manner of remote e-voting and proxy form is being sent in the permitted mode to those members who have either opted for the same or have not registered their email addresses with the company/ depository participants.
17. Pursuant to section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 and amendment thereof and as per secretarial standards-2 the company is providing the facility of remote e-voting to the members and there shall be no voting by show of hands at the AGM. For the members who do not have access or cast their votes by remote e-voting facility can cast their votes through polling paper which shall be provided at the AGM.
18. In case any member is desirous to receive communication from the company in electronic form he/ she may register his/her email address with his/her depository participant or send their consent at [secretarial@carrier.utc.com](mailto:secretarial@carrier.utc.com) along with his/her folio no. and valid e-mail address for registration. For resolution of grievances or for any query the members can avail online services of the registrar & share transfer agent MCS Share Transfer Agent Ltd. by logging at [www.mcsdel.com](http://www.mcsdel.com) and clicking on investors services. Thereafter the members can register their queries/grievances and MCS Share Transfer Agent Ltd. will respond the same on priority basis.
19. Non-resident Indian members are requested to inform the company's registrar & share transfer agent MCS Share Transfer Agent Ltd. 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.
20. 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.
21. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 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 using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").
22. The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the AGM. In case of voting by both the modes vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have casted their vote by remote e-voting may also attend the AGM.
23. The company has engaged the services of central depository services limited (CDSL) as the agency to provide e-voting facility.
24. Detailed instruction to exercise e-voting are given on page no. 122 of this Annual Report and also a separate sheet dispatched with annual report forms an integral part of notice.

25. The Board of Directors have appointed Vinod Kothari & Company practicing company secretaries New Delhi as scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the same.
26. The voting rights of members for e-voting and for physical voting at the AGM shall be in proportion to the paid up value of their shares in the equity share capital of the company as on cut-off date i.e. Friday, September 13, 2019.
27. 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. Friday, September 13, 2019 shall only be entitled to avail the facility of remote e-voting / physical voting. 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. Friday, September 13, 2019 may obtain their user ID and password for remote e-voting by sending a request to registrar & share transfer agent MCS Share Transfer Agent Ltd. at [www.mcsdel.com](http://www.mcsdel.com).
28. The scrutinizer after scrutinizing the votes cast at the AGM (physical voting) and through remote e-voting, will not exceeding 3 days from the conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favor or against, if any, and submit the same to the chairman of the AGM. The results declared shall be available on the website of the company [www.carrier.com/building-solutions/en/in/investor/](http://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 AGM subject to receipt of the requisite number of votes in favor of the resolutions.
29. The notice of AGM will be sent to those members / beneficial owners whose name will appear in the register of members / register of beneficial owners received from the depositories as on Friday, September 13, 2019. A person who is not a member as on the cut-off date i.e. Friday, September 13, 2019 should treat this notice for information purposes only. Any person who has acquired shares and become member of the company after the dispatch of this notice and holding shares as on the cut-off date i.e. Friday, September 13, 2019 may obtain copy of notice of AGM and the annual report by sending a request to the company or registrar & share transfer agent MCS Share Transfer Agent Ltd.
30. The landmark place to reach the venue of AGM is IndiGo Guru Dronacharya Metro Station, NH236, Garden Estate, DLF Phase 3, Sector 26, Gurugram-122002, Haryana and map to reach at the venue of AGM is attached with annual report.
31. The members/proxies/authorized representatives are requested to bring their copy of the annual report to the AGM.
32. In case of any query pertaining to e-voting please visit Help & FAQ's section available on [www.cdslindia.com](http://www.cdslindia.com).
33. The members may also note that the notice of the 27<sup>th</sup> AGM and the annual report for the financial year 2018-19 will also be available on the company's website viz. [www.carrier.com/building-solutions/en/in/investor/](http://www.carrier.com/building-solutions/en/in/investor/). The members will be entitled to a physical copy of the annual report for the financial year 2018-19 free of cost upon sending a request to the company secretary at the registered office of the company.
34. All relevant documents referred to in the accompanying notice and the explanatory statement will be available for inspection by members at the registered office of the company during normal business hours on all working days up to the date of the 27<sup>th</sup> AGM of the company. The aforesaid documents will also be available for inspection by members at the AGM. The statutory registers required to be kept open for inspection at the AGM of the company under the Companies Act, 2013 read with rules made thereunder will be available for inspection at the AGM venue by any person having the right to attend the AGM.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### **Item No. 4: To approve the appointment and remuneration of Ms. Nandita Luthra (DIN: 06948082) as whole-time director of the company:**

The Board of Directors of the company in their meeting held on March 28, 2019 on the recommendation of the nomination and remuneration committee appointed Ms. Nandita Luthra (DIN: 06948082) as an additional director of the company with effect from April 1, 2019. The Board of Directors also appointed her as whole-time director of the company for a period of 5 (five) years with effect from April 1, 2019 subject to approval of members of the company and on terms and conditions of appointment including remuneration as recommended by nomination and remuneration committee and approved by the Board of Directors of the company.

It is proposed to seek members' approval for resolution given in item number 4 for appointment and remuneration of Ms. Nandita Luthra (DIN: 06948082) as whole-time director of the company with effect from April 1, 2019. Ms. Nandita Luthra (DIN: 06948082) shall get remuneration maximum up to ₹ 2,81,15,000/- (Rupees Two Crore Eighty One Lakh Fifteen Thousand only) per annum as may be approved/ratified by the Board of Directors and acceptable to Ms. Nandita Luthra (DIN: 06948082) from time to time in compliance with applicable provisions of Companies Act, 2013 during her tenure with the company.

Ms. Nandita Luthra (DIN: 06948082) satisfies all other conditions set out in part-I of schedule V, section 196 (3) of the Companies Act, 2013 and eligible for appointment as whole-time director of the company. She is not disqualified from being appointed as whole-time director in terms of section 164 of the Companies Act, 2013. Notice in writing under section 160 of the Companies Act, 2013 is received from Ms. Nandita Luthra (DIN: 06948082) signifying her 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 Ms. Nandita Luthra (DIN: 06948082) under section 190 of the Companies Act, 2013.

Additional information in respect of Ms. Nandita Luthra (DIN: 06948082) as required in the secretarial standard-2 is given below. Ms. Nandita Luthra (DIN: 06948082) is interested in the resolution set out at item number 4 of the notice. Save and except the above none of the other directors and key managerial personnel of the company and their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board of Directors recommend the special resolution set out at item number 4 of the notice for approval by members of the 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 and also at the annual general meeting.

### **Item No. 5: To appoint Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) as a director of the company:**

The Board of Directors of the company in their meeting held on March 28, 2019 on the recommendation of the nomination and remuneration committee appointed Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) as an additional non-executive director of the company with effect from April 1, 2019. Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) will hold office up to date of 27<sup>th</sup> annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

It is proposed to seek members' approval for resolution given in item number 5 for appointment of Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) as a director of the company who shall be liable to retire by rotation.

Additional information in respect of Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) as required in the secretarial standard-2 is given below. Notice in writing under section 160 of the Companies Act, 2013 is received from Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) signifying his candidature for the office of director of the company. Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) is interested in the resolution

set out at item number 5 of the notice. Save and except the above none of the other directors and key managerial personnel of the company and their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board of Directors recommend the ordinary resolution set out at item number 5 of the notice for approval by members 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 and also at the annual general meeting.

**Item No. 6: To approve the appointment and remuneration of Mr. Chirag Baijal (DIN: 08465289) as managing director of the company:**

The Board of Directors of the company in their meeting held on June 25, 2019 on the recommendation of the nomination and remuneration committee appointed Mr. Chirag Baijal (DIN: 08465289) as an additional director of the company with effect from June 25, 2019. The Board of Directors also appointed him as managing director of the company for a period of 5 (five) years with effect from June 25, 2019 subject to approval of members of the company and on the terms and conditions of appointment including remuneration as recommended by nomination and remuneration committee and approved by the Board of Directors of the company.

It is proposed to seek members' approval for resolution given in item number 6 for the appointment and remuneration of Mr. Chirag Baijal (DIN: 08465289) as managing director of the company. Mr. Chirag Baijal (DIN: 08465289) shall get remuneration maximum up to ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh only) per annum as may be approved/ratified by the Board of Directors and acceptable to Mr. Chirag Baijal (DIN: 08465289) from time to time in compliance with applicable provisions of Companies Act, 2013 during his tenure with the company.

Mr. Chirag Baijal (DIN: 08465289) satisfies all other conditions set out in part-I of schedule V, section 196 (3) of the Companies Act, 2013 and eligible for his appointment as managing director of the company. He is not disqualified from being appointed as managing director in terms of section 164 of the Companies Act, 2013. Notice in writing under section 160 of the Companies Act, 2013 is received from Mr. Chirag Baijal (DIN: 08465289) signifying his candidature for the office of managing director of the company. The above may also be treated as a written memorandum setting out the terms of appointment of Mr. Chirag Baijal (DIN: 08465289) under section 190 of the Companies Act, 2013.

Additional information in respect of Mr. Chirag Baijal (DIN: 08465289) as required in the secretarial standard-2 is given below. Mr. Chirag Baijal (DIN: 08465289) is interested in the resolution set out at item number 6 of the notice. Save and except the above none of the other directors and key managerial personnel of the company and their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board of Directors recommend the special resolution set out at item number 6 of the notice for approval by members 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 and also at the annual general meeting.

**Item No. 7: To re-appoint Mr. Narendra Singh Sisodia (DIN: 06363951) as an independent director on the Board of Directors of the company:**

Mr. Narendra Singh Sisodia (DIN: 06363951) was appointed as an independent director on the Board of Directors of the company for a period of five years and he holds office as an independent director of the company with effect from March 27, 2015 to March 26, 2020 ("first term").

As per section 149(10) of the Companies Act, 2013 an independent director can be re-appointed for another term of up to five consecutive years by passing special resolution by the company.

The nomination and remuneration committee of the Board of Directors has recommended re-appointment of Mr. Narendra Singh Sisodia (**DIN: 06363951**) as an independent director for second term of 5 (five) consecutive years on the expiry of his first term i.e. with effect from March 27, 2020 to March 26, 2025. The Board of Directors based on the performance evaluation and as per the recommendation of the nomination & remuneration committee considered that given his background and experience and contributions made by him during his first term, the continued association of Mr. Narendra Singh Sisodia (**DIN: 06363951**) would be beneficial to the company.

Accordingly it is proposed to seek members' approval for resolution given in item number 7 of the notice for re-appointment of Mr. Narendra Singh Sisodia (**DIN: 06363951**) as an independent director of the company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of Directors of the company. Notice in writing under section 160 of the Companies Act, 2013 is received from Mr. Narendra Singh Sisodia (**DIN: 06363951**) signifying his candidature for the office of independent director of the company. Mr. Narendra Singh Sisodia (**DIN: 06363951**) is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as an independent director. The company has also received declaration from Mr. Narendra Singh Sisodia (**DIN: 06363951**) that he meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors Mr. Narendra Singh Sisodia (**DIN: 06363951**) fulfils the conditions for re-appointment as an independent director as per Companies Act, 2013. Mr. Narendra Singh Sisodia (**DIN: 06363951**) is independent of the management. He shall be paid remuneration by way of sitting fee for attending meetings of the Board of Directors and committees thereof. Copy of letter of appointment of Mr. Narendra Singh Sisodia (**DIN: 06363951**) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the company and will also be available at the annual general meeting.

Additional information in respect of Mr. Narendra Singh Sisodia (**DIN: 06363951**) as required in the secretarial standard-2 is given herein below. Mr. Narendra Singh Sisodia (**DIN: 06363951**) is interested in the resolution set out at item number 7 of the notice. Save and except the above none of the other directors and key managerial personnel of the company and their relatives are in any way concerned or interested financially or otherwise in the resolution. This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013.

The Board of Directors recommend the special resolution set out at item number 7 of the notice for approval by members 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 and also at the annual general meeting.

**Item No. 8: To re-appoint Mr. Pankaj Prakash Sahni (DIN: 07132999) as an independent director on the Board of Directors of the company:**

Mr. Pankaj Prakash Sahni (**DIN: 07132999**) was appointed as an independent director on the Board of Directors of the company for a period of five years and he holds office as an independent director of the company with effect from March 27, 2015 to March 26, 2020 ("first term").

As per section 149(10) of the Companies Act, 2013, an independent director can be re-appointed for another term of up to five consecutive years by passing special resolution by the company.

The nomination and remuneration committee of the Board of Directors has recommended re-appointment of Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as an independent director for second term of 5 (five) consecutive years on the expiry of his first term i.e. with effect from March 27, 2020 to March 26, 2025. The Board of Directors based on the performance evaluation and as per the recommendation of the nomination & remuneration committee considered that given his background and experience and contributions made by him during his first term, the continued association of Mr. Pankaj Prakash Sahni (**DIN: 07132999**) would be beneficial to the company.

Accordingly It is proposed to seek members' approval for resolution given in item number 8 of the notice for re-appointment of Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as an independent director of the company not liable to retire by rotation for a second term of 5 (five) consecutive years on the Board of Directors of the company. Notice in writing under section 160 of the Companies Act, 2013 is received from Mr. Pankaj Prakash Sahni (**DIN: 07132999**) signifying his candidature for the office of independent director of the company. Mr. Pankaj Prakash Sahni (**DIN: 07132999**) is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as an independent director. The company has also received declaration from Mr. Pankaj Prakash Sahni (**DIN: 07132999**) that he meets the criteria of independence as prescribed both under section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors Mr. Pankaj Prakash Sahni (**DIN: 07132999**) fulfils the conditions for re-appointment as an independent director as per Companies Act, 2013. Mr. Pankaj Prakash Sahni (**DIN: 07132999**) is independent of the management. He shall be paid remuneration by way of sitting fee for attending meetings of the Board of Directors or committees thereof. Copy of letter of appointment of Mr. Pankaj Prakash Sahni (**DIN: 07132999**) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the company and will also be available at the annual general meeting.

Additional information in respect of Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as required in the secretarial standard-2 is given herein below. Mr. Pankaj Prakash Sahni (**DIN: 07132999**) is interested in the resolution set out at item number 8 of the notice. Save and except the above none of the other directors and key managerial personnel of the company and their relatives are in any way concerned or interested financially or otherwise in the resolution. This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013.

The Board of Directors recommend the special resolution set out at item number 8 of the notice for approval by members 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 and also at the annual general meeting.

**Item No. 9: To ratify remuneration of cost auditors of the company for the financial year 2019-20:**

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 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 of the cost records of the company for the financial year 2019-20 at a remuneration of ₹ 3,64,000/- (Rupees Three Lakh Sixty Four Thousand only) excluding out of pocket expenses and taxes as applicable as per the scope of work approved by the Board of Directors of the company.

It is proposed to seek members' approval for resolution given in item number 9 of the notice for ratification of the remuneration payable to the cost auditors for the financial year 2019-20. None of the directors and key managerial personnel and their relative is in any way concerned or interested financially or otherwise in this resolution.

The Board of Directors recommend the ordinary resolution set out at item number 9 of the notice for approval by members 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 and also at the annual general meeting.



Information of directors to be appointed and the directors seeking appointment/re-appointment at the 27<sup>th</sup> AGM pursuant to secretarial standard - 2 issued by the institute of company secretaries of India is as follows:

S. No.	Name & Designation of the Director	Mr. Rahul Kumar Jain Whole-time director	Ms. Nandita Luthra Whole-time director
1.	Director Identification Number	07858457	06948082
2.	Date of Birth (Age in years)	February 21, 1979 (40 years)	October 14, 1968 (50 years)
3.	Original Date of Appointment	June 27, 2017	April 1, 2019
4.	Qualifications	Master of science in Mechanical Engineering (Design) and MBA Finance from USA	B.Sc., L.LB
5.	Experience & expertise in specific functional area	He has joined the company in September 2013 as supply chain head and was elevated to the position of operations head for the company HVAC business in year 2015. He is also appointed as factory occupier for Gurgaon factory.	26 years
6.	Shareholding in the company	Nil	Nil
7.	Remuneration sought to be paid	Under Maximum Limit of ₹ 1,10,00,000/-per annum	Under Maximum Limit of ₹ 2,81,15,000/-per annum
8.	Remuneration last drawn from company	75,73,552/-	1,94,70,852/-
9.	Number of board meetings attended during the financial year under review (2018-19)	Three (3)	Nil She has been appointed as additional director and whole-time director w.e.f. April 1, 2019
10.	Terms & conditions of appointment/ re-appointment and remuneration	Appointed as a whole-time director liable to retire by rotation.  As per nomination & remuneration policy forming part of director's report.	Appointed as a whole-time director liable to retire by rotation.  As per nomination & remuneration policy forming part of director's report.
11.	Relationship with other director/KMP	No relationship with other director/KMP	No relationship with other director/KMP
12.	Directorships held in other companies	Nil	Nil
13.	Members/Chairmanship of committees in public limited companies in India	Nil	Nil

S. No.	Name & Designation of the Director	Mr. Chirag Bajjal Managing Director	Mr. Har Amrit Pal Singh Dhillon Non-Executive Director
1.	Director Identification Number	08465289	07043895
2.	Date of Birth (Age in years)	August 16, 1976 (42 years)	December 28, 1976 (42 years)
3.	Original Date of Appointment	June 25, 2019	April 1, 2019
4.	Qualifications	Management graduate with majors in finance & marketing, a graduate in economics.	BE(Hons), PGDM from IIM Lucknow
5.	Experience & expertise in specific functional area	He carries over 19 years of diverse experience in the Airconditioning, refrigeration, tools & automotive equipment, financial services & building industries. He is a thought leader in the field of sustainability & business development and is actively involved with CII - Indian Green Building Council in promoting green building movement in India. He is currently the member of the IGBC executive board in India.	18+ years of diverse experience in management consulting in the domains of energy management, supply chain management, digital transformation using IOT technologies & applied analytics. Worked extensively in incubating, strategizing and operating innovative technology domain startups and holds 4 technology patents and is also strategic selling expert.
6.	Shareholding in the company	Nil	Nil
7.	Remuneration sought to be paid	Under Maximum Limit of ₹ 2,50,00,000/-per annum	Nil
8.	Remuneration last drawn from company	₹ 1,55,21,467/-	Nil
9.	Number of Board Meetings attended during the financial year under review (2018-19)	Nil He has been appointed additional director and managing director w.e.f. June 25, 2019	Nil He has been appointed additional director w.e.f. April 1, 2019
10.	Terms & conditions of appointment/ re-appointment and remuneration	Appointed as managing director liable to retire by rotation.  As per nomination & remuneration policy forming part of director's report.	Appointed as a non-executive director liable to retire by rotation.  As per nomination & remuneration policy forming part of director's report.
11.	Relationship with other director/KMP	No relationship with other director/KMP	No relationship with other director/KMP
12.	Directorships held in other companies	Nil	Nil
13.	Members/Chairmanship of committees in public limited companies in India	Carrier Airconditioning & Refrigeration Limited -member of corporate social responsibility committee.	Carrier Airconditioning & Refrigeration Limited -member of nomination & remuneration committee.

S. No.	Name & Designation of the Director	Mr. Narendra Singh Sisodia Independent Director	Mr. Pankaj Prakash Sahni Independent Director
1.	Director Identification Number	06363951	07132999
2.	Date of Birth (Age in years)	January 13, 1945 (74 Years)	July 2, 1977 (42 Years)
3.	Original Date of Appointment	March 27, 2015	March 27, 2015
4.	Qualifications	Bachelor Degree from St. Stephens College, Delhi and a master degree from Harvard University	MBA from the Kellogg school of management, northwestern University and a B.A. in mathematics from st. stephen's college, delhi university. He is also a qualified chartered accountant.
5.	Experience & expertise in specific functional area	He joined Indian administrative service in 1968 and worked in industrial development sector for over a decade. In government of India, he worked as special secretary, power and secretary, defense production. He retired from the ministry of finance where he was secretary and responsible especially for policy making and oversight of banking and insurance industries and capital markets. Mr. Narendra Singh Sisodia has also been senior consultant to UNDP and vice chancellor, Udaipur University.	He is chief operating office, Medanta-the medicity. Prior to joining Medanta, he was associate partner at McKinsey & Company and worked in their New Delhi and New York office. At McKinsey he has worked in the media, technology, telecom, consumer goods, automotive, financial services and private equity sectors serving clients on a wide variety of topics including, corporate growth strategy, cost effectiveness, post-merger management, operational efficiency, business building and outsourcing/offshoring. Before joining McKinsey, he worked with Arthur Andersen and Ernst & Young in their New Delhi offices serving clients across assurance, public listings, M&A, business process re-engineering.
6.	Shareholding in the company	Nil	Nil
7.	Remuneration sought to be paid	He shall be paid sitting fees of ₹ 30,000/- for attending the board and committee meetings	He shall be paid sitting fees of ₹ 30,000/- for attending the board and committee meetings
8.	Remuneration last drawn from company	₹ 3,00,000/- He got sitting fees for attending the board and committee meetings of the company	₹ 2,10,000/- He got sitting fees for attending the board and committee meetings of the company
9.	Number of Board Meetings attended during the financial year under review (2018-19)	3 (Three)	3 (Three)

10.	Terms & conditions of appointment/ re-appointment and remuneration	Appointed as Independent Director not liable to retire by rotation.	Appointed as Independent Director not liable to retire by rotation.
11.	Relationship with other Director/KMP	No Relationship with other Director/KMP	No Relationship with other Director/KMP
12.	Directorships held in other Companies	-IISS India Organization -Orient Paper and Industries Ltd Center for Micro Finance	-Global Health Patliputra Private Limited
13.	Members/Chairmanship of Committees in public limited Companies in India	- Carrier Airconditioning & Refrigeration Limited -chairman of corporate social responsibility committee, stakeholder relationship committee, member of nomination & remuneration committee and audit committee.  - Orient Paper and Industries Ltd -chairman of corporate social responsibility committee, nomination & remuneration committee and member of audit committee.	Carrier Airconditioning & Refrigeration Limited – chairman of nomination & remuneration committee and audit committee.

**Registered Office:**

**Carrier Airconditioning & Refrigeration Limited**

Narsingpur, Kherki Daula Post,  
Gurgaon 122001, Haryana  
CIN: U74999HR1992FLC036104  
Tel: 0124 - 4825500, Fax: 0124 – 2372230  
Email: [secretarial@carrier.utc.com](mailto:secretarial@carrier.utc.com)  
Website: [www.carrierindia.com](http://www.carrierindia.com)

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

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No.: ACS 27675

**Date:** August 13, 2019

**Place:** Gurugram

## BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 27<sup>th</sup> (Twenty Seventh) Annual Report on the business and operations of your company along with audited financial statements and auditors' report thereon for the financial year ended March 31, 2019.

The company's financial performance for the year ended March 31, 2019 is summarized below:

### 1. Financial Performance:

(In INR Lakh)

S. No.	Particulars	March 31, 2019	March 31, 2018
1.	Revenue from operations	147,681	132,529
2.	Other Income	3,457	3,078
3.	Total Income	151,138	135,607
4.	Total Expenses	140,315	124,305
5.	Profit before tax	10,823	11,302
6.	Less: Tax	4,020	4014
7.	Profit for the year (A)	6,803	7,288
8.	Other comprehensive income for the year (B)	(162)	79
9.	Total comprehensive income for the year (A)+(B)	6,641	7,367
10.	Basic Earnings per Share*	6.40	6.85

\*Nominal Value per share ₹.10

### 2. State of affairs of the company and outlook:

During the financial year ended March 31, 2019 your company has total net revenue from operations of ₹ 147,681 Lakh as against ₹ 132,529 Lakh in the previous financial year and total comprehensive income is ₹ 6,641 Lakh as against ₹ 7,367 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 & widely accepted across all segments. Going forward your company is working on products which create a benchmark in terms of technology & 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 & so are the requirement of Inverter Cassette is also increasing. We have Inverter range of cassettes in Toshiba & 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 and corporates and also we were able to enter new segment of e-commerce & retail business which shall yield both TL & 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 air conditioning 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 in the previous year were well accepted in market owing to superior energy efficiency, reduced footprint and local fit design.

**Commercial Applied Service:** In line with growth requirement of the organization, after market team took various initiatives such as retrofits, capture & 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.

**Channel Business Service:** With the new organization design closer to the customer and in line with the growth requirement the focus got sharper onto the initiatives like recapture and retrofits and move on to digitization – Mobility. The emphasis on the getting customers into an annual maintenance contracts would be the key with GTM and connect with the customers. The focus on “connected services” continued on LC segment and work on VRF side has been initiated.

**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 2018-19.

**Commercial Refrigeration:** The sales grew steadily in last year with consistent growth coming in from commercial refrigeration business and exponential growth from food retail market. Carrier retained its SOS with the major food retail customer’s. The service business just like last year witnessed exponential growth again. The food retail business picked up relatively well with major organized players going in for massive expansion expecting positivity in government reforms on FDI. Your company continued to evolve strategically with key focus on major initiatives like channel productivity; cost reduction, geographical development etc.

The service business has witnessed growth over last year and tapped more multinational and local top segments. We effectively positioned our energy saving solutions such as compressor rack, condensers & 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 foot print to local retailers/independents entering the fray.

As member of the national cold chain center set up by ministry of agriculture your company continues to be actively involved in various aspects of cold chain evolution in India. Your company has been actively participating in various forums and exhibitions across India like India cold chain show, ICE, Refcold and various seminars organized by federation of cold storage associations of India to improve its presence and visibility.

**Transicold:** Your company continues to lead the way in the truck refrigeration industry. 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. We continue to be the preferred suppliers of truck refrigeration systems due a large and reliable service network and sales support.

Carrier Transicold India's focus on sales of small units for last mile city distribution vans in Tier II and Tier III towns has met with success. Better awareness of cold chain in the dairy and pharma industry has led to addition of several new customers.

The latest introductions of Citimax™ 280, Citimax™ 350 & Citimax™ 400 & the Citimax™ 700 for chilled and frozen applications has gained traction and boosted sales in the direct vehicle engine driven segment. The acceptance of multi temperature systems capable of maintaining two or more temperature zones in the same truck has also witnessed an uptick. We have also introduced several models of the new Supra™ range for the fast evolving large 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 & dairy segment as well as foreign investments and initiatives taken by government.

Carrier Transicold India has been actively involved with various initiatives of the ministry of agriculture & ministry of food processing industries in spreading awareness about 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 farmer's income by better connectivity to new markets.

Your company continue to be an active member of the confederation of Indian industry (CII ) task force on post-harvest & 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.

**AdvanTE3C:** AdvanTEC solutions continue to save energies for customers and building strong presence in India by offering customized energy efficient HVAC plant rooms retrofits with lucrative ROI. Collaboration of AdvanTEC with commercial applied chillers sales is also giving them USP in market. AdvanTEC solutions is progressively adding advance tools and skills to support customers with greater energy efficient HVAC plant rooms and equivalent reduced carbon emissions KPIs.

### 3. Environment, Health & Safety:

Your company is a company that holds social responsibility as a core value – both in protecting the health and safety of our employees, contractors and customers as well as being progressive in protecting the environment.

Environment, Health & Safety (EH&S) is one of the fundamental commitments that your company makes to all its stakeholders. Your directors are pleased to inform you that your company (HVAC) has crossed 12 Years (26 Million Man Hours) without a lost-time incident which essentially means that no work hours were lost due to an employee injury for 859 employees in factory and S&D.

This significant milestone has been achieved by all of us as a team and would not have been possible without conscious & sustained focus on safety by everyone in the organization.

This remarkable achievement not only exemplifies your company's focus on employee's safety but also executing initiatives to support our channel partners to embrace the safety culture in their respective organizations. Your company has more than 50 direct & 5000 channel technicians in the field and everything depends on the technician behavior and execution.

Our job today is to sustain and keep re-enforcing a positive EH&S culture across the organization and also the channel partners. It is desirable to involve more of our associates and partners in spreading this message & start conversations around the topic cascading them to others across organizations.

“One Team One Code” safety code across all our internal & Go to Market activities helps us anticipate better and make the right decisions. Your directors clear that Safety comes First and cannot allow any “grey area” in the enforcement of EH&S standards and rules.

This remarkable achievement not only exemplifies your company’s focus on employees 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:

- 88% EH&S Annual Program Evaluation Audit in 2018- Factory.
- 85% Annual Program Evaluation Audit in 2018- Field.
- 22% absolute reduction in Energy usage.
- 25% absolute reduction in Water consumption.
- 38 % absolute reduction in Hazardous Waste.

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 the nature of business of the company during the year under review.

#### 6. Dividend:

Your Board of Directors are pleased to inform that an interim dividend at the rate of ₹ 27.20/- on each fully paid-up equity share of ₹ 10/- total amounting to ₹ 289,34,47,464/- distributed amongst members of the company whose name appeared in the register of members on June 21, 2019 i.e. record date determined by Board of Directors of the company for payment of interim dividend for the financial year ended March 31, 2019.

#### 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/ Re-appointment	Date of Cessation	Mode of Cessation
1.	Ms. Nandita Luthra (DIN: 06948082)*	Whole-time Director	April 1, 2019	N.A.	N.A.
2.	Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895)	Additional Director	April 1, 2019	N.A.	N.A.



3.	Mr. Sugeeth Kumar (DIN: 07420265)**	Whole -time Director	September 20, 2018	N.A.	N.A.
4.	Ms. Vanita Bansal (DIN: 02926018)	Additional Director	June 4, 2018	March 8, 2019	Resignation
5.	Mr. Nanda Kishore Lakkaraju (DIN: 05233356)	Whole-time Director	March 28, 2012	July 31, 2018	Resignation
6.	Arun Kumar Bhatia (DIN:00031279)	Managing Director	March 27,2015	June 25, 2019	Resignation
7.	Mr. Chirag Baijal (DIN: 08465289)	Managing Director	June 25, 2019	N.A.	N.A.
8.	Kunal Aggarwal (PAN: AILPA0760E)	Company Secretary	September 22, 2016	June 21, 2019	Resignation
9.	Suraj Arora (PAN:AZKPS4573P)	Company Secretary	July 1, 2019	N.A.	N.A.

\*Ms. Nandita Luthra (DIN: 06948082) resigned from the directorship of the company on April 1, 2018. Thereafter She has been re-appointed as whole-time director of the company with effect from April 1, 2019.

\*\*Mr. Sugeeth Kumar was liable to retire by rotation in the 26<sup>th</sup> annual general meeting of the company held on September 20, 2018 and has been re-appointed.

Further in accordance with the articles of association of the company and relevant provisions of the Companies Act, 2013, Mr. Rahul Kumar Jain (DIN: 07858457) Whole-time director is liable to retire by rotation at this annual general meeting and being eligible offer himself for re-appointment and resolution for his re-appointment is purposed in the notice of 27<sup>th</sup> annual general meeting of the Company. This shall not constitute a break in his 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 4, 2018; August 17, 2018; December 4, 2018 and March 28, 2019. 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 2018-19 are as below:

S. No.	Name of the Directors and Director Identification Number	Category of Directorship	No. of Board Meetings	
			Held	Attended
1.	Mr. Arun Kumar Bhatia (DIN: 00031279)	Managing Director	4	4
2.	Mr. Narendra Singh Sisodia (DIN: 06363951)	Non-Executive Independent Director	4	3
3.	Mr. Pankaj Prakash Sahni (DIN: 07132999)	Non-Executive Independent Director	4	3
4.	Mr. Sugeeth Kumar (DIN: 07420265)	Whole-time Director and Chief Financial Officer	4	4
5.	Mr. Nanda Kishore Lakkaraju (DIN: 05233356)*	Whole-time Director	4	1
6.	Ms. Vanita Bansal** (DIN: 02926018)	Non-Executive Director	4	1
7.	Mr. Rahul Kumar Jain (DIN: 7858457)	Whole-time Director	4	3

\* Mr. Nanda Kishore Lakkaraju resigned with effect from July 31, 2018.

\*\* Ms. Vanita Bansal was appointed with effect from June 4, 2018 & resigned on March 8, 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, 2019 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 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, 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 & 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 certain 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.

**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: [www.carrier.com/building-solutions/en/in/investor/](http://www.carrier.com/building-solutions/en/in/investor/) and 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 & Remuneration Policy:

The Board of Directors has on the recommendation of the nomination & 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 & remuneration committee under is attached as **Annexure “B”** forming an integral part of this report.

## 17. Extracts of Annual Return:

As per the requirements of section 92(3) of the Act and rules framed thereunder, the extract of the annual return for financial year ended March 31, 2019 is given in **Annexure “C”** in the prescribed Form No. MGT-9 which is a part of this report. The same is available on <https://www.carrier.com/building-solutions/en/in/investor>.

## 18. Re-appointment of Independent Directors:

The Board of Directors of your company have appointed Mr. Narendra Singh Sisodia (**DIN: 06363951**) and Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as independent directors on the Board of Directors of the company for a period of five years effective from March 27, 2015 to March 26, 2020 (“first term”). The members of the company have also approved the aforesaid appointment. As the term of aforesaid independent directors will expire on March 26, 2020 the Board of Directors based on the performance evaluation and on the recommendation of the nomination & remuneration committee considered that given their background and experience and contributions made by them during their first term, the continued association of Mr. Narendra Singh Sisodia (**DIN: 06363951**) and Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as independent directors would be beneficial to the company. The Board of Directors recommends their re-appointment for second term of 5 (five) consecutive years on the expiry of their first term of office i.e. with effect from March 27, 2020 to March 26, 2025. Additional information in respect of Mr. Narendra Singh Sisodia (**DIN: 06363951**) and Mr. Pankaj Prakash Sahni (**DIN: 07132999**) as required in the secretarial standard-2 is appearing in the explanatory statement.

## 19. 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. During the financial year under review the committee comprises of following three directors out of which two are independent directors and one is whole-time director:

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

### Meetings and Attendance:

During the financial year under review three meetings of audit committee were held as on August 17, 2018; December 4, 2018 and March 28, 2019. The attendance of the members of audit committee meetings held during the financial year 2018-19 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

## 20. Nomination & Remuneration Committee:

### Composition of Nomination & Remuneration Committee:

The nomination and remuneration 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 two are independent directors:

- Mr. Pankaj Prakash Sahni, Chairman & Non-Executive Independent Director;
- Mr. Narendra Singh Sisodia, Non-Executive Independent Director; and
- Ms. Vanita Bansal, Non-Executive Director.

On account of resignation of Ms. Vanita Bansal on March 8, 2019, the nomination & remuneration committee of the Board of Directors re-constituted on March 28, 2019 and Mr. Har Amrit Pal Singh Dhillon non-executive director was appointed as member of the nomination & remuneration committee.

### Meetings and Attendance:

During the financial year under review two meetings of nomination and remuneration committee were held as on August 17, 2018 and March 28, 2019. The attendance of members of nomination & remuneration committee meetings held during the financial year 2018-19 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Vanita Bansal	Non-Executive Director	2	0
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	2	2
Mr. Pankaj Prakash Sahni	Non-Executive Independent Director	2	2

## 21. 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. Arun Kumar Bhatia, Managing Director; and
- Mr. Nanda Kishore Lakkaraju, Whole-time Director.

On account of resignation of Mr. Nanda Kishore Lakkaraju on July 31, 2018 the Board of Directors has reconstituted corporate social responsibility committee and appointed Mr. Sugeeth Kumar, whole-time director and chief financial officer as member of the committee.

On account of resignation of Mr. Arun Kumar Bhatia on June 25, 2019 the Board of Directors has

reconstituted corporate social responsibility committee and appointed Mr. Chirag Baijal, Managing Director as member of the committee w.e.f. June 25, 2019.

**Meetings and Attendance:** During the period under review one meeting of corporate social responsibility committee was held as on December 4, 2018. The attendances of the members of corporate social responsibility at the meeting held during the financial year 2018-19 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	1	1
Mr. Sugeeth Kumar	Whole-time Director and Chief Financial Officer	1	1
Mr. Arun Kumar Bhatia	Managing Director	1	1

## 22. 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 two are Non-Executive Director and one is Executive & Chief Financial Officer.

- Ms. Vanita Bansal, Chairperson & Non-Executive Director;
- Mr. Narendra Singh Sisodia, Non-Executive Independent Director; and
- Mr. Sugeeth Kumar, Whole-time Director and Chief Financial Officer.

On account of resignation of Ms. Vanita Bansal on March 8, 2019, the Board of Directors have reconstituted the stakeholder's relationship committee and appointed Mr. Har Amrit Pal Singh Dhillon Non-Executive Director as new member of the committee and Mr. Narendra Singh Sisodia as chairman of the committee.

### Meetings and Attendance:

During the period under review one meeting of stakeholder's relationship committee was held on March 28, 2019. The attendances of the members of Stakeholder Relationship Committee at the meeting held during the financial year 2018-19 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Vanita Bansal	Non-Executive Director	1	0
Mr. Sugeeth Kumar	Whole-time Director and Chief Financial Officer	1	1
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	1	1

## 23. 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 25<sup>th</sup> annual general meeting (AGM) held on September 27, 2017 for a period of five (5) years till the conclusion of the 30<sup>th</sup> AGM subject to ratification of such appointment by members of the company at each ensuing general meeting.

The ministry of corporate affairs vide Companies (Amendment) Act 2017 dated 7<sup>th</sup> 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 27<sup>th</sup> 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, 2019. Hence no explanation or comments of the Board of Director is required in this matter.

#### **24. 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 2018-19 at their meeting held on August 17, 2018 and remuneration of Jain Sharma & Associates was ratified by the members of the company at their annual general meeting held on September 20, 2018. The cost audit report for the financial year 2017-18 was filed with the ministry of corporate affairs within prescribed time.

For the financial year ended March 31, 2019, the Cost Auditor has submitted its report to the Board of Directors on August 13, 2019. 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, 2019.

#### **25. 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 2018-19 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 "D"** and forms an integral part of this report. There are no qualifications in secretarial audit report for the financial year ended March 31, 2019. Hence no explanation or comments of the Board of Directors is required in this matter.

#### **26. 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.

#### **27. 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.

#### **28. 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.

## **29. 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.

## **30. 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.

## **31. Particulars of Employees:**

Pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments made thereto a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is annexed as **Annexure "E"** and forms an integral part of this report.

## **32. 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, 2019 are set out in the **Annexure "F"** and form an integral part of this report.

## **33. 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 amended from time to time.

## **34. 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.

## **35. 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. Disclosures as required under relevant rules made under section 188 of the Companies Act, 2019 are given in form no. AOC-2 attached as **Annexure "G"** and forms part of this report.

## **36. 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.

**37. Code of Ethics:**

Your company follows the UTC 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/](http://www.carrier.com/building-solutions/en/in/investor/). All such matters are disclosed to management as a standard worldwide practice.

**38. 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 statements relate and the date of this report.

**39. 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 Directors  
For **Carrier Airconditioning & Refrigeration Limited**

**Date:** August 13, 2019  
**Place:** Gurugram

**Sd/-**  
**Chirag Bajjal**  
Managing Director  
DIN: 08465289

**Sd/-**  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

**ANNEXURE "A"**



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY 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](http://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. Arun Kumar Bhatia*	Managing Director	Member
3.	Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	Member

*\*Mr. Arun Kumar Bhatia has resigned from office of managing director and member of 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.*

**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. 2017-18, 2016-17, 2015-16) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 109.37 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. 2018-19 is ₹ 2.19 Crores.

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the FY = ₹ 2.19 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.	<p><b>United for Air Objective:</b> To reduce Carbon Footprint &amp; enhance environmental sustainability</p> <p><b>Specific objectives:</b> 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.</p>	Environment	Gurugram, Haryana	INR 1,41,00,000	(1) Direct expenditure: INR 1,41,00,000 (2) Overheads: Nil	INR 1,41,00,000 for the FY. 2018-19	Through Implementing Agency: United Way of Delhi
2.	<p><b>Green Your School Objective:</b> To raise awareness on Green Buildings and sustainability amongst the youth of India</p> <p><b>Specific objectives:</b> 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</p>	Environment	PAN India	INR 40,00,000	(1) Direct Expenditure - INR 40,00,000 (2) Indirect Expenses- Nil	INR 40,00,000/- for the FY. 2018-19	Through the Implementing Agency: United Way of Delhi
3.	<p><b>School Support Program Objective:</b> To ensure boys &amp; girls in govt. schools at Badshahpur are able to access quality education facilities, which are child friendly, and an overall growth and development in personal and community space.</p>	Education	Badshahpur, Gurugram, Haryana	INR 30,00,000	(1) Direct Expenditure - INR 30,00,000 (2) Indirect Expenses- Nil	INR 30,00,000 for the FY. 2018-19	Through the Implementing Agency: United Way of Delhi
4.	<p><b>Administrative Costs</b> (5% of the total CSR budget)</p>	-	Evaluation of CSR projects	INR 8,00,000	(1) Direct Expenditure - INR 8,15,610 (2) Indirect Expenses- Nil	INR 8,15,610 for the FY. 2018-19	Through PwC

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

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

Sd/-  
**Chirag Baijal**  
Managing Director  
DIN: 08465289

Sd/-  
**Sugeeth Kumar**  
Whole-time Director & Chief  
Financial Officer  
DIN: 07420265

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

**Date:** August 13, 2019  
**Place:** Gurugram

**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 ₹ 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.

# CARRIER

---

- 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**

**Date:** August 13, 2019

**Place:** Gurugram

**Sd/-**  
**Chirag Bajjal**  
Managing Director  
DIN: 08465289

**Sd/-**  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

### Form No. MGT- 9

#### EXTARCT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration Rules), 2014

#### I. REGISTRATION & OTHER DETAILS:

i.	CIN	U74999HR1992FLC036104
ii.	Registration Date	6th July, 1992
iii.	Name of the Company	Carrier Airconditioning & Refrigeration Limited
iv.	Category/Sub-category of the Company	Company Limited by Shares/ Subsidiary of a Foreign Company
v.	Address of the Registered office & Contact details	Narsingpur, Kherki Daula Post, Gurgaon - 122001, Haryana, Phone: (124) 482 5500
vi.	Whether listed company	No
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>MCS Share Transfer Agent Limited</b> F-65 , 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase- 1, New Delhi- 110020, Ph.: 011-4140 6149/50/51/52 email: <a href="mailto:helpdeskdelhi@mcsregistrars.com">helpdeskdelhi@mcsregistrars.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1.	Room Air-conditioners	3550	81.83%
2.	Spare Sales & Services	3558 & 9987	18.17%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

S. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	United Technologies South Asia Pacific Pte. Ltd. 8 Kallang Avenue, #07-01/09 Aperia Tower 1, 339509, Singapore	20120639G	Holding	96.47	2(46) & 2(87) of the Companies Act, 2013



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### (i) Category-wise Share Holding

S. No.	Category of Shareholders	No. of shares held at the end of the year (As on 31.03.2018)				No. of shares held at the beginning of the year (As on 31.03.2019)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
<b>1.</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)		0		0.00		0		0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2.</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	102618689	0	102618689	96.47	102618689	0	102618689	96.47	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>102618689</b>	<b>0</b>	<b>102618689</b>	<b>96.47</b>	<b>102618689</b>	<b>0</b>	<b>102618689</b>	<b>96.47</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>102618689</b>	<b>0</b>	<b>102618689</b>	<b>96.47</b>	<b>102618689</b>	<b>0</b>	<b>102618689</b>	<b>96.47</b>	<b>0.00</b>
<b>(B) Public shareholding</b>										
<b>1.</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	12000	5200	17200	0.02	12800	5200	18000	0.02	0.00
(b)	Financial Institutions/ Banks	4200	2912	7112	0.00	4200	2112	6312	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	400	400	0.00	0	400	400	0.00	0.00
(f)	Foreign Portfolio Investors	0	14800	14800	0.01	0	14800	14800	0.01	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>16200</b>	<b>23312</b>	<b>39512</b>	<b>0.03</b>	<b>17000</b>	<b>22512</b>	<b>39512</b>	<b>0.03</b>	<b>0.00</b>
<b>2.</b>	<b>Central Govt/State Govt/POI</b>	<b>316820</b>	<b>0</b>	<b>316820</b>	<b>0.30</b>	<b>316820</b>	<b>0</b>	<b>316820</b>	<b>0.30</b>	<b>0.30</b>
	<b>Sub-Total (B)(2)</b>	<b>316820</b>	<b>0</b>	<b>316820</b>	<b>0.30</b>	<b>316820</b>	<b>0</b>	<b>316820</b>	<b>0.30</b>	<b>0.30</b>
<b>3.</b>	<b>Non-institutions</b>				0.00					0.00
(a)	Bodies Corporate	58895	12609	71504	0.07	80764	12609	93373	0.09	0.02
(b)	Individuals -				0.00				0.00	0.00
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1686302	1229349	2915651	2.74	1755987	1124020	2880007	2.71	-0.03
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	274514	49447	323961	0.30	257036	78600	335636	0.32	0.02

S. No.	Category of Shareholders	No. of shares held at the end of the year (As on 31.03.2018)				No. of shares held at the beginning of the year (As on 31.03.2019)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Qualified Foreign Investor	0	0		0.00	0	0	0	0.00	0.00
(d)	NBFCs Registered with RBI	400	0	400	0.00	400	0	400	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
i	Trust & Foundations		0		0.00	0	0	0	0.00	0.00
ii	Cooperative Societies	0	0	0	0.00	0	0	0	0.00	0.00
iii	Educational Institutions	0	0	0	0.00	0	0	0	0.00	0.00
iv	Non Resident Individual	78636	11572	90208	0.08	80736	11572	92308	0.09	0.01
v	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vi	OCBs	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(3)	2098747	1302977	3401724	3.20	2174923	1226801	3401724	3.20	0.00
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>2431767</b>	<b>1326289</b>	<b>3758056</b>	<b>3.53</b>	<b>2508743</b>	<b>1249313</b>	<b>3758056</b>	<b>3.53</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>105050456</b>	<b>1326289</b>	<b>106376745</b>	<b>100.00</b>	<b>105127432</b>	<b>1249313</b>	<b>106376745</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
1.	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2.	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>105050456</b>	<b>1326289</b>	<b>106376745</b>	<b>100.00</b>	<b>105127432</b>	<b>1249313</b>	<b>106376745</b>	<b>100.00</b>	<b>0.00</b>

## (ii) SHARE HOLDING OF PROMOTERS:

Sl No.	Share holders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	United Technologies South Asia Pacific Pte. Ltd.	102,618,689	96.47%	Nil	102,618,689	96.47%	Nil	Nil
	<b>Total</b>	<b>102,618,689</b>	<b>96.47%</b>	<b>Nil</b>	<b>102,618,689</b>	<b>96.47%</b>	<b>Nil</b>	<b>Nil</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE ) :

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	At the beginning of the year	102,618,689	96.47%	102,618,689	96.47%
2.	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	NIL			
	At the end of the year	102,618,689	96.47%	102,618,689	96.47%

## (iv) Shareholding Pattern of top ten Shareholder (other than Directors, Promoters & Holders of GDRs & ADRs):

S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)		Category
				No of Shares at the Beginning (31-03-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company	
1	IN30012610759612	UMESH NATH KAPUR	AOPPK0608B	50000	0.05	20180331					INDIAN PUBLIC
				50000	0.05	20190331	NIL	NA			
2	IN30012610913816	JYOTI B WADHWA	AAIPW1725C	42008	0.04	20180331					INDIAN PUBLIC
				42008	0.04	20190331	NIL	NA			
3	94618	AWANTIKA SHARMA		36000	0.03	20180331					INDIAN PUBLIC
				36000	0.03	20190331	NIL	NA			
4	602	RAMINDAR JIT SINGH WALIA		29000	0.02	20180331					INDIAN PUBLIC
				29000	0.02	20190331	NIL	NA			
5	IN30258210128321	SUPRAPTI FINVEST PVT LTD	AAFCS7121J	0	0	20180331					BODY CORPORATE
						20180824	16000	Purchase	16000	0.02	
						20180831	1731	Purchase	17731	0.02	
						20180929	5000	Purchase	22731	0.02	
				22731	0.02	20190331					
6	IN30088813614301	KEWAL KUMAR VO HRA	AAHPV5282E	21022	0.02	20180331					INDIAN PUBLIC
				21022	0.02	20190331	NIL	NA			
7	1201220000123710	ANKUSH TANDON	AFDPT7548C	0	0	20180331					INDIAN PUBLIC
						20180824	6100	Purchase	6100	0.01	
						20180907	1600	Purchase	7700	0.01	
						20180914	4400	Purchase	12100	0.01	
						20190329	8200	Purchase	20300	0.02	
				20300	0.02	20190331					
8	IN30002030044965	DAVINDER SINGH	AATPS8391P	20000	0.02	20180331					INDIAN PUBLIC
				20000	0.02	20190331	NIL	NA			
9	IN30044110591321	SANKAR S B	AHNPS9285P	20000	0.02	20180331					INDIAN PUBLIC
				20000	0.02	20190331	NIL	NA			
10	IN30044110582820	PRABHAKAR S B	AEPPP1862G	20000	0.02	20180331					INDIAN PUBLIC
				20000	0.02	20190331	NIL	NA			

S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)		Category
				No of Shares at the Beginning (31-03-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company	
11	IN30311611722770	DEVARSONS TRADEIN LLP	AALFD1436C	15200	0.01	20180331					BODY CORPORATE
							NIL	NA			
				15200	0.01	20190331			15200	0.01	
12	IN30045013503260	AMITA NITESH THAKKAR	ACAPT2682B	13796	0.01	20180331					INDIAN PUBLIC
							NIL	NA			
				13796	0.01	20190331			13796	0.01	

#### (v) Shareholding of Directors & KMP:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NIL			
	At the end of the year	Nil	Nil	Nil	Nil

#### V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole time Director and/or Manager:

S. No.	Particulars of Remuneration	Name					Total Amount
		Mr. Arun Kumar Bhatia	Mr. Sugeeth Kumar	Mr. Nanda Kishore Lakkaraju*	Mr. Rahul Kumar Jain	Ms. Nandita Luthra**	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the In-come Tax. 1961.	16,644,728	8,562,982	3,226,336	6,974,601	51,370	35,460,017
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6,674,493	13,600	4,676,043	0	0	11,364,136
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
2.	Stock option	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission -as % of profit -others, specify	0	0	0	0	0	0
5.	Others, please specify (PF & SAF)	1,054,927	261,804	311,115	213,228	1,975	1,843,049
6.	Others (Non Taxable Reimbursement)	1,087,732	908,121	152,901	385,723	0	2,534,477
	<b>Total (A)</b>	<b>25,461,880</b>	<b>9,746,507</b>	<b>8,366,395</b>	<b>7,573,552</b>	<b>53,345</b>	<b>51,201,679</b>
	<b>Ceiling as per the Act</b>	10% of net profit for all Executive Directors- Managing & Whole-time Directors 5% of net profit to any one Managing or Whole-time Director					

\* Resigned on July 31, 2018

\*\* Resigned on April 1, 2018 (Remuneration given above is for 01-04-2018).

### B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. Pankaj Prakash Sahni	Mr. Narendra Singh Sisodia	
1.	Independent Directors			
	(a) Fee for attending board committee meetings	2,10,000	3,00,000	5,10,000
	(b) Commission			
	(c) Others, please specify			
	<b>Total (1)</b>	<b>2,10,000</b>	<b>3,00,000</b>	<b>5,10,000</b>
	<b>Total Managerial Remuneration</b>	<b>2,10,000</b>	<b>3,00,000</b>	<b>5,10,000</b>
	<b>Overall Ceiling as per the Act.</b>	1% of the net profits of the Company		

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer (Mr. Sugeeth Kumar)	Company Secretary (Mr. Kunal Aggarwal)	
1.	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8,562,982	1,389,495	9,952,477
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	13,600	0	13,600
	(c) Profits in lieu of salary under section 17(3) of the In-come Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission (Incentive)	0	0	0
5.	-as % of profit <b>-others, specify</b>	261,804	52,104	313,908
6.	<b>others, please specify (PF &amp; SAF)</b>	908,121	0	908,121
	<b>Others (Non Taxable Reimbursement)</b>	<b>9,746,507</b>	<b>1,441,599</b>	<b>11,188,106</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

By order of the Board of Directors

For **Carrier Airconditioning & Refrigeration Limited**

**Sd/-**  
**Chirag Bajjal**  
Managing Director  
DIN: 08465289

**Sd/-**  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

**Date:** August 13, 2019  
**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 Aadhar Number - WB10D0000448

### ANNEXURE “D”

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

*[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

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”). 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 period covered by our audit, that is to say, from April 01, 2018 to March 31, 2019 (hereinafter referred to as “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 and compliance whereof as confirmed by the management, 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;
  - 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;

---

**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

- g. The Water (Prevention and Control of Pollution) Act, 1974;
- h. The Hazardous Wastes (Management and Handling) Rules, 1989;

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards 1 and 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, 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. We have not examined any other specific laws except as mentioned above.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
6. 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;
7. 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.

**Place:** Mumbai  
**Date:** July 24, 2019

For **M/s. Vinod Kothari and Company**  
Company Secretaries in Practice

*Sd/-*  
**Vinita Nair**  
Partner  
Membership No: A31669  
C.P. No.: 11902



**“Annexure 1”  
LIST OF DOCUMENTS**

1. Minutes books of the following were provided in original
  - 1.1. Board Meeting;
  - 1.2. Audit Committee;
  - 1.3. Nomination and Remuneration Committee;
  - 1.4. Stakeholders Relationship Committee;
  - 1.5. CSR committee;
2. General Meeting;
3. Agenda papers for Board Meeting and other committee meetings along with Notice;
4. Annual Report 2018;
5. Memorandum and Articles of Association;
6. Disclosures under the Act;
7. Policies framed under Act;
8. Forms and returns filed with the ROC and RBI;
9. Confirmation in relation to specific law;
10. Registers maintained under Act.

## ANNEXURE "E"

As on 31.03.2019

Statement showing details of the employees as required under Section 197 of the Companies Act, 2013

Name	Designation	Qualification	Previous Experience (Yrs.)	Joining Date	Other Terms & Conditions	Remuneration (₹)	Age (Yrs.)	Last Employment Held
Arun Kumar Bhatia	Managing Director	Post Diploma (Mech. Engg.) & PGDM	4	06-Sep-95	N.A.	25,461,880	49	Project Engineering, Voltas Limited, New Delhi
Nandita Luthra	Senior Director Ethics & Compliance Counsel	BSc., LL.B	26	01-Jan-17	N.A.	1,94,70,852	50	UTC India
Nanda Kishore Lakkaraju	Director, Engineering	B. Tech, M.S.(Mech. Engg. & MBA)	13	01-Mar-09	N.A.	17,813,272	47	BU Manager, Carrier Tyler Refrigeration (Mech. System Div.) Niles
Chirag Baijal	Director- Commercial Sales	PGDBM	7	01-Jun-07	N.A.	15,521,467	42	Operations Manager, Snap On Tools Pvt. Ltd.
Viney Khunger	Managing Director, CCR India	B. Tech/ MBA	1	01-Nov-04	N.A.	13,327,835	50	Branch Manager, Fedders International Aircond.
Pankaj Mehta	Managing Director, CTD India	B. Tech/PGE	16	17-Mar-08	N.A.	12,013,329	53	Thermo King India Pvt. Ltd.
Jasmeet Singh Bhatia	Director- Human Resources	B. Sc. / MBA	17	02-Mar-16	N.A.	10,314,275	41	HR Head, Valvoline Cummins Private Ltd.
Sugeeth Kumar	Chief Financial Officer	CA	11	7-Jun-07	N.A.	9,746,507	41	Business Analyst, Schlumberger Asia
Arun Prakash*	Assistant Director, Manufacturing	Diploma in Mechanical Engg.	10	2-Jul-91	N.A.	9,041,907	59	Auto Tractors Ltd.
Adwait Patil	Director, Aftermarket	B.E. & MMS	3	1-Jun-93	N.A.	8,233,935	52	Junior Engg. Eastern Peripherals Ltd.
Anand Sengupta	Chief Information Officer	PGDBM	17	03-Sep-07	N.A.	8,011,193	51	Daikin Airconditioning Ltd.

(\* ) Employed for part of the year.

Notes:-

- None of the above employment is/was on contractual basis.
- None of the employees, as listed in Annexure 'E' is related to any director of the Company.
- None of the employees, as listed in Annexure 'E' holds (by himself or along with his spouse and dependent children) equity shares in the Company.

By order of the Board of Directors

**For Carrier Airconditioning & Refrigeration Limited**

**Sd/-**  
**Chirag Baijal**  
Managing Director  
DIN: 08465289

**Sd/-**  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

**Date:** August 13, 2019  
**Place:** Gurugram

### 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 foot print 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 foot print 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, 2019	Year ended March 31, 2018
<b>1. Electricity</b>		
(a) Purchased		
Units (in Lakhs)	22.95	22.53
Total amount (in Lakhs)	208.8	207.3
Rate/unit (₹)	9.69	9.42
(b) Own generation		
(i) Through diesel generator		
Units (in Lakhs)	10.16	9.12
Units per litre of diesel oil	3.25	3.49
Cost/unit (₹)	19.69	16.6
(ii) Through steam turbine/generator		
Units	-	-
Units per litre of fuel oil/gas	-	-
<b>Cost/unit (₹)</b>		

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>2. Coal</b>	-	-
Quantity (Tonnes)	-	-
Total cost (₹)	-	-
<b>Average rate (₹)</b>		
<b>3. Furnace oil</b>	-	-
Quantity (K. ltrs.)	-	-
Total amount (₹)	-	-
<b>Average rate (₹)</b>		
<b>4. Other/internal generation (SOLAR)</b>		-
Quantity (Unit) (in Lakhs)	1.85	1.16
Total cost (₹)	-	-
Rate/unit (₹)	-	-

## 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 : ₹ 85,678,421

b. Recurring : ₹ 28,276,426

c. Total : ₹113,954,847

d. Total R&D expenditure as a percentage of turnover: 0.77%

**(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 im-ported	Year of import	Has technol-ogy been ful-ly absorbed?	If not fully absorbed, are-as where this has not tak-en place, reasons there-fore and future plans of action.
Manufacturing of water cooled screw chillers	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 ₹ Lakhs)

S. No.	Foreign Exchange Earnings and Outgo	2018-19	2017-18
1.	Earnings in foreign exchange	3888.22	2,985
2.	Expenditure in foreign currency	688.65	953.70
3.	CIF Value of Import	79,839	57,731

By order of the Board of Directors

For **Carrier Airconditioning & Refrigeration Limited**

Date: August 13, 2019

Place: Gurugram

Sd/-  
**Chirag Bajjal**  
Managing Director  
DIN: 08465289

Sd/-  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

## ANNEXURE "G"

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis:** None. During the reporting period, all transactions were at arm length basis.

Sl. No.	Particulars	Details
A.	Name (s) of the related party & nature of relationship	N/A
B.	Nature of contracts/arrangements/transaction	N/A
C.	Duration of the contracts/arrangements/transaction	N/A
D.	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
E.	Justification for entering into such contracts or arrangements or transactions'	N/A
F.	Date of approval by the Board	N/A
G.	Amount paid as advances, if any	N/A
H.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N/A

- 2. Details of contracts or arrangements or transactions at Arm's length basis:** None. During the reporting period, there was no contract or arrangement as defined under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014

Sl. No.	Particulars	Details
A.	Name (s) of the related party & nature of relationship	N/A
B.	Nature of contracts/arrangements/transaction	N/A
C.	Duration of the contracts/arrangements/transaction	N/A
D.	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
E.	Date of approval by the Board	N/A
F.	Amount paid as advances, if any	N/A

By order of the Board of Directors

For **Carrier Airconditioning & Refrigeration Limited**

**Date:** August 13, 2019

**Place:** Gurugram

**Sd/-**  
**Chirag Bajjal**  
Managing Director  
DIN: 08465289

**Sd/-**  
**Sugeeth Kumar**  
Whole-time Director &  
Chief Financial Officer  
DIN: 07420265

## **B S R & Associates LLP**

Chartered Accountants

Building No. 10 8th Floor,  
DLF Cyber City, Phase-II  
Gurgaon - 122 002, India

Telephone: + 91 124 3074000

## **INDEPENDENT AUDITORS' 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 2019, 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 2019, 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.

#### **Emphasis of matter**

Attention is invited to Note 30 in the financial statements regarding non settlement of foreign currency payables amounting to Rs. 148 lacs as at 31 March 2019 (As at 31 March 2018 – Rs. 429 lacs) due for more than six months from the date of imports and nonrealization of foreign currency receivables amounting to Rs. 1,477 lacs as at 31 March 2019 (As at 31 March 2018 – Rs. 1,345 lacs), due for more than nine months from the date of exports, being the time period permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated 1 January 2016 and RBI Master Direction on Export of goods and Services vide FED Master Direction No. 16/2015- 16 dated 1 January 2016 respectively, issued by the Reserve Bank of India. As informed to us, the Company is evaluating various options including possible actions for settlement of these foreign currency receivables and payables, applying for extension of time from the relevant authorities. Our opinion is not modified in respect of this matter.

### **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 annual report, but does not include the financial statements and our auditors' 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 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 the 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 made by management.
- Conclude on the appropriateness of management's 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.
  - (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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
    - 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"; and

(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 2019 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and.
- iv. The disclosures 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 2019.

(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/-**

**Manish Gupta**

Partner

Membership Number 095037

ICAI UDIN: 19095037AAAACW1636

**Place:** Gurugram

**Date:** 13 August, 2019

## 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 2019, 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 Service tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases related to payment of Professional tax and Employees State Insurance. 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 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 2019 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
<b>Income Tax</b>					
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	#	-	Assessment year 2015-16	Dispute Resolution Panel
<b>Sales tax</b>					
Sales tax/Value added tax Act of various states	Demand against non-submission of various Forms	3,285	418	1988-90, 1992-93, 1994-95 to 2016-17 and 2018-19	Appellate authorities of various states
Sales tax/Value added tax Act of various states	Demand against non-submission of various Forms	548	304	1997 to 2002, 2003-2010, 2011-2013	Sales tax appellate tribunal of various states
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

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
<b>Central Excise duty</b>					
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	High Court of Punjab and Haryana
Central Excise Act, 1944	Demand on import of power pack and supply along with bus air conditioning systems, without payment of excise duty	26	-	1996-01	Commissioner of Excise (Appeals)
<b>Custom duty</b>					
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
<b>Service tax</b>					
Finance Act, 1994	Demand for service tax on overseas commission income	2,084	-	2006-2010	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)
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	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

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	3,809	1,428	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	-	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	Commissioner of Excise and Service tax (Appeals)
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)
<b>Local Area Development tax/Entry tax</b>					
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.

# In the current year, Transfer Pricing Officer (TPO), has issued an order making an addition to income amounting to Rs. 336 lacs. These additions to income include disallowances made by TPO on account of arm's length price. Till the final assessment order is received by the Company, the tax liability that may arise with the statutory authorities on account of dispute cannot be estimated.

**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 did not have any loans or borrowings from any financial institution, banks, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (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 given 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/-

**Manish Gupta**

*Partner*

Membership Number 095037

ICAI UDIN: 19095037AAAACW1636

**Place:** Gurugram

**Date:** 13 August, 2019

**Annexure B to the Independent Auditors' report on the financial statements of Carrier Airconditioning & Refrigeration Limited for the year ended 31 March 2019****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 (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 2019 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 2019, 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 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/-  
**Manish Gupta**  
Partner  
Membership Number 095037  
ICAI UDIN: 19095037AAAACW1636

**Place:** Gurugram  
**Date:** 13 August, 2019

## CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

### Balance Sheet as at March 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,079	4,899
Capital work-in-progress	3	2,222	517
Other intangible assets	4	306	374
Financial assets			
Investments	5.1	1	1
Loans	5.2	423	356
Others	5.3	-	5,425
Income tax assets (net)	6	2,643	2,386
Deferred tax assets, net	7	4,269	4,356
Other non-current assets	8	2,500	3,060
<b>Total non-current assets</b>		<b>17,443</b>	<b>21,374</b>
<b>Current assets</b>			
Inventories	9	26,219	20,782
Financial assets			
Trade receivables	10.1	31,039	30,463
Cash and cash equivalents	10.2	16,732	14,669
Loans	10.3	3,900	3,583
Others	10.4	1,101	799
Other current assets	11	5,177	3,585
Assets held for sale	48	1,192	-
<b>Total current assets</b>		<b>85,360</b>	<b>73,881</b>
<b>TOTAL ASSETS</b>		<b>1,02,803</b>	<b>95,255</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	10,638	10,638
Other equity	13	41,424	34,588
<b>Total equity</b>		<b>52,062</b>	<b>45,226</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	14	5,767	5,557
Other non-current liabilities	15	234	287
<b>Total non-current liabilities</b>		<b>6,001</b>	<b>5,844</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	16.1		
a) total outstanding dues of micro and small enterprises; and		888	417
b) total outstanding of creditors other than micro and small enterprises		33,657	29,172
Other current financial liabilities	16.2	1,281	6,505
Other current liabilities	17	7,657	7,056
Provisions	18	1,257	1,035
<b>Total current liabilities</b>		<b>44,740</b>	<b>44,185</b>
<b>Total liabilities</b>		<b>50,741</b>	<b>50,029</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,02,803</b>	<b>95,255</b>

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/-  
**Manish Gupta**  
Partner  
Membership No: 095037  
ICAI UDIN: 19095037AAAACW1636  
Place: Gurugram  
Date: August 13, 2019

Sd/-  
**Chirag Bajjal**  
Managing Director  
DIN No. 08465289  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Sugeeth Kumar**  
WTD & CFO  
DIN No. 07420265  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No: A27675  
Place: Gurugram  
Date : August 13, 2019

# CARRIER

## CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

### Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	19	1,47,681	1,32,529
Other income	20	3,457	3,078
<b>Total income</b>		<b>1,51,138</b>	<b>1,35,607</b>
<b>Expenses</b>			
Cost of materials consumed	45	24,228	19,369
Purchase of traded goods (Including spares)	43b	73,155	55,204
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(5,905)	1,302
Excise duty	37	-	847
Employee benefits expense	22	15,231	14,022
Finance costs	23	157	95
Depreciation and amortization expense	24	803	904
Other expenses	25	32,646	32,562
<b>Total expenses</b>		<b>1,40,315</b>	<b>1,24,305</b>
<b>Profit before tax</b>		<b>10,823</b>	<b>11,302</b>
<b>Tax expense</b>			
Current tax	7	3,878	4,569
Deferred tax	7	142	(555)
<b>Profit for the year (A)</b>		<b>6,803</b>	<b>7,288</b>
<b>Other comprehensive income/(loss)</b>			
(i) Items that will not be reclassified to profit or loss	34	(162)	79
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year (B)</b>		<b>(162)</b>	<b>79</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>6,641</b>	<b>7,367</b>

Earning per share

Nominal value of share INR 10 [previous year INR 10]

Basic	26	6.40	6.85
Diluted	26	6.40	6.85

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/-  
**Manish Gupta**  
Partner  
Membership No: 095037  
ICAI UDIN: 19095037AAAACW1636  
Place: Gurugram  
Date: August 13, 2019

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

Sd/-  
**Chirag Bajjal**  
Managing Director  
DIN No. 08465289  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Sugeeth Kumar**  
WTD & CFO  
DIN No. 07420265  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No: A27675  
Place: Gurugram  
Date : August 13, 2019

## CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

### Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit before tax	10,823	11,302
Adjustments for :		
Depreciation and amortization expense	803	904
Share based payments	67	61
Loss/ (Profit) on sale of Property, plant and equipments (net)	(117)	(8)
Property, plant and equipment written off	-	264
Interest income on fixed deposits	(177)	(677)
Interest income on inter-corporate deposits	(362)	(515)
Provision for inventory obsolescence	156	17
Allowance for doubtful debts and advances	811	1,132
Net loss on financial asset measured at fair value through profit & loss	49	51
Unrealised (gain)/loss on foreign exchange fluctuations	(418)	58
Liabilities no longer required written back	(1,379)	(1,113)
<b>Operating profit before working capital changes</b>	<b>10,256</b>	<b>11,476</b>
<b>Adjustments for :</b>		
Decrease/(increase) in other current and non current assets	(1,483)	(1,045)
Decrease/(increase) in current and non current loans	(79)	(14)
Decrease/(increase) in inventories	(6,853)	1,842
Decrease/(increase) in current and non current financial assets -other	(125)	491
(Increase)/decrease in current financial assets- trade receivables	(1,299)	(3,312)
Increase/(decrease) in current financial liabilities - trade payables	12,074	(1,079)
Increase/(decrease) in current and non current financial liabilities - others	43	(14)
(Decrease) in other current and non current liabilities	549	645
Increase/ (decrease) in current and non-current provisions	271	263
<b>Cash generated from operating activities</b>	<b>13,354</b>	<b>9,253</b>
Income tax paid, net of refund and interest thereon	(4,271)	(4,787)
<b>Net cash generated from operating activities (A)</b>	<b>9,083</b>	<b>4,466</b>
<b>Cash flow from investing activities :</b>		
Acquisition of property, plant and equipment	(2,050)	(1,347)
Receipt / (payment) of inter-corporate deposit (net)	(305)	1,604
Proceeds from sale of property, plant and equipment / intangible assets	122	11
Interest received on deposits	259	771
Interest received on inter-corporate deposits	362	515
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(1,612)</b>	<b>1,554</b>

## CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

### Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
<b>Cash flow from financing activities :</b>		
Interest paid	-	(13)
Dividend Paid ( including DDT)	(5,425)	(18,794)
<b>Net cash used in financing activities (C)</b>	<b>(5,425)</b>	<b>(18,807)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)</b>	<b>2,046</b>	<b>(12,787)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,669</b>	<b>27,445</b>
Add: Re-instatement gain on balance in EEFC account	17	11
<b>Cash and Cash Equivalents at close of the year</b>	<b>16,732</b>	<b>14,669</b>
<b>Cash and cash equivalents consists of the following</b>		
<b>Bank balance</b>		
-in current account	15,634	7,497
-in deposit account	1,000	7,000
<b>Cheques on hand</b>	98	172
	<b>16,732</b>	<b>14,669</b>

- 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 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/-  
**Manish Gupta**  
Partner  
Membership No: 095037  
ICAI UDIN: 19095037AAAACW1636  
Place: Gurugram  
Date: August 13, 2019

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

Sd/-  
**Chirag Bajjal**  
Managing Director  
DIN No. 08465289  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Sugeeth Kumar**  
WTD & CFO  
DIN No. 07420265  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No: A27675  
Place: Gurugram  
Date : August 13, 2019

**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED****Notes to the financial statements for the year ended March 31, 2019****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, Gurugram 122004, 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 August 13, 2019.

**b) Basis of measurement**

These financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and financial liabilities which have been measured at amortised cost/fair value. Refer note 2(g)(5) for accounting policy regarding financial instruments. Further, net defined benefit (asset)/ liability is measured at fair value of plan assets less present value of defined benefit obligation.

**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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

### 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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.

<b>Particulars</b>	<b>Useful Life (Years)</b>
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, 2019

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 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)
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 supplies 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 comparison 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*

Financial assets:

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**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**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 recognised 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 arisen 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 applicable products/services. The information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information. There breakup of above mentioned impact is as follows:

Particulars	Amount
Increase in revenue on repair jobs	277
Increase in cost on repair jobs	149
<b>Impact on retained earnings as at 01 April 2018</b>	<b>128</b>

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 are dispatched / 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.

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.



## 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.

## **18) Recent accounting pronouncements**

### **a) IND AS 116 - Leases**

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company has completed an initial assessment of the potential

impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

**A. Leases in which the Company is a lessee**

The Company will recognise new assets and liabilities for its operating leases of offices/warehouse and cars. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

**B. Leases in which the Company is a lessor**

The Company will assess present leases in which the Company is a lessor. Based on the information currently available, the Company does not expect any reclassification from operating lease to finance lease.

**C. Transition**

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

**b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019.

The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

**c) Amendment to Ind AS 12 – Income taxes**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

**d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2019**

*(All amounts in ₹ Lacs, unless otherwise stated)*

a. Equity share capital	Number	Amount
As at March 31, 2017	106,376,745	10,638
Changes in equity share capital during the year	-	-
As at March 31, 2018	106,376,745	10,638
Changes in equity share capital during the year	-	-
<b>As at March 31, 2019</b>	<b>106,376,745</b>	<b>10,638</b>

b. Other equity	Reserves and Surplus					Share options outstanding account	Other comprehensive income	Total
	Capital reserve	Reserves on business combination	General reserve	Retained earnings	Re-measurement gain/(loss) on defined benefit obligations			
<b>Balance as at March 31, 2017</b>	1	657	895	44,136	265	-	-	45,954
Profit for the year	-	-	7,288	-	-	79	-	7,367
Transfer to retained earnings	-	-	-	79	-	(79)	-	-
Dividend paid during the year (Refer Note 27)	-	-	-	(18,794)	-	-	-	(18,794)
Share based payments (Refer Note 42)	-	-	-	-	61	-	-	61
<b>Balance as at March 31, 2018</b>	<b>1</b>	<b>657</b>	<b>895</b>	<b>32,709</b>	<b>326</b>	<b>-</b>	<b>-</b>	<b>34,588</b>
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
<b>Balance as at March 31, 2019</b>	<b>1</b>	<b>657</b>	<b>895</b>	<b>39,478</b>	<b>393</b>	<b>-</b>	<b>-</b>	<b>41,424</b>

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/-  
**Manish Gupta**  
 Partner

Membership No: 095037

ICAI UDIN: 19095037AAAAACW1636

Place: Gurugram

Date: August 13, 2019

Sd/-

**Chirag Bajjal**  
 Managing Director

DIN No. 08465289

Place: Gurugram

Date: August 13, 2019

Sd/-

**Sujeeth Kumar**  
 WTD & CFO

DIN No. 07420265

Place: Gurugram

Date: August 13, 2019

Sd/-

**Suraj Arora**  
 Company Secretary

Membership No: A27675

Place: Gurugram

Date: August 13, 2019

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

### 3. Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION			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
Freehold land	450	-	15	435	-	-	-	435
Buildings	717	53	7	763	124	38	-	601
Leasehold improvements	542	7	-	549	178	75	8	304
Plant and Equipment	3,981	722	105	4,598	886	476	35	3,271
Furniture and fixtures	403	146	6	543	150	76	6	323
Computers and office equipment	272	59	2	329	131	57	2	143
Vehicles	4	-	-	4	1	1	-	2
<b>Sub total</b>	<b>6,369</b>	<b>987</b>	<b>135</b>	<b>7,221</b>	<b>1,470</b>	<b>723</b>	<b>51</b>	<b>5,079</b>
<b>Capital work-in-progress</b>	-	-	-	-	-	-	-	<b>2,222</b>
<b>Total</b>	<b>6,369</b>	<b>987</b>	<b>135</b>	<b>7,221</b>	<b>1,470</b>	<b>723</b>	<b>51</b>	<b>7,301</b>

#Includes assets held for sale relating to Fire & Suppression business. Refer note 48

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK
	As at April 01, 2017	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2018	As at April 01, 2017	For the year	On deletions/ adjustments	As at March 31, 2018
Freehold land	450	-	-	450	-	-	-	450
Buildings	706	27	16	717	55	70	1	593
Leasehold improvements	508	34	-	542	89	89	-	364
Plant and Equipment	4,052	252	323	3,981	429	531	74	3,095
Furniture and fixtures	343	66	6	403	68	86	4	253
Computers and office equipment	181	92	1	272	36	96	1	141
Vehicles	4	-	-	4	*	1	-	3
<b>Sub Total</b>	<b>6,244</b>	<b>471</b>	<b>346</b>	<b>6,369</b>	<b>677</b>	<b>873</b>	<b>80</b>	<b>4,899</b>
<b>Capital work-in-progress</b>	-	-	-	-	-	-	-	<b>517</b>
<b>Total</b>	<b>6,244</b>	<b>471</b>	<b>346</b>	<b>6,369</b>	<b>677</b>	<b>873</b>	<b>80</b>	<b>5,416</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts in ₹ Lacs, unless otherwise stated)

**4. Intangible assets**

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	For the year	on deletions/ adjustments*	As at March 31, 2019
Computer software	411	9	-	420	68	-	306
Technical know-how	38	-	-	38	9	-	-
<b>Total</b>	<b>449</b>	<b>9</b>	<b>-</b>	<b>458</b>	<b>77</b>	<b>-</b>	<b>306</b>

Particulars	GROSS BLOCK			Amortization			NET BLOCK
	As at April 01, 2017	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2018	For the year	on deletions/ adjustments	As at March 31, 2018
Computer software	321	91	1	411	14	1	365
Technical know-how	38	-	-	38	17	-	9
<b>Total</b>	<b>359</b>	<b>91</b>	<b>1</b>	<b>449</b>	<b>31</b>	<b>1</b>	<b>374</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

### 5.1 Non-current financial assets - Investments

	As at March 31, 2019	As at March 31, 2018
<i>A. Investment in equity shares (at FVTPL)</i>		
<u>Unquoted</u>		
Carrier Aircon Employees' Co-operative Thrift and Credit Society Limited (2,000 shares of Rs. 50 each)	1	1
<i>B. Investment in Govt. or trust securities (at amortised cost)</i>		
<u>Unquoted</u>		
6 Year National Savings Certificate VIII Issue (Pledged with Govt authorities)*	-	*
<b>Total</b>	<b>1</b>	<b>1</b>

\* 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, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Security deposits	423	356
<i>Unsecured, considered doubtful</i>		
Security deposits	15	24
Impairment allowance for doubtful advances	(15)	(24)
<b>Total</b>	<b>423</b>	<b>356</b>

### 5.3 Non-current financial assets - others

	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, Considered good</i>		
Dividend account	-	5,425
<b>Total</b>	<b>-</b>	<b>5,425</b>

### 6. Income tax assets (net)

	As at March 31, 2019	As at March 31, 2018
<i>Advance tax and tax deducted at source</i>	2,643	2,386
<b>Total</b>	<b>2,643</b>	<b>2,386</b>

Net of provision for tax Rs 22,717 (as at March 31, 2018 Rs 18,775).

### 7. Income tax

The major components of tax expense/deferred tax assets recognised as at and for the year ended March 31, 2019 are indicated below:

#### a) Amounts recognised in profit or loss

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current tax on profit for the year</b>		
-for the year	3,878	4,569
<b>Total current tax</b>	<b>3,878</b>	<b>4,569</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	142	(555)
<b>Total deferred tax</b>	142	(555)
<b>Tax charge/(credit) for the year</b>	<b>4,020</b>	<b>4,014</b>

### b) Amounts recognised in other comprehensive income

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax on defined benefit obligations	57	28
Deferred tax on defined benefit obligations	(57)	(28)
<b>Tax charge/(credit) for the year</b>	<b>-</b>	<b>-</b>

### 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:

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Accounting profit before tax</b>	10,823	11,302
Applicable tax rate	34.94%	34.61%
<b>Tax on profit at statutory tax rate</b>	3,782	3,912
Permanent differences	207	69
Others	31	33
<b>Tax charge/(credit) for the year</b>	<b>4,020</b>	<b>4,014</b>

### d) Deferred tax assets/liabilities

	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
<b>Total</b>	<b>4,356</b>	<b>(143)</b>	<b>57</b>	<b>4,269</b>

## 8. Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances	44	555
Amount paid under protest	2,456	2,505
<i>Unsecured, considered doubtful</i>		
Amount paid under protest	520	266
Capital advances	18	-
Provision for doubtful advances	(538)	(266)
<b>Total</b>	<b>2,500</b>	<b>3,060</b>

## 9. Inventories

	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials and Components</b>	3,858	4,036
- Stock-in-transit	966	929
Work-in-progress	134	101
Contract work-in-progress	-	203
Finished goods	3,751	2,628
Traded goods	15,121	12,403
Stock in transit (traded goods)	4,005	2,312
Provision for inventory obsolescence	(1,616)	(1,830)
<b>Total</b>	<b>26,219</b>	<b>20,782</b>

Provision for inventory obsolescence relates to provision made for Excess & Obsolete stock amounting to Rs 1,616 (As at March 31, 2018 – Rs 1,830). The provision is reversed as and when excess & obsolete inventory is sold/disposed off. Net provision for inventory obsolescence expense during the year is Rs.156 Lacs ( March 2018 Rs. 17 lacs).

## 10.1 Current financial assets - Trade receivables\*

	As at March 31, 2019	As at March 31, 2018
Trade receivable considered good- Unsecured	31,039	30,463
Trade receivable credit impaired	3,725	3,728
Total	34,764	34,191
Loss Allowance	(3,725)	(3,728)
<b>Total</b>	<b>31,039</b>	<b>30,463</b>

\*refer note 40.

## 10.2 Current financial assets - Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
<b>Balances with banks:</b>		
- on current accounts	15,634	7,497
- on deposit accounts (with original maturity of 3 months or less)	1,000	7,000
Cheques on hand	98	172
<b>Total</b>	<b>16,732</b>	<b>14,669</b>

## 10.3 Current financial assets - Loans

	As at March 31, 2019	As at March 31, 2018
<b>(At amortised cost)</b>		
Unsecured, considered good		
Loans and advances to related parties (Refer note 40)	3,802	3,497
Security deposits	98	86
Unsecured, considered doubtful		
Security deposits	51	53
Impairment allowance for doubtful security deposits	(51)	(53)
<b>Total</b>	<b>3,900</b>	<b>3,583</b>

## 10.4 Current financial assets - Others

	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Unbilled revenue	127	704
Interest accrued on deposits	12	95
Receivables from related parties	208	-
Others	754	-
<b>Total</b>	<b>1,101</b>	<b>799</b>

## 11. Other current assets

	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Contract assets #	1,193	-
Prepaid expenses	311	359
Advance to suppliers	257	343
Advance to employees	112	80
Balances with Government authorities	3,304	2,803
<i>Unsecured, considered doubtful</i>		
Advance to suppliers	84	71
Balances with Government authorities	53	56
Impairment allowance for doubtful advances	(137)	(127)
<b>Total</b>	<b>5,177</b>	<b>3,585</b>

# 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, 2019		As at March 31, 2018	
<b>A. Authorised share capital</b>				
Equity shares of Rs. 10 each (with voting rights)				
- Number	11,00,00,000		11,00,00,000	
- Amount	11,000		11,000	
<b>B. Issued, subscribed and paid up</b>				
Equity shares of Rs. 10 each (with voting rights)				
- Number	10,63,76,745		10,63,76,745	
- Amount	10,638		10,638	
<b>C. Reconciliation of shares outstanding</b>				
<b>Particulars</b>	<b>Year ended March 31, 2019</b>		<b>Year ended March 31, 2018</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Balance as at beginning of the year	10,63,76,745	10,638	10,63,76,745	10,638
Issued during the year	-	-	-	-
<b>Balance as at end of the year</b>	<b>10,63,76,745</b>	<b>10,638</b>	<b>10,63,76,745</b>	<b>10,638</b>
<b>D. Shares held by ultimate holding Company and its subsidiaries/associates and details of shareholders holding more than 5% shares of the Company</b>				
	<b>As at March 31, 2019</b>			
	<b>Numbers</b>	<b>Amount</b>	<b>Holding %</b>	
<i>Holding company</i>				
United Technologies South Asia Pacific Pte Ltd.	10,26,18,689	10,262	96.5%	

	As at March 31, 2018		
	Numbers	Amount	Holding %
<i>Holding company</i>			
United Technologies South Asia Pacific Pte Ltd.	10,26,18,689	10,262	96.5%

- 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, 2019	As at March 31, 2018
Capital reserve	1	1
Reserves on business combination	657	657
General reserve	895	895
Retained earnings	39,478	32,709
Share options outstanding account	393	326
	<b>41,424</b>	<b>34,588</b>

#### 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	-	-
--------------------------------------	---	---

<b>Balance at the end of the year</b>	<b>1</b>	<b>1</b>
---------------------------------------	----------	----------

##### Reserves on business combination

Balance at the beginning of the year	657	657
--------------------------------------	-----	-----

Add : Additions made during the year	-	-
--------------------------------------	---	---

<b>Balance at the end of the year</b>	<b>657</b>	<b>657</b>
---------------------------------------	------------	------------

##### General reserve

Balance at the beginning of the year	895	895
--------------------------------------	-----	-----

Add : Additions made during the year	-	-
--------------------------------------	---	---

<b>Balance at the end of the year</b>	<b>895</b>	<b>895</b>
---------------------------------------	------------	------------

##### Retained earnings

Balance at the beginning of the year	32,709	44,136
--------------------------------------	--------	--------

Add : Additions made during the year	6,803	7,288
--------------------------------------	-------	-------

Add : Adjustment on transition to Ind AS 115 (Refer to note 2(g)(10))	128	-
---	-----	---

Less: Transfers from other comprehensive income	162	(79)
---	-----	------

Less: Dividends paid (Refer to note 27)	-	18,794
---	---	--------

<b>Balance at the end of the year</b>	<b>39,478</b>	<b>32,709</b>
---------------------------------------	---------------	---------------

##### Other comprehensive income

Balance at the beginning of the year	-	-
--------------------------------------	---	---

Add : Additions made during the year	(162)	79
Transferred to retained earnings	162	(79)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Share options outstanding account</b>		
Balance at the beginning of the year	326	265
Add : Additions made during the year	67	61
<b>Balance at the end of the year</b>	<b>393</b>	<b>326</b>

## 14. Non-current provisions

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment	719	630
Gratuity (Refer note 34)	648	269
Other provisions		
Litigations/disputes (Refer note 28)	4,400	4,605
Warranty	-	53
<b>Total</b>	<b>5,767</b>	<b>5,557</b>

### Movement in provisions

Particulars	Litigations/disputes		Warranty	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Balance as at beginning of the year	4,605	4,496	741	807
Additions	80	272	1,325	925
Disposals/adjustments	285	163	1,166	991
<b>Balance as at end of the year</b>	<b>4,400</b>	<b>4,605</b>	<b>900</b>	<b>741</b>
Current maturity thereof	-	-	900	688
<b>Balance of non-current provisions</b>	<b>4,400</b>	<b>4,605</b>	<b>-</b>	<b>53</b>

### 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.

#### (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.

## 15. Other non-current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred revenue	234	287
<b>Total</b>	<b>234</b>	<b>287</b>

### 16.1 Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables	34,545	29,589
<b>Total</b>	<b>34,545</b>	<b>29,589</b>

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

### 16.2 Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits	509	510
Unclaimed/unpaid dividend	-	5,425
Employee benefits payable	469	487
Payable for purchase of property, plant and equipment	204	46
Royalty payable	50	37
Derivatives not designated as hedges	49	-
<b>Total</b>	<b>1,281</b>	<b>6,505</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

### 17. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advances from customers	2,982	3,407
Deferred revenue	3,722	2,189
Statutory dues	953	1,460
<b>Total</b>	<b>7,657</b>	<b>7,056</b>

### 18. Current provisions

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment	157	147
Gratuity (Refer to note 34)	200	200
Other provisions		
Warranty ( also refer to note 14)	900	688
<b>Total</b>	<b>1,257</b>	<b>1,035</b>

### 19. Revenue from operations\*

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of finished goods	39,098	32,214
Sale of traded goods	81,237	75,176
Sale of services	26,715	24,113
	<b>1,47,050</b>	<b>1,31,503</b>
<b>Other operating income</b>		
Commission income	434	882
Scrap sales	197	144
<b>Total</b>	<b>1,47,681</b>	<b>1,32,529</b>

\* refer note 37

#### Disclosures required by IND AS 115

- 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. 1,655 representing incentives given to various customers and Rs. 56 representing revenue on extended warranty.
- Aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied amounts to Rs. 234. The amount does not include the value of performance obligations outstanding as at 31 March 2019 that have an original expected duration of one year or less, as allowed by Ind AS 115.

### 20. Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets measured at amortised cost		
- On fixed deposits	177	677
- On inter-corporate deposits	362	515
Foreign exchange fluctuation gain (net)	615	318
Liabilities and provisions no longer required, written back	1,379	1,113
Profit on sale of property, plant and equipment (net)	117	8
Miscellaneous income	807	447
<b>Total</b>	<b>3,457</b>	<b>3,078</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Work-in-progress	101	106
Finished goods	2,628	3,554
Traded goods	14,715	15,550
	<b>17,444</b>	<b>19,210</b>
Closing stock*		
Work-in-progress	134	101
Finished goods	3,788	2,628
Traded goods	19,427	14,715
<b>Total</b>	<b>23,349</b>	<b>17,444</b>
Excise duty on increase/(decrease) of finished goods (manufactured)	-	(464)
<b>Net (increase)/decrease</b>	<b>(5,905)</b>	<b>1,302</b>

\*includes inventory relating to Fire & Suppression business. Refer note 48

### 22. Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	13,309	12,472
Contribution to provident and other funds (Refer note 34)	634	603
Gratuity and Leave encashment	418	335
Share based payments (Refer note 42)	67	61
Staff welfare	803	551
<b>Total</b>	<b>15,231</b>	<b>14,022</b>

### 23. Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on deposits	13	13
Interest-others	144	82
<b>Total</b>	<b>157</b>	<b>95</b>

### 24. Depreciation and amortization expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	726	873
Amortisation of intangible assets	77	31
<b>Total</b>	<b>803</b>	<b>904</b>

### 25. Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Power, fuel and water	570	515
Cost of services	16,358	16,436
Communication expenses	393	412
Rent, including lease rentals (Refer note 31)	1,087	1,121
Repairs and maintenance:		
Building	37	51
Machinery	121	95
Others	187	583
Insurance	338	388
Rates and taxes	803	716



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Dealer/ Service commission		1,561	1,419
Travelling and conveyance		1,129	1,384
Advertisement and sales promotion		338	841
Sales and distribution expenses		4,347	3,895
Warranty		1,325	925
Bad debts & advances written off	810	-	128
Less- Existing provision utilized	<u>810</u>	-	<u>(128)</u>
Allowance for doubtful debts and advances		811	1,132
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)		219	198
Training		101	118
Legal and professional		1,093	916
Royalty		212	139
Provision for inventory obsolescence		156	17
Research and development		283	416
Property, plant and equipment written off		-	264
Net loss on financial asset measured at fair value		49	51
Miscellaneous		1,091	492
<b>Total</b>		<b>32,646</b>	<b>32,562</b>

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

### 26. Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted earnings per share		
Profit for the year	6,803	7,288
Weighted average number of shares	10,63,76,745	10,63,76,745
Nominal value per share	10	10
<b>Earning Per Share (Basic &amp; Diluted)</b>	<b>6.40</b>	<b>6.85</b>

### 27. Distributions made and proposed

During the year, the Company has paid dividend related to financial year 2017-18 amounting to 6,530 (including Dividend Distribution Tax amounting 1,105), which was declared in the Board Meeting held on March 20, 2018. Subsequent to the financial year, the Board of Directors have decided in Board Meeting held on June 25, 2019 to declare interim dividend related to financial year 2018-19 amounting to Rs. 34,882 (including Dividend Distribution Tax amounting 5,948).

	Year ended March 31, 2019	Year ended March 31, 2018
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended March 31, 2018 Rs.5.10 per share	-	5,425
Dividend distribution tax thereon	-	1,105
<b>Total</b>	<b>-</b>	<b>6,530</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

### 28. Contingent Liabilities and Commitments

	As at March 31, 2019	As at March 31, 2018
(a) Demands from regulatory authorities, (excluding applicable penalties)		
Income tax authorities*	63	718
Sales tax authorities	3,788	3,177
Excise, Customs Department and Service Tax	19,882	20,131
Employee State Insurance (ESI) Department	126	126
(b) Claims against the Company, not acknowledged as debt	391	354
(c) Estimated value of contracts remaining to be executed on capital account (net of advances)	255	816
d) Financial guarantee issued on behalf of the Company	42	104

\*The Company has filed appeals for the assessment year 2001-02, 2005-06 & 2006-07 involving tax amount of Rs 8, Rs. 188 & Rs.266 before Income Tax Appellate Tribunal (ITAT) for assessment year ended 2001-02, 2005-06 and Dispute Resolution Penal (DRP) 2006-07 respectively under the Income Tax Act, 1961, in response to income tax assessment orders involving certain disallowances and 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. Further, in the current year, the case for assessment year 2005-06 has been remanded back to the Assessing officer for making fresh assessment.

Further, with respect to assessment year 2014-15, the Company has received an assessment order from Transfer pricing officer wherein the income has been increased by Rs. 170. In response to such addition, no demand has been made by the Income tax authorities since Rs. 79 (tax impact) has been adjusted against the refund payable to the Company. The Company has filed an appeal to Income tax Appellate Tribunal in respect of to such demand which is yet to be heard.

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.

In February 2019, the Supreme Court of India in its judgment, clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is of the view there are many interpretative challenges on the application of judgment retrospectively and as such the Company does not consider any probable obligations for past periods. Accordingly, the Company has made provision for provident fund contribution from the date of Supreme Court judgment.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

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.

- 30.** The Company has foreign currency receivables aggregating to Rs. 1,477 (March 31, 2018 - 1345) which are outstanding for more than nine months as of March 31, 2019 and foreign currency payables aggregating to Rs. 148 (March 31, 2018 - 429) which are outstanding for more than six months as of March 31, 2019. The Company is evaluating various options including possible actions for settlement of these foreign currency receivables and payables, applying for extension of time from the relevant authorities etc.

**31. Future obligation on account of non- cancellable operating lease arrangements**

	As at March 31, 2019	As at March 31, 2018
Not later than one year	703	922
Later than one year not later than 5 years	998	913
Later than 5 years	148	-
	<b>1,849</b>	<b>1,835</b>

Expense in relation to operating leases is Rs 1,087 (Previous year Rs 1,121).

- 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Particular	As at March 31, 2019	As at March 31, 2018
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	888	417
(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.	449	305
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	144	82
(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.	375	272

**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.

### 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:-

Particular	As at March 31, 2019	As at March 31, 2018
Superannuation fund	86	84
Employer's contribution to Provident Fund	188	182
Employer's contribution to Employee State Insurance	*	*
Employer's contribution to Employee's Pension Scheme, 1995	360	337
<b>Total</b>	<b>634</b>	<b>603</b>

\*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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

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.

<b>(i) Present value of defined benefit obligation</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Balance at the beginning of the year	1,807	1,700
Current Service Cost	191	190
Interest Cost	134	113
Actuarial (Gains) / Losses	152	(76)
Benefits paid	(129)	(120)
<b>Total</b>	<b>2,155</b>	<b>1,807</b>

<b>(ii) Fair value of plan assets</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Balance at the beginning of the year	1,338	1,312
Expected return on plan assets	105	93
Actuarial Gains/ (Losses)	(10)	3
Contribution by the Company	3	50
Benefits paid	(129)	(120)
<b>Total</b>	<b>1,307</b>	<b>1,338</b>

<b>(iii) Percentage allocation of plan assets</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Life Insurance Corporation of India (100%)	1,307	1,338

<b>(iv) Liability/(asset) recognised at Balance Sheet date</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Present Value of Defined Benefit Obligation	2,155	1,807
Less: Fair Value of Plan Assets	(1,307)	(1,338)
<b>Amounts recognised as liability</b>	<b>848</b>	<b>469</b>

<b>(v) Actual return on plan assets</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Actual return on Plan Assets	95	96

<b>(vi) Amounts recognised in Profit or loss</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Current Service Cost	191	190
Interest Cost ( net of expected return on plan asset)	29	20
<b>Net expense</b>	<b>220</b>	<b>210</b>

<b>(vii) Amounts recognised in Other Comprehensive Income</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Actuarial (gain)/loss from demographic assumptions	4	(15)
Actuarial (gain)/loss from financial assumptions	32	(104)
Actuarial (gain)/loss arising from experience adjustments	116	43
Actuarial return on plan asset less interest on plan assets	10	(3)
<b>Total</b>	<b>162</b>	<b>(79)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

<b>(viii) Actuarial assumptions</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Discount Rate	7.60%	7.80%
Expected Return on Plan Assets	7.85%	7.50%
Salary Growth Rate	8.0-0%	8.00%
Attrition rate		
Age group 21-30 Years	16.00%	17.00%
Age group 31-40 Years	11.00%	13.00%
Age group 41-59 Years	6% to 8%	6% to 10%

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.

<b>(ix) Expected contribution in next fiscal year</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Gratuity fund	200	200

<b>(x) Weighted average duration of defined benefit obligation (in years)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Gratuity	7.56	7.35

### **(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.

<b>Increase / (Decrease) in defined benefit obligation</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Discount rate</b>		
Increase by 0.50%	(78.91)	(64.49)
Decrease by 0.50%	83.76	68.39
<b>Expected rate of increase in compensation level of covered employees</b>		
Increase by 0.50%	83.04	67.93
Decrease by 0.50%	(78.98)	(64.66)
<b>Attrition rate</b>		
Increase by 0.50%	(2.89)	(1.83)
Decrease by 0.50%	2.89	1.87

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

### (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. 42 Lacs as at March 31, 2019 (Previous Year Rs. 104) 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, 2019	Year Ended March 31, 2018
Gross amount required to be spent by the Company	219	198
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	
(ii) On purposes other than (i) above	219	198

### **37. Excise duty:**

Post applicability of Goods and Services Tax (GST) w.e.f. July 1, 2017, Revenue from Operations are required to be disclosed net of GST in accordance with the requirement of Ind AS. Accordingly, the Revenue from Operations for the year ended March 31, 2019 are not comparable with the immediately preceding year ended March 31, 2018 which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A. Revenue from Operations	1,47,681	1,32,529
B. Excise duty	-	847
C. Revenue from operations excluding excise duty (A)-(B)	1,47,681	1,31,682

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

	March 31, 2018					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<b>Non-current</b>						
Investments	1	-	-	-	-	1
Loans	-	-	356	-	-	356
Others	-	-	5,425	-	-	5,425
<b>Current</b>						
Trade receivables	-	-	30,463	-	-	30,463
Cash and cash equivalents	-	-	14,669	-	-	14,669
Loans	-	-	3,583	-	-	3,583
Others	-	-	799	-	-	799
<b>Total financial assets</b>	<b>1</b>	<b>-</b>	<b>55,295</b>	<b>-</b>	<b>-</b>	<b>55,296</b>



<b>Financial liabilities</b>						
Current						
Trade payables	-	-	29,589	-	-	29,589
Others	-	-	6,505	-	-	6,505
<b>Total financial liabilities</b>	-	-	<b>36,094</b>	-	-	<b>36,094</b>

The fair value of trade receivables, cash and cash equivalents, current loans, other current and non current financial assets, trade payables 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 2019.

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.

## 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.

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.

<b>Reconciliation of loss allowance provision</b>	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
Opening balance	(3,728)	(2,807)
Addition during the year	(757)	(926)
Utilised during the year	760	5
<b>Closing balance</b>	<b>(3,725)</b>	<b>(3,728)</b>

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.

## 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.

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.

<b>March 31, 2019</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>		
		<b>Total</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
<b>Non-derivative financial liabilities</b>				
Trade payables	34,545	34,545	34,545	-
Other current financial liabilities	1,232	1,232	1,232	-
	<b>35,777</b>	<b>35,777</b>	<b>35,777</b>	<b>-</b>

March 31, 2018	Carrying amount	Contractual cash flows		
		Total	Less than 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables	29,589	29,589	29,589	-
Other current financial liabilities	6,505	6,505	6,505	-
	<b>36,094</b>	<b>36,094</b>	<b>36,094</b>	-

### 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.

#### Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

	Currency	March 31, 2019		March 31, 2018		
		FC (in lacs)	INR	FC (in lacs)	INR	
Trade payables (Gross of forward exchange contracts)	EUR	1	56	2	180	
	GBP	*	4	*	14	
	JPY	44	27	349	214	
	USD	23	1,577	63	4,094	
	CNY	290	3,098	54	560	
	AUD	*	9	*	*	
	SGD	*	9	*	5	
	THB	1359	3034			
		<b>7,814</b>		<b>5,067</b>		
Trade receivables	USD	35	2,355	37	2,384	
	JPY	26	16	4	2	
	EUR	-	-	1	73	
	THB	3	6	-	-	
		<b>2,377</b>		<b>2,459</b>		
Forward exchange contracts	Currency	March 31, 2019		March 31, 2018		
		FC	INR	FC	INR	
		JPY	-	-	3	2
		CNY	252	2,692	18	189
		USD	11	789	18	1,147
THB	935	2,086	-	-		
		<b>5,567</b>		<b>1,338</b>		

## 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	
	Strengthening	Weakening
<b>March 31, 2019</b>		
<b>10% movement</b>		
Foreign Currency	(13)	13
	<b>(13)</b>	<b>13</b>
	(Profit) or loss / Equity, net of tax	
<b>Effect in INR</b>	<b>Strengthening</b>	<b>Weakening</b>
<b>March 31, 2018</b>		
<b>10% movement</b>		
Foreign Currency	(619)	619
	<b>(619)</b>	<b>619</b>

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

## 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, 2019.

The Company does not have any borrowings as at March 31, 2019 and hence, disclosure of Capital gearing ratio has not been given.

## 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

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 Corporation, Delaware
- d) Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China
- e) United Technologies Electronic Controls, Inc., Delaware
- f) CARRIER S.C.S., France
- g) Carrier Singapore (PTE) Limited, Singapore
- h) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China
- g) Carrier Singapore (PTE) Limited, Singapore

# CARRIER

---

- h) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China
- i) Automated Logic Corporation, Georgia
- j) Carrier International Sdn. Berhad, Malaysia
- k) United Technologies Corporation India Private Limited, India
- l) Carrier Race Technologies Private Limited, India
- m) UTC Fire & Security India Ltd., India
- n) Chubb Alba Control Systems Limited, India
- o) Otis Elevator Company (India) Limited, India
- p) UTC Fire & Security Singapore Pte Ltd, Singapore
- q) Autronica Fire and Security A/S, Denmark
- r) Kidde Deutschland GmbH, Germany
- s) Kidde Products Ltd
- t) Kidde-Fenwal, Inc., Delaware
- u) Toshiba Carrier AirConditioning Sales (Shanghai) Co., Ltd, China
- v) Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China
- w) Carrier Refrigeration Operation Czech Republic s.r.o, Czech Republic
- x) Carrier Refrigeration System Sales Service (Shanghai) Co. Ltd, China
- y) Carrier Commercial Refrigeration (Thailand) Ltd., Thailand
- z) Supriya Elevators Company (India) Limited, India
- aa) UTC Fire & Security B.V., Netherlands
- ab) Carrier (Thailand) Limited, Thailand
- ac) Carrier Hungary Refrigerating Trading and Manufacturing Limited Liability Co., Hungary
- ad) Gulf Security Technology Company Limited, China
- ae) Onity India Private Limited, India
- af) Carrier Transicold Europe, France
- ag) Shanghai Carrier Transicold Equipment Co., Ltd, China
- ah) Chubb Group Security Limited, England
- ai) Carrier Transicold Hong Kong Limited, Hong Kong
- aj) Nippon Otis Elevator Company, Japan
- ak) Carrier Vietnam Air Conditioning Company Limited, Vietnam
- al) Carrier Commercial Refrigeration, Inc., Delaware
- am) Kidde China Limited, Hong Kong
- an) Carrier Kältetechnik Deutschland GmbH, Germany
- ao) Carrier Refrigeration UK Ltd
- ap) Carrier Australia Pty Ltd
- aq) Carrier Kalttechnik Deutschland Gmb
- ar) Guangdong Shengjie Fire Protection
- as) Chubb Singapore Private Limited
- at) Carrier International Corporation

#### iv) Key Management Personnel\*

- a) Ashok Mirchandani (Whole Time Director till June 30, 2017).
- b) Nanda Kishore Lakkaraju (Whole Time Director)
- c) Arun Bhatia (Managing Director) ( till June 25, 2019)
- d) Sugeeth Kumar (Whole Time Director)
- e) Rahul Jain (Whole Time Director w.e.f June 27, 2017)
- f) Narendra Singh Sisodia (Independent director)
- g) Pankaj Prakash Sahni (Independent director)

#### v) Enterprises over which the Company has significant influence

- a) Carrier Aircon Employees' Co-operative Thrift & Credit Society Limited
- b) Carrier Refrigeration Management Super Annuation Fund Trust

\* Subsequent to the year end, Chirag Bajjal has been appointed as the Managing Director w.e.f June 25, 2019.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts in ₹ Lacs, unless otherwise stated)

**40B - Description of Transactions with the Related Parties in the ordinary course of business (on an arm's length basis).**

Sl. No.	Name of the Party	For the year ended	Sale of Goods and Services	Purchase of Goods	Purchase of Property, plant and equipment	Commission Income	Expenses		Interest Income
							Incurred	Re-imbursment	
1	United Technologies South Asia Pacific Pte Ltd	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2019	-	2,269	-	198	118	-	-
		31 March, 2018	-	(2,527)	-	(585)	(140)	(107)	-
3	UTC Fire & Security India Ltd., India	31 March, 2019	130	6	-	-	442	390	-
		31 March, 2018	(20)	(8)	-	-	(437)	(261)	(154)
4	Carrier Corporation, Delaware	31 March, 2019	-	1,070	-	-	946	608	-
		31 March, 2018	-	(418)	-	-	(542)	(312)	-
5	United Technologies Corporation	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
6	United Technologies Corporation India Private Limited, India	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(8)	(13)	(-)
7	Carrier Race Technologies Private Limited, India	31 March, 2019	3	132	-	-	97	216	287
		31 March, 2018	(-)	(284)	(-)	(-)	(29)	(278)	(287)
8	Otis Elevator Company (India) Ltd., India	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(32)	(0)	(-)	(-)	(142)	(83)	(-)
9	Chubb Alba Control Systems Limited, India	31 March, 2019	30	29	-	-	272	648	63
		31 March, 2018	(11)	(3)	(6)	-	(17)	(281)	(63)
10	Carrier Refrigeration Management Superannuation Fund Trust	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
11	Shanghai Carrier Transcold Equipment Co., Ltd, China	31 March, 2019	-	4,373	-	-	-	-	-
		31 March, 2018	-	(1,892)	-	-	-	-	-
12	Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China	31 March, 2019	-	-	-	-	2	588	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(480)	(-)
13	Carrier Singapore (PTE) Limited, Singapore	31 March, 2019	-	-	-	-	18	489	-
		31 March, 2018	(-)	(-)	(-)	(-)	(20)	(428)	(-)
14	Chubb Group Security Limited, England	31 March, 2019	-	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(423)	(-)
15	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2019	-	2,070	-	-	-	-	-
		31 March, 2018	(-)	(1,211)	(-)	(-)	(-)	(-)	(-)
16	Carrier ARCD Pte. Ltd, Singapore	31 March, 2019	-	756	-	-	27	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(50)	(-)	(-)
17	Carrier Commercial Refrigeration, Inc., Delaware	31 March, 2019	74	-	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
18	Guangdong Shengjile Fire Protection	31 March, 2019	40	4	-	-	-	-	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
19	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2019	-	1,506	-	-	-	-	-
		31 March, 2018	(-)	(512)	(-)	(-)	(-)	(-)	(-)
20	Carrier Transcold Hong Kong Limited, Hong Kong	31 March, 2019	-	-	-	-	-	157	-
		31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)
21	Others - Fellow subsidiaries	31 March, 2019	51	1,724	-	-	89	620	12
		31 March, 2018	(20)	(2,676)	-	(87)	(13)	(105)	(12)

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, 2019

(All amounts in ₹ Lacs, unless otherwise stated)

Sl. No.	Name of the Party	For the year ended		Inter Corporate Deposits			Outstanding Balances at year end				Contribution to the Funds	
		Remuneration Paid	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.	-	-	-	-	-	-	-	7	-	-	-
	31 March, 2018	(-)	(9,830)	(-)	(-)	(-)	(-)	(-)	(-)	(5,234)	(-)	(-)
	31 March, 2019	-	-	-	-	-	268	-	645	-	-	-
2	Carrier Asia Limited, Hong Kong	-	-	-	-	-	(363)	-	(472)	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	245	-	38	-	-	-
	31 March, 2019	-	-	-	-	-	(360)	(0)	(37)	(-)	(-)	(-)
3	UTC Fire & Security India Ltd., India	-	-	(1,650)	(154)	(360)	-	-	743	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	(480)	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	21,660	-
4	Carrier Corporation, Delaware	-	-	-	-	-	(72)	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21,459)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
5	United Technologies Corporation	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
6	United Technologies Corporation India Private Limited, India	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
7	Carrier Race Technologies Private Limited, India	-	-	-	-	-	287	-	83	-	-	-
	31 March, 2018	(-)	(-)	(-)	(287)	(-)	(76)	(2,866)	(60)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
8	Otis Elevator Company (India) Ltd., India	-	-	-	-	-	-	-	(14)	(-)	(-)	(-)
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(30)	-	223	-	-	-
	31 March, 2019	-	-	-	63	-	330	578	(9)	(-)	(-)	(-)
9	Chubb Alba Control Systems Limited, India	-	-	-	(63)	(110)	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(63)	(110)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	86
10	Carrier Refrigeration Management Superannuation Fund Trust	-	-	-	-	-	-	-	(7)	(-)	(-)	(84)
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(-)	-	1,242	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	(1,040)	(-)	(-)	(-)
11	Shanghai Carrier Transcold Equipment Co., Ltd, China	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	1,636	-	-	-	-	-
12	Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China	-	-	-	-	-	-	-	(350)	(-)	(-)	(-)
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(1,214)	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	39	-	9	-	-	-
13	Carrier Singapore (PTE) Limited, Singapore	-	-	-	-	-	-	-	(5)	(-)	(-)	(-)
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(69)	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
14	Chubb Group Security Limited, England	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	(320)	(-)	(-)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	568	-	-	-
15	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	(350)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	5	-	265	-	-	-
16	Carrier ARCD Pte. Ltd, Singapore	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
17	Carrier Commercial Refrigeration, Inc., Delaware	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	72	(-)	(-)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
18	Guangdong Shengjie Fire Protection	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	36	(-)	(-)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
19	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	-	-	-	-	-	-	-	112	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
20	Carrier Transcold Hong Kong Limited, Hong Kong	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
21	Nanda Kishore Lakkaraju	84	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(124)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
22	Ashok Mirchandani	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(116)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
23	Arun Bhatia	255	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(170)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
24	Sugeth Kumar	97	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(77)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
25	Rahul Jain	76	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(60)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
26	Pankaj Prakash	2	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
27	Narendra Singh	3	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(-)	(-)	-	-	-	-	-	-
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-
28	Others - Fellow subsidiaries	-	-	-	-	-	-	-	-	-	-	-
	31 March, 2018	(-)	(-)	(-)	(12)	(1)	(149)	(116)	(89)	(-)	(-)	(-)
	31 March, 2019	-	-	-	-	-	-	-	-	-	-	-

Figures in bracket represent previous year's figures

## 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 46

\*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".

(All amounts in Rs. Lacs, unless otherwise stated)

	Current Year			Previous Year		
	Airconditioning	Others	Total	Airconditioning	Others	Total
<b>(i) Revenue</b>						
External sales and services (net)	1,24,145	22,905	<b>1,47,050</b>	1,12,397	19,106	<b>1,31,503</b>
<b>Total Revenue</b>			<b>1,47,050</b>			<b>1,31,503</b>
<b>(ii) Segment results</b>	9,823	619	<b>10,442</b>	10,862	(658)	<b>10,204</b>
<b>Operating income</b>			<b>10,442</b>			<b>10,204</b>
Finance charges			(157)			(95)
Interest income			538			1,193
<b>Profit before tax</b>			<b>10,823</b>			<b>11,302</b>
Current tax			3,878			4,569
Deferred tax			142			(555)
<b>Net Profit after tax (A)</b>			<b>6,803</b>			<b>7,288</b>
<b>Other comprehensive income/(loss)</b>						
(i) Items that will not be reclassified to profit or loss			(162)			79
<b>Other comprehensive income for the year (B)</b>			<b>(162)</b>			<b>79</b>
<b>Total comprehensive income for the year (A+B)</b>			<b>6,641</b>			<b>7,367</b>



### (iii) Other information

Segment assets	62,206	13,150	<b>75,356</b>	58,541	11,806	<b>70,347</b>
Add: Unallocated Assets	-	-	27,447	-	-	24,908
<b>Total Assets</b>	<b>62,206</b>	<b>13,150</b>	<b>1,02,803</b>	<b>58,541</b>	<b>11,806</b>	<b>95,255</b>
Segment liabilities	34,822	15,919	50,741	41,578	8,451	50,029
Add : Unallocated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>34,822</b>	<b>15,919</b>	<b>50,741</b>	<b>41,578</b>	<b>8,451</b>	<b>50,029</b>
Capital expenditure	2,050	-	<b>2,050</b>	1,344	3	<b>1,347</b>
Depreciation/Amortization	800	3	<b>803</b>	898	6	<b>904</b>

	Revenue		Assets		Capital Expenditure		Non Current Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	1,43,711	1,29,435	1,00,426	92,796	2,050	1,347	17,443	21,374
Outside India	3,339	2,068	2,377	2,459	-	-	-	-
<b>TOTAL</b>	<b>1,47,050</b>	<b>1,31,503</b>	<b>1,02,803</b>	<b>95,255</b>	<b>2,050</b>	<b>1,347</b>	<b>17,443</b>	<b>21,374</b>

### C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2019 and 31 March 2018.

## 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.

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, 2019 and 2018. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31-Mar-19	31-Mar-18
Expected volatility	17.5%-21.1%	19%
Weighted-average volatility	18%	19%
Expected term (in years)	6.5-6.6	6.5
Expected dividend yield	2.20%	2.40%
Risk-free rate	1.3%-2.7%	0.5% - 2.5%

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.

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

## C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2019 is as follows:-

RSU's stock options	31-Mar-19		31-Mar-18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	1,705	-	1,705	-
Granted during the year	195	-	-	-
Exercised during the year	1,705	-	-	-
Forefieted/cancelled during the year	-	-	-	-
Outstanding at the end of the year	195	-	1,705	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2019 have a weighted average remaining contractual life of 9.92 years (31 March 2018 : 0.25 years)

The weighted average share price at the date of exercise for shares options exercised in 2018-19: Rs.9,496 USD equivalent -\$135.74

PSU's stock options	31-Mar-19		31-Mar-18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	140	-	-	-
Exercised during the year	-	-	-	-
Forefieted/cancelled during the year	-	-	-	-
Outstanding at the end of the year	140	-	-	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2019 have a weighted average remaining contractual life of 9.92 years (31 March 2018: Nil years)

SAR's	31-Mar-19		31-Mar-18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	14,500	94.03	16,500	92.70
Granted during the year	3,760	124.58	-	-
Exercised during the year	7,350	93.67	2,000	83.01
Forefieted/cancelled during the year	-	-	-	-
Outstanding at the end of the year	10,910	94.03	14,500	94.03
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2019 have a weighted average remaining contractual life of 7.06 years (31 March 2018 : 5.77 years)

The weighted average share price at the date of exercise for shares options exercised in 2018-19 was Rs.9,092 USD equivalent - \$129.96 (2017-18: Rs.7,578 USD equivalent - \$117.54)

#### D. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 22

#### 43. Information regarding Production, Purchases, Sales and Closing Stocks:

##### (a) Production, Sale and Stocks - Manufactured Goods

Products	Opening Stock		Production Qty (No's)	Closing Stock	
	Qty (No's)	Amount		Qty (No's)	Amount
<b>Compressor</b>					
Current Year	161	7	-	151	7
Previous Year	161	7	-	161	7
<b>Room Airconditioners</b>					
Current Year	4,129	1,893	27,449	4,306	2,107
Previous Year	4,164	2,109	25,150	4,129	1,893
<b>AHU/ FCU &amp; Chillers</b>					
Current Year	808	300	3,607	1,246	1,131
Previous Year	262	555	2,403	808	300
<b>Condenser/Evaporator Module</b>					
Current Year	599	288	3,939	1,001	487
Previous Year	633	395	3,741	599	288

## Visi-Cooler

Current Year	@	@	-	@	@
Previous Year	10	1	-	@	@

## Freezers / Cold Room Systems

Current Year	733	131	11	42	11
Previous Year	1,681	376	2,737	733	131

## Cylinder & Gas & Fluid

Current Year	401	7	1,44,259	740	15
Previous Year	4,677	108	1,11,557	401	7

## Nozzle & Valve

Current Year	42	2	2,976	30	2
Previous Year	91	3	2,549	42	2

## Suppression Accessories

Current Year	4	@	703	67	27
Previous Year	8	@	244	4	@

@ 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
<b>Sale #</b>							
Current Year	Qty(Nos)	10	27,272	3,169	3,537	@	702
	Amount	@	21,723	5,987	2,447	@	168
Previous Year	Qty(Nos)	@	25,181	1,857	3,775	10	3,685
	Amount	@	20,982	4,428	2,580	@	1,063
		Cylinder & Gas & Fluid	Nozzle & Valve	Suppression Accessories			
<b>Sale #</b>							
Current Year	Qty(Nos)	1,43,920	2,988	640			
	Amount	3,503	115	124			
Previous Year	Qty(Nos)	1,15,832	2,598	248			
	Amount	2,961	98	102			

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

# The unit sales quantities include Inventory adjustments as well.

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

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

# CARRIER

## (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
<b>Room Airconditioners</b>					**			
Current Year	16,984	5,335	1,16,261	35,892	1,04,286	40,247	28,807	8,890
Previous Year	17,821	5,987	94,787	26,512	95,387	35,636	16,984	5,335
<b>AHU/FCU &amp; Chillers</b>								
Current Year	612	180	6,328	5,592	6,537	6,227	403	459
Previous Year	1,159	203	184	3,417	731	4,133	612	180
<b>Stabilizers &amp; others</b>					***			
Current Year	34,413	793	1,73,543	3,339	1,46,130	4,010	61,686	944
Previous Year	40,681	929	97,917	2,177	1,04,039	3,106	34,413	793
<b>Truck Refrigeration</b>								
Current Year	446	1,409	1,360	5,319	1,317	6,667	489	1,473
Previous Year	548	2,201	842	2,719	944	3,669	446	1,409
<b>Freezers &amp; System</b>								
Current Year	105	130	34,655	2,815	34,600	3,410	161	274
Previous Year	87	144	18,277	1,378	18,259	1,869	105	130
<b>Condenser/Evaporator</b>								
Current Year	18	34	408	736	410	906	16	20
Previous Year	51	55	453	793	486	1,034	18	34
<b>Cylinder</b>								
Current Year	24	6	47	2	60	11	11	0
Previous Year	9	3	30	9	15	9	24	6
<b>Nozzle &amp; Valve</b>								
Current Year	2,355	30	400	10	1,471	30	1,284	21
Previous Year	2,323	47	1,939	8	1,907	35	2,355	30
<b>Spares</b>								
Current Year	#	6,798	#	19,450	#	24,759	#	7,347
Previous Year	#	5,981	#	18,190	#	25,685	#	6,798

\* The unit sales quantities include Inventory adjustments as well.

\*\* Excludes 152 Room Air Conditioners (Previous Year 237) capitalised during the year.

\*\*\* Excludes 140 (Previous Year 146) Stabilisers capitalised during the year.

# 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.

## 44. Cost of materials consumed #

	Year ended March 31, 2019		Year ended March 31, 2018	
	Quantity	Amount	Quantity	Amount
Aluminium (Kgs)	4,00,897	907	3,64,687	759
Compressor (Nos)	28,401	5,965	29,049	4,859
Copper (Kgs/Nos)	23,60,158	3,490	21,75,589	2,462
Motors (Nos)	78,922	1,274	67,275	1,167
Refrigerant / Gas (Kgs)	3,11,948	2,546	2,57,001	1,910
Valve (Nos)	1,79,843	975	1,73,387	733
Electrical Parts (Nos)	11,46,005	1,736	11,24,005	1,306
Others*		7,335		6,173
<b>Total</b>	<b>45,06,174</b>	<b>24,228</b>	<b>41,90,993</b>	<b>19,369</b>

\*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.

#### 45. Value of imported and indigenous raw materials, components

	Current Year		Previous Year	
	%	Amount	%	Amount
Imported	61	14,747	58	11,251
Indigenous	39	9,481	42	8,118
<b>Total</b>	<b>100</b>	<b>24,228</b>	<b>100</b>	<b>19,369</b>

#### 46. CIF value of imports:

	Current Year	Previous Year
Raw materials and components	14,132	10,002
Finished goods	48,239	32,582
Spares	16,257	15,144
Capital Goods	1,211	3
<b>Total</b>	<b>79,839</b>	<b>57,731</b>

47. 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 2019.

48. 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:

	As at 31 March 2019	As at 31 March 2018
Property, plant and Equipment	81	-
Inventory#	1,111	-
	<b>1,192</b>	<b>-</b>

# net of provision for inventory obsolescence Rs. 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.

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.

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

Sd/-  
**Manish Gupta**  
Partner  
Membership No: 095037  
ICAI UDIN: 19095037AAAACW1636  
Place: Gurugram  
Date: August 13, 2019

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

Sd/-  
**Chirag Baijal**  
Managing Director  
DIN No. 08465289  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Sugeeth Kumar**  
WTD & CFO  
DIN No. 07420265  
Place: Gurugram  
Date : August 13, 2019

Sd/-  
**Suraj Arora**  
Company Secretary  
Membership No: A27675  
Place: Gurugram  
Date : August 13, 2019

# CARRIER

FORM NO. MGT -11

**Proxy form**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**Carrier Airconditioning & Refrigeration Limited**

**Registered office:** Narsingpur, Kherki Daula post, Gurgaon – 122001, Haryana

**CIN:** U74999HR1992FLC036104

Name of the Member(s):	
Registered address:	
E mail id:	
Folio No./Client Id:	
DP ID:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1.

Name:
Address:
Email id:
Signature: ....., or failing him

2.

Name:
Address:
Email id:
Signature: ....., or failing him

3.

Name:
Address:
Email id:
Signature: ....., or failing him

As my/our proxy to attend and vote (on a poll) for me/us and in my/our behalf at the 27th Annual General Meeting of the company, to be held on Friday, September 20, 2019 at 11:00 A.M. at Fortune Select Global, Global Arcade, Mehrauli-Gurgaon Road, Sikanderpur, Sector 26, Gurugram-122002, Haryana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote	
		For	Against
<b>Ordinary Business</b>			
1.	To consider and adopt audited financial statements of the company for the financial year ended March 31, 2019 and the report of Board of Directors and auditors thereon.		

Resolution Number	Resolution	Vote	
		For	Against
2.	To confirm the interim dividend of ₹ 27.20/- on each fully paid up equity share of ₹ 10/- of the company already paid to the members of the company and consider the same as final dividend for the financial year ended March 31, 2019.		
3.	To appoint Mr. Rahul Kumar Jain ( <b>DIN: 07858457</b> ) who retires by rotation and being eligible, offers himself for re-appointment as a director of the company.		
<b>Special Business</b>			
4.	To approve the appointment and remuneration of Ms. Nandita Luthra ( <b>DIN: 06948082</b> ) as whole-time director of the company.		
5.	To appoint Mr. Har Amrit Pal Singh Dhillon ( <b>DIN: 07043895</b> ) as a director of the company.		
6.	To approve the appointment and remuneration of Mr. Chirag Baijal ( <b>DIN: 08465289</b> ) as managing director of the company.		
7.	To re-appoint Mr. Narendra Singh Sisodia ( <b>DIN: 06363951</b> ) as an independent director on the Board of Directors of the company.		
8.	To re-appoint Mr. Pankaj Prakash Sahni ( <b>DIN: 07132999</b> ) as an independent director on the Board of Directors of the company.		
9.	To ratify remuneration of cost auditors of the company for the financial year 2019-20.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Signature of the Shareholder

Signature of the Proxy holder(s)

Affix  
Revenue  
Stamp  
Re.1 /-

**Notes:**

1. This form of Proxy in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not to be member of the Company.
3. It is optional to indicate your preference. Please put '✓' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.



## ATTENDANCE SLIP 27<sup>th</sup> ANNUAL GENERAL MEETING

Please fill in this attendance slip and hand it over at the entrance of the meeting venue:

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of Shares held	

\*Applicable for Investors holding shares in Electronic form.

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 27th Annual General Meeting of the company held on Friday, September 20, 2019 at 11:00 A.M. at Fortune Select Global, Global Arcade, Mehrauli-Gurgaon Road, Sikanderpur, Sector 26, Gurugram-122002, Haryana, India.

Name of the Member/ Proxy

Signature of Member/ Proxy

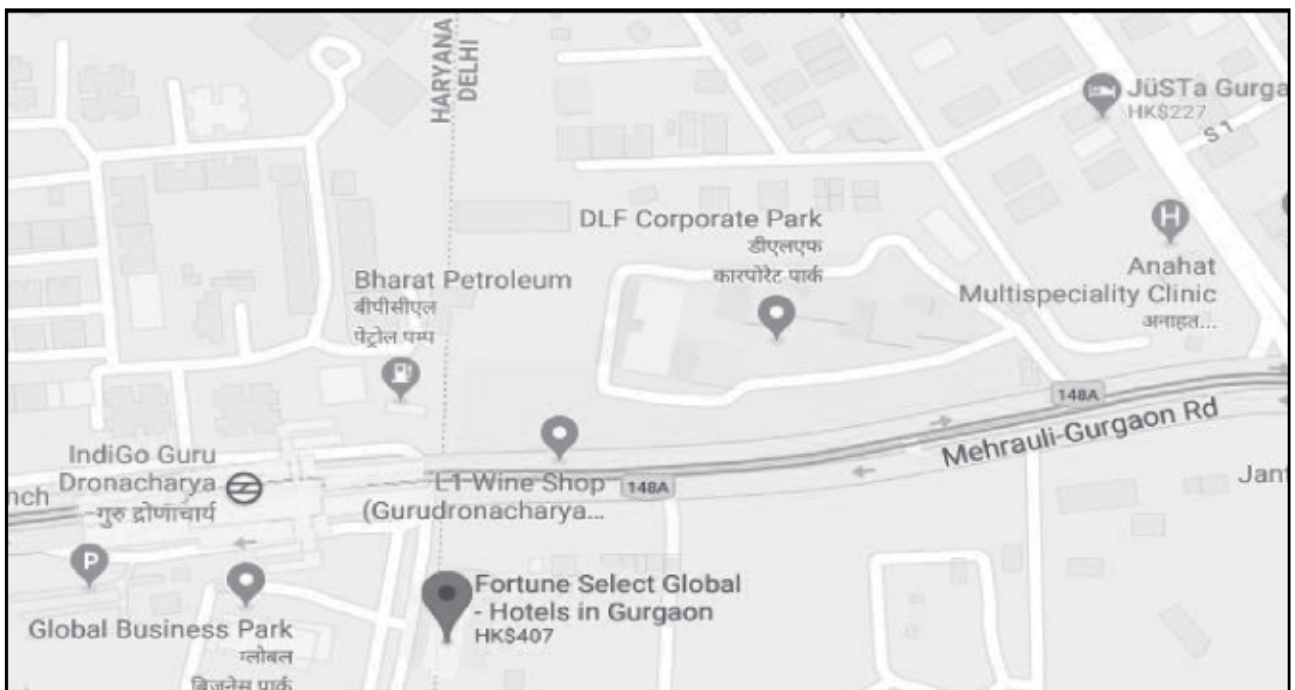
**Note:**

Electronic copy of the annual report for 2019 and notice of annual general meeting along with attendance slip and proxy form is being sent to all the members whose email addresses are registered with the company/depository participant in addition to sending the hard copy of the annual report to all the members.

## ROUTE MAP OF AGM VENUE

### Fortune Select Global

Global Arcade, Mehrauli-Gurgaon Road, Sikanderpur,  
Sector 26, Gurugram-122002, Haryana, India.




## E-VOTING INSTRUCTIONS

- i. The voting period begins on September 17, 2019 at 09:00 a.m. and ends on September 19, 2019 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 September 13, 2019 may cast their vote electronically. The 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 venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on "Shareholders" tab.
- 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.
- 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](http://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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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).</p>

- 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 de-mat 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.
- 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 De-mat account holder has forgotten a login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote 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 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non – Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## **Carrier Airconditioning & Refrigeration Limited**

**CIN:** U74999HR1992FLC036104

**Regd. Office:-**

Narsingpur, Kherki Daula Post, Gurgaon – 122 001, Haryana, India

**Phone:** +91-124-482 5500, **Fax:** +91-124-237 2230

**Website:** [www.carrierindia.com](http://www.carrierindia.com)

**Email:** [secretarial@carrier.utc.com](mailto:secretarial@carrier.utc.com)