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# ANNUAL REPORT

## 2016 - 17

**CARRIER AIRCONDITIONING & REFRIGERATION LTD.**



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## Carrier Airconditioning & Refrigeration Limited

### **The Board of Directors**

**Mr. Arun Bhatia**  
*Managing Director*

**Mr. Narendra Singh Sisodia**  
*Independent Director*

**Mr. Pankaj Prakash Sahni**  
*Independent Director*

**Mr. Sugeeth Kumar**  
*Whole-time Director & CFO*

**Mr. Nanda Kishore Lakkaraju**  
*Whole-time Director*

**Mr. Rahul Jain**  
*Whole-time Director*

**Ms. Nandita Luthra**  
*Non-executive Director*

### **Board Committees**

#### **Nomination & Remuneration Committee**

**Ms. Nandita Luthra**  
*Chairperson*

**Mr. Narendra Singh Sisodia**  
*Member*

**Mr. Pankaj Prakash Sahni**  
*Member*

#### **Stakeholder Relationship Committee**

**Ms. Nandita Luthra**  
*Chairperson*

**Mr. Narendra Singh Sisodia**  
*Member*

**Mr. Sugeeth Kumar**  
*Member*

### **Audit Committee**

**Mr. Pankaj Prakash Sahni**  
*Chairman*

**Mr. Narendra Singh Sisodia**  
*Member*

**Mr. Sugeeth Kumar**  
*Member*

### **CSR Committee**

**Mr. Narendra Singh Sisodia**  
*Chairman*

**Mr. Arun Bhatia**  
*Member*

**Mr. Nanda Kishore Lakkaraju**  
*Member*

**Mr. Sugeeth Kumar**  
*Member*

### **Key Managerial Personnel**

**Mr. Sugeeth Kumar**  
*Chief Financial Officer*

**Mr. Kunal Aggarwal**  
*Company Secretary*



### **Auditors**

**M/s. Price Waterhouse & Co. Bangalore LLP**, Chartered Accountants  
*Statutory Auditors*

**M/s. Jain Sharma & Associates**, Cost Accountant  
*Cost Auditor*

**M/s. Vinod Kothari & Company**, Company Secretary  
*Secretarial Auditor*

### **Bankers**

Hongkong & Shanghai Banking Corporation

Standard Chartered Bank

Citibank N.A.

HDFC Bank Limited

ICICI Bank Limited

Yes Bank

State Bank of India

### **Registrar & Share Transfer Agents**

**M/s. MCS Share Transfer Agents Limited**

F-65, 1<sup>st</sup> 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 & Corporate Headquarters**

**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)



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

Tel: +91-124-4825500; Fax: +91-124-2372230

### NOTICE OF 25<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting of the members of Carrier Airconditioning & Refrigeration Limited for the Financial Year ended 31<sup>st</sup> March, 2017 will be held on Wednesday, 20<sup>th</sup> September, 2017 at 11:30 A.M. at Lemon Tree Premier, Leisure Valley 2, Plot No. 43-47, Near City Centre, Sector 29, Gurugram-122001, Haryana to transact the following businesses:-

#### **ORDINARY BUSINESS**

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an **ORDINARY RESOLUTION(S)**:

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017, and the reports of Board of Directors and Auditor(s) thereon.

**“RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 together with the reports of Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

2. To confirm payment of interim dividend on equity shares of the Company.

**“RESOLVED THAT** an Interim Dividend of ₹ 9.58 per equity share paid to the members of the Company for the financial year ended 31<sup>st</sup> March, 2017, whose names appeared in the Register of Members on 6<sup>th</sup> July, 2017 be and is hereby confirmed.

**RESOLVED FURTHER THAT** the interim dividend, stated herein above, be considered as final dividend for financial year 2016-17 and be and is hereby approved and declared.”

3. To appoint M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration Number: 116231W/W-100024), as Statutory Auditors of the Company and to fix their remuneration.

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration Number: 116231W/W-100024), be and are hereby appointed, as Statutory Auditors of the Company in place of retiring auditors M/s. Price Waterhouse & Co. Bangalore LLP, Chartered Accountants (Firm Registration Number: 007567S/S-200012) and shall hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company (subject to ratification of appointment by Members at each Annual General Meeting held after this 25<sup>th</sup> Annual General Meeting), on such remuneration, as may be decided by the Board of Directors of the Company on the recommendation of Audit Committee.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby severally authorized to do all such necessary acts/deeds, as may be required, to give effect to this resolution including but not limited to making application to the Central Government for its approval, if required and/or doing filings with Office of Registrar of Companies and issue certified true copy of this resolution as and when required.”

4. To appoint a Director in place of Mr. Arun Bhatia (DIN: 00031279), who retires by rotation and being eligible, offers himself for re-appointment.

**“RESOLVED THAT** Mr. Arun Bhatia (DIN: 00031279), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”



## **SPECIAL BUSINESS**

### 5. Appointment of Mr. Rahul Jain (DIN: 07858457) as Whole-time Director of the Company

To consider and, if thought fit, to pass, with or without modifications, if any, the following resolution as **SPECIAL RESOLUTION:**

**“RESOLVED THAT** in terms of Articles of Association of the Company and pursuant to the provisions of Section 152, 161, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Rules made thereunder, any other applicable laws and any amendments thereto made from time to time and subject to such other approvals as may be necessary and as recommended by the Nomination & Remuneration Committee (NRC) and Board of Directors of the Company, Mr. Rahul Jain (DIN: 07858457) who was appointed as the Additional Director by the Board of Directors in the Board meeting held on 27<sup>th</sup> June, 2017 be & is hereby appointed as Whole-time Director on the Board of Company for a tenure of 5 (Five) years, with effect from 27<sup>th</sup> June, 2017 till 26<sup>th</sup> June, 2022 and be paid total minimum remuneration of ₹ 72,00,000/- (Rupees Seventy Two Lakhs only) per annum upto a ceiling limit of ₹ 1,10,00,000 (Rupees One Crore Ten Lakhs Only), as may be decided from time to time by the Board on the recommendation of Nomination & Remuneration Committee, within the limits specified under section 197 of the Companies Act, 2013 read with Schedule V thereof.

**RESOLVED FURTHER THAT** Mr. Rahul Jain (DIN: 07858457), Whole-time Director shall perform duties & functions as may be delegated to him from time to time, subject to the control and superintendence of the Board of Directors and that a power of attorney, if required, be executed in favor of Mr. Rahul Jain (DIN: 07858457), after the effective date of his appointment as Whole-time Director of the Company and any Director on the Board be & is hereby authorized to sign the same on behalf of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the tenure of services of Mr. Rahul Jain (DIN: 07858457), the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and the aforementioned remuneration shall be considered as minimum remuneration. Such payment of remuneration will be applicable for any three years of the tenure of Mr. Rahul Jain (DIN: 07858457) or for such years of his tenure in which inadequacy arises, whichever is lower.

**RESOLVED FURTHER THAT** any Director or Company Secretary or Chief Financial Officer of the Company be and is hereby severally authorized to do all such necessary acts/deeds, as may be required, to give effect to this resolution including but not limited to making application to the Central Government for its approval, if required and/or doing filings with Office of Registrar of Companies and issue certified true copy of this resolution as and when required.”

### 6. Re-appointment of Mr. Nanda Kishore Lakkaraju (DIN: 05233356) as Whole-time Director of the Company

To consider and, if thought fit, to pass, with or without modifications, if any, the following resolution as **SPECIAL RESOLUTION:**

**“RESOLVED THAT** in terms of Articles of Association of the Company and pursuant to Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and Rules made thereunder, any other applicable laws and any amendments thereto made from time to time, and subject to such other approvals, sanctions and permissions as may be required and as recommended by the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company, Mr. Nanda Kishore Lakkaraju (DIN: 05233356) be & is hereby re-appointed as Whole-time Director by the Board of Directors of Company for a tenure of 5 (Five) years with effect from 28<sup>th</sup> March, 2017 till 27<sup>th</sup> March, 2022 and be paid total minimum remuneration of ₹ 1,09,02,324/- (Rupees One Crore Nine Lakhs Two Thousand Three Hundred Twenty Four Only) per annum upto a ceiling limit of ₹ 2,00,00,000 (Rupees Two Crore Only), as may be decided from time to time by the Board on the recommendation of Nomination & Remuneration Committee, within the limits specified under section 197 of the Companies Act, 2013 read with Schedule V thereof.



**RESOLVED FURTHER THAT** Mr. Nanda Kishore Lakkaraju (DIN: 05233356), Whole-time Director shall perform duties & functions as may be delegated to him from time to time, subject to the control and superintendence of the Board of Directors and that a power of attorney be Executed in favor of Mr. Nanda Kishore Lakkaraju (DIN: 05233356), after the effective date of his re-appointment as Whole-time Director of the Company and any Director on the Board be & is hereby authorized to sign the same on behalf of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the tenure of services of Mr. Nanda Kishore Lakkaraju (DIN: 05233356), the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and the aforementioned remuneration shall be considered as minimum remuneration. Such payment of remuneration will be applicable for any three years of the tenure of Mr. Nanda Kishore Lakkaraju (DIN: 05233356) or for such years of his tenure in which inadequacy arises, whichever is lower.

**RESOLVED FURTHER THAT** any Director or Chief Financial officer or Company Secretary of the Company be and is hereby severally authorized to do all such necessary acts/deeds, as may be required, to give effect to this resolution including but not limited to making application to the Central Government for its approval, if required and/or doing filings with Office of Registrar of Companies and issue certified true copy of this resolution as and when required.”

7. Alteration of Article of Association of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), read with incidental rules thereof and subject to such approvals, permissions and sanctions from the appropriate authorities as may be required and as approved by the Board in its meeting held on 21<sup>st</sup> August, 2017, consent of the members of the Company be and is hereby accorded to amend the Articles of Association (“AoA”) of the Company.

**RESOLVED FURTHER THAT** the following Articles be and are hereby included in the existing Articles of Association of the Company:

Article No.		New Articles
1.	Interpretation in these regulations	<p>“<b>Annual General Meeting</b>” means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.</p> <p>“<b>Applicable Law</b>” means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.</p> <p>“<b>Auditors</b>” means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board.</p> <p>“<b>Chairman</b>” shall mean the Person who acts as a chairman of the Board of the Company.</p> <p>“<b>Chief Executive Officer</b>” means an officer of a Company, who has been designated as such by the Company.</p>



Article No.		New Articles
		<p><b>“Chief Financial Officer”</b> means a person appointed as the Chief Financial Officer of a Company</p> <p><b>“Debenture”</b> includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.</p> <p><b>“Depositories Act”</b> shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof</p> <p><b>“Financial Year”</b> means the same as in Section 2(41) of the Act.</p> <p><b>“Member”</b> means the same as in Section 2(55) of the Act.</p> <p><b>“Ordinary Resolution”</b> means a resolution referred to in Section 114 of the Act.</p> <p><b>“Persons”</b> means and includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.</p> <p><b>“Postal Ballot”</b> means voting by post through postal papers distributed amongst eligible voters and shall include voting by Electronic Mode.</p> <p><b>“Register of Beneficial Owners”</b> means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode.</p> <p><b>“Security”</b> means shares, Debentures and/or such other securities as may be treated as securities.</p> <p><b>“Shares”</b> means the shares into which the Capital of the Company is divided whether held in tangible or fungible form.</p> <p><b>Articles To Be Contemporary In Nature:</b> The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.</p>
6A	<b>Buy Back Of Securities By The Company</b>	Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68, 69 and 70 of the Act and Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.
15B	<b>Register of Members and index</b>	<p>a) The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.</p> <p>b) A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of ₹ 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.</p>



Article No.		New Articles
	<p><b>Foreign Registers</b></p> <p><b>Register of charge, etc</b></p>	<p>c) Such person, as referred to in (b) above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of ₹ 10 for each page, or such higher amount as permitted under Applicable Law.</p> <p>The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture-holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.</p> <p>The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.</p>
120 A	<b>Absolute powers of Board in certain cases</b>	<p>Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power:</p> <p>a) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>b) To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act.</p> <p>c) To act jointly and severally in all on any of the powers conferred on them.</p> <p>d) To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.</p> <p>e) To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.</p> <p>f) To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.</p> <p>g) Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>h) Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;</p>



Article No.	New Articles
	<p>i) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the Company being or in such manner as they may think fit;</p> <p>j) To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;</p> <p>k) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture, perpetual or otherwise charged upon all or any of the Company's property (both present and future).</p> <p>l) To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.</p> <p>m) To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>n) To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.</p> <p>o) To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;</p> <p>p) To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;</p> <p>q) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>r) Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;</p> <p>s) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>t) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;</p>



Article No.	New Articles
	<p>u) Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;</p> <p>v) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;</p> <p>w) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;</p> <p>x) Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as a reserve fund, or sinking fund, or any special fund to meet contingencies or to repay Debentures, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a reserve fund or division of a reserve fund to another reserve fund or division, of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of Debentures, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p>



Article No.	New Articles
	<p>y) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>z) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient of comply with;</p> <p>aa) Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.</p> <p>bb) From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.</p> <p>cc) Subject to Section 179 &amp; 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>dd) At any time and from time to time by power of attorney under the Seal , to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;</p>



Article No.		New Articles
		<p>ee) Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;</p> <p>ff) Subject to the provisions of the Act, the Board may pay such remuneration to Chairman / vice-Chairman of the Board upon such conditions as they may think fit.</p> <p>gg) To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.</p> <p>hh) To take insurance on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.</p>
123 A		Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of ₹ 10/- (Rupees Ten Only) for each page, or such higher amount as the Board may determine.
<b>DOCUMENTS AND NOTICES</b>		
150 A	<b>Service of documents and notice</b>	A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
150 B		Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
150 C	<b>Newspaper advertisement of notice to be deemed duly serviced</b>	A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
150 D	<b>Notice to whom served in case of joint shareholders</b>	A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.



Article No.		New Articles
150 E	<b>Notice to be served to representative</b>	A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
150 F	<b>Service of notice of General Meetings</b>	Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.
150 G	<b>Members bound by notice</b>	Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
150 H	<b>Documents or notice to be signed</b>	Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.
150 I	<b>Notice to be served by post or other electronic means</b>	All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.
150 J	<b>Admissibility of micro films, computer prints and documents to be treated as documents and evidence</b>	<p>Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.</p> <p>All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.</p>
152 A	<b>Bonafide exercise of membership rights</b>	Every Member and other security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes.
152 B	<b>Voting Rights</b>	a) No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.



Article No.		New Articles
		<p>b) Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ol style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>ii. on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.</li> <li>iii. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.</li> </ol> <p>c) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> <p>d) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.</p> <p>e) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.</p> <p>f) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.</p> <p>g) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.</p>
153 A	Indemnification	<p>a) Where Board determines that any Director, Company Secretary, Chief Financial Officer, Chief Executive Officer, Manager, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of any and all liability, cause of action, Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director, Company Secretary, Chief Financial Officer, Chief Executive Officer, Manager, or officer of the Company or of any of its associates or subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).</p> <p>b) The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending any and all liability or Claims or Losses or cause of action including, without limitation, such liability or Claims or Losses or cause of action brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.</p>



Article No.	New Articles
	<p>c) The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:</p> <ul style="list-style-type: none"> <li>i. Any liability incurred by the Indemnified Person to the Company due to fraud or personal offence of the Indemnified Person;</li> <li>ii. Any liability arising due to any benefit wrongly availed by the Indemnified Person;</li> <li>iii. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person; and</li> <li>iv. The Indemnified Person shall continue to be indemnified under the terms of the indemnities herein above notwithstanding that Indemnified Person may have ceased to be a Director, Company Secretary, Chief Financial Officer, Chief Executive Officer, Manager or officer of the Company or of any of its associates or subsidiaries</li> </ul>

**RESOLVED FURTHER THAT** the Articles of Association of the Company be and is hereby amended by substituting the existing Articles with the new Articles as mentioned below:

Article No.	Old Article	New Article
<b>1.</b>	<b>Interpretation in these regulations</b>	<p><b>“Act”</b> means The Companies Act, 2013.</p> <p><b>“The Register”</b> means the Register of Members to be kept pursuant to Section 88 of the Act.</p>
		<p><b>“Act”</b> means The Companies Act, 2013 or any other statutory modification or re-enactment thereof for the time being in force.</p> <p><b>“Register of Members”</b> means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.</p>
<b>95</b>	<b>Rotation of Director</b>	<p>Subject to provision of Section 152 of the Act, not less than two-third of the total number of Directors, shall be persons whose period of office is liable to determination by retirement of Director by rotation.</p>
		<p>Subject to provision of Section 152 of the Act, not less than two-third of the total number of Directors, excluding Independent directors shall be persons whose period of office is liable to determination by retirement of Director by rotation.</p>
<b>98.</b>		<p>At any Annual General Meeting, the Nominee Directors Appointed under Article 88, the Managing Director(s) or Whole-time Directors and an Independent Director shall not be liable to retire by rotation under Section 152 of the Act</p>
		<p>The Company may appoint a Managing Director or a Whole-time Director, or any other Executive Director, as Rotational Director. The terms of appointment of such Director may provide that, where the General Meeting at which such Rotational Director comes for reappointment does not reappoint him, his office shall continue without being a Director on the Board of the Company.</p>



Article No.		Old Article	New Article
125		Subject to the provisions of Section 152 of the Act and Article 98 hereof, a Managing Director/Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for ascertaining the number of Directors to Retire (Subject to the provisions of any Contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, <i>ipso facto</i> and immediately, cease to be a Managing Director, if he ceases to hold the office of Director for any cause.	Subject to the provisions of Section 152 of the Act and Article 98 hereof, a Managing Director/ Whole-time Director may, while he continues to hold that office, be subject to retirement by rotation, and he may be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and he shall <i>ipso facto</i> and immediately cease to be a Managing Director if he ceases to hold the office of Director for any cause.
147		No unclaimed or unpaid Dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 123 and Section 124 of the Companies Act, 2013 and Rules made thereunder in respect of such Dividend.	No unclaimed or unpaid Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provisions of Section 124 and Section 125 of the Companies Act, 2013 and Rules made thereunder in respect of all unclaimed or unpaid dividends.
148	<p><b>Books of Account</b></p> <p><b>Inspection by Member</b></p> <p><b>Audit of accounts</b></p>	<p>a) Subject to the provisions of the Companies Act, 2013, the Book of Accounts shall be kept at the Registered Office or at such other place as the Board of Directors think fit, and shall be open to inspection by any Director or Directors during Business Hours.</p> <p>b) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.</p> <p>c) Balance Sheet and Profit and Loss Account will be audited once in a Year by a qualified Auditor for correctness as per provisions of the Act.</p>	<p>a) Subject to the provisions of the Companies Act, 2013, the Book of Accounts shall be kept at the Registered Office or at such other place as the Board of Directors think fit, and shall be open to inspection by any Director or Directors during Business Hours.</p> <p>b) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.</p> <p>c) Balance Sheet and Profit and Loss Account will be audited once in a Year by a qualified Auditor for correctness as per provisions of the Act.</p>





Article No.		Old Article	New Article
			iii. <b>“Losses”</b> means any losses, damages, fine, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

**RESOLVED FURTHER THAT** Articles 82 of the Articles of Association of the Company be and is hereby deleted.

**RESOLVED FURTHER THAT** any Director or Mr. Kunal Aggarwal, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as they may in their absolute discretion deem incidental and necessary for giving effect to the aforementioned resolution including but not limited to filing of requisite documents/forms with Registrar of Companies, filing application with the regulatory authorities for approvals and issue certified true copy of this resolution as and when required.”

8. Ratification of remuneration payable to Cost Auditors of the Company for the Financial Year 2017-18.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), M/s. Jain Sharma and Associates, Cost Accountants, (Firm Registration No. 000270), appointed as Cost Auditors of the Company, by the Board of Directors on the recommendation of members of Audit Committee to conduct the audit (as per the scope of work approved by the Board) of the cost records of the Company for the financial year 2017-18 and that the remuneration of ₹ 3,30,750/- (Rupees Three Lakhs Thirty Thousand Seven Hundred Fifty Only) excluding out of pocket expenses and taxes, as applicable, determined the board, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** any Director or Company Secretary or Chief Financial officer of the Company be and is hereby severally authorized to file application to Central Government seeking such appointment and to do all such necessary acts/deeds, as may be required, to give effect to this resolution including but not limited to doing filings with Office of Registrar of Companies and issue certified true copy of this resolution as and when required.”

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

Sd/-

**Kunal Aggarwal**

Company Secretary

Membership No.: ACS 35119

Place: Gurugram

Date: August 21, 2017



## **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM/MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy (enclosed herewith), in order to be effective, must be deposited at the company's registered office duly completed and signed not less than 48 hours before the Meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
2. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. The proxy holder shall prove his / her identity at the time of attending the Meeting.
4. When a member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked.
5. 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 Meeting.
6. Proxies shall be made available for inspection during the period beginning twenty four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
7. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business listed in item nos. 5 to 8 of the notice is annexed hereto and forms part of this notice.
8. 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-mails address, contact numbers etc. if any, Members are requested to notify the same to the following:
  - a. 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., M/s 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.
  - b. If shares are held in electronic form, to their Depository Participant (DP). Changes intimate to the DP will then 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 Limited 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.
9. Members holding shares in physical form are requested to consider converting 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 Limited for assistance in this regard.
10. Queries proposed to be raised at the Annual General Meeting may please be sent to the Company at its registered office at least 7 days prior to the date of Annual General Meeting to enable the Company to compile the information and answer them in the meeting. Members seeking any information with regard to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
11. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with M/s. MCS Share Transfer Agent Ltd., Registrar and Share Transfer Agent of the Company and handover the same at the entrance for attending the meeting. 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 meeting.

12. The Company's ISIN number is INE040I01011.
13. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
14. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the register of members of the Company will be entitled to vote.
15. In accordance with the provisions of the Companies Act, 2013, the amount of dividend which remains unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (Fund) constituted by Central Government. As such, those Shareholders who have not yet received/encashed the Dividend warrants/Drafts are advised in their own interest to claim the outstanding Dividend. Unclaimed amount of Final dividend declared by the Company for the financial year 2008-09 was transferred to the Investor Education and protection Fund in the year 2016 within the prescribed time.
16. The Register of Members and the Share Transfer Register of the Company will remain closed from 14<sup>th</sup> September, 2017 till 20<sup>th</sup> September, 2017 (both days inclusive) for the purpose of AGM.
17. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 72 of the Act, are requested to submit details to the Company in the prescribed form SH-13 for this purpose.
18. The notice of the Annual General Meeting along with the annual report for the financial year 2016-17 is being sent through the permitted mode.
19. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendment thereof and as per Secretarial Standards-2, there will not be voting by show of hands on any of the agenda items at the meeting and poll will be conducted in lieu thereof.
20. For resolution of grievances or for any query, the members can avail online services of the Registrar & Share Transfer Agents, M/s MCS Share Transfer Agent Limited by logging at [www.mcsdel.com](http://www.mcsdel.com) and clicking on Investors Services. Thereafter, the members can register their queries/grievances and M/s MCS Share Transfer Agent Limited will respond the same on priority basis.
21. The Ministry of Company Affairs has taken a 'Green initiative in Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. 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. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.
22. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").
23. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. 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 cast their vote by remote e-voting may also attend the Meeting.



24. The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
25. Detailed instruction to exercise E-voting are given on a separate sheet dispatched with Annual Report forms an integral part of Notice.
26. The Board has appointed M/s. Vinod Kothari & Co., Company Secretaries in Practice, 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 same during the meeting.
27. The voting rights of Members for e-voting and for physical voting at the meeting 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. 13<sup>th</sup> September, 2017.
28. 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. 13<sup>th</sup> September, 2017, shall only be entitled to avail the facility of remote e-voting / physical voting.
29. The Scrutinizer, after scrutinizing the votes cast at the meeting (physical voting) and through remote e-voting, will, not exceeding 3 days from the conclusion of the Meeting, 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 meeting. The results declared shall be available on the website of the Company [www.carrierindia.com/investors.html](http://www.carrierindia.com/investors.html) 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.
30. 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. 13<sup>th</sup> September, 2017 may obtain their user ID and password for remote e-voting by sending a request to MCS AT [www.mcsdel.com](http://www.mcsdel.com).
31. The landmark place to reach the venue of Annual General Meeting is IFFCO Chowk Metro Parking Area, Sector 29, Gurugram, Haryana and map to reach at the venue of Annual General Meeting is attached with Annual Report. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
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. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours from Monday to Friday, up to and including the date of the Annual General Meeting of the Company.
34. Members are requested to bring their attendance slip, duly signed as per the specimen signature recorded with the Company for admission into the Meeting Hall.



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

### Item No. 5:

The Board of Directors of the Company has, in accordance with the provisions of section 152, 161, 196, 197, 198 & 203 of the Companies Act, 2013 read with Schedule V and the rules framed thereunder, any other applicable laws and any amendments thereto made from time to time and Articles of Association of the Company, approved appointment of Mr. Rahul Jain (DIN: 07858457) as Additional Director in their Board meeting held on 27<sup>th</sup> June, 2017 and Whole-time Director for a period of five (5) years with effect from 27<sup>th</sup> June, 2017 till 26<sup>th</sup> June, 2022 on the Board of the Company in its meeting held on 27<sup>th</sup> June, 2017, on the recommendation of the Nomination & Remuneration Committee. The Board considered the various aspects relating thereto including experience, future business prospectus, effect of appointment in the effective management of the affairs of the Company etc.

Mr. Rahul Jain has worked for United Technologies Corporation group of companies across geographies in increasing roles of responsibilities in the area of operations. Mr. Rahul Jain 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.

Notice in writing under Section 160 of the Companies Act, 2013 has been received from Mr. Rahul Jain (DIN: 07858457) proposing his candidature for the office of Director along with a deposit of ₹ 1,00,000/- (Rupees One Lakh only). The Members of the Company are hereby informed of the candidature of Mr. Rahul Jain (DIN: 07858457) for the office of Director and same be treated as individual notice to the members of the Company in terms of Section 160 of the Companies Act, 2013. The terms set out in the resolution and in the explanatory statement may be treated as an abstract of the terms and conditions governing his appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

In terms of the provisions of the Companies Act, 2013, the consent of the members is required for the appointment and remuneration of Mr. Rahul Jain (DIN: 07858457) as Whole-time Director of the Company.

The Board accordingly recommends passing of the Special Resolution set out in Item No. 5 of the Notice for approval of the members.

None of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, is concerned or interested in the resolution except Mr. Rahul Jain (DIN: 07858457).

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India):

### **Brief details of Mr. Rahul Jain**

**Name:** Mr. Rahul Jain (DIN: 07858457)

**Age:** 38 years.

**Original Date of Appointment:** 27<sup>th</sup> June, 2017.

**Qualifications:** Master of Science in Mechanical Engineering (Design) and MBA Finance from USA.

**Professional Experience:** 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.

**Terms and conditions of Appointment:** As per Nomination & Remuneration Policy forming part of Director's Report.

**Remuneration last drawn:** Annexed as disclosure forming part of Director's Report.

**Directorships:** He does not hold directorship in any other company.

**Shareholding in the Company:** He doesn't hold any shares of the Company.



**Number of meetings of the Board attended during the financial year 2016-17:** Not Applicable. He has been appointed as Additional Director w.e.f. 27<sup>th</sup> June, 2017.

**Committee Membership:** He does not hold any membership in any committee.

#### **Item No. 6**

Mr. Nanda Kishore Lakkaraju (DIN: 05233356) was appointed as Whole-time Director of the Company with effect from 28<sup>th</sup> March, 2012 for a period of five (5) years which got expired on 27<sup>th</sup> March, 2017. The Board of Directors has, in accordance with the provisions of section 196, 197, 198 & 203 of the Companies Act, 2013 read with Schedule V and the rules framed thereunder as amended from time to time and Articles of Association of the Company, approved his re-appointment for a further period of five (5) years with effect from 28<sup>th</sup> March, 2017 till 27<sup>th</sup> March, 2022, on the recommendation of the Nomination & Remuneration Committee and Audit Committee.

The Board considered the various aspects relating thereto including experience, future business prospectus, effect of appointment in the effective management of the affairs of the Company etc.

Mr. Nanda Kishore Lakkaraju is a Master of Science in Mechanical Engineering and did M.B.A from Michigan State University, USA. He had worked as Director-operations of the Company. Prior to this, he served the Company as Director-Engineering for approximately (3) years wherein he led all engineering projects related to new products development, cost reduction and quality improvement. He had also worked for Carrier Tyler Refrigeration, Niles, Michigan, USA for (12) years contributing immensely to programs like Engineering outsourcing, productivity improvement, product localization, developing multi-year product strategy.

In terms of the provisions of the Companies Act, 2013, the consent of the members is required for the re-appointment and remuneration of Mr. Nanda Kishore Lakkaraju (DIN: 05233356) as Whole-time Director of the Company.

The Board accordingly recommends passing of the Special Resolution set out in Item No. 6 of the Notice for approval of the members.

None of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, is concerned or interested in the resolution except Mr. Nanda Kishore Lakkaraju (DIN: 05233356).

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India):

#### **Brief details of Mr. Nanda Kishore Lakkaraju**

**Name:** Mr. Nanda Kishore Lakkaraju (DIN: 05233356)

**Age:** 45 years

**Original Date of Appointment:** 28<sup>th</sup> March, 2012.

**Qualifications:** Master of Science in Mechanical Engineering and M.B.A from Michigan State University, USA.

**Professional Experience:** More than 20 years in the field of Engineering and Operations.

**Terms and conditions of Appointment:** As per Nomination & Remuneration Policy forming part of Director's Report.

**Remuneration last drawn:** Annexed as disclosure forming part of Director's Report.

**Directorships:** He does not hold directorship in any other company.

**Shareholding in the Company:** He doesn't hold any shares of the Company.

**Number of meetings of the Board attended during the financial year 2016-17:** 2 (Two).

**Committee Membership:** He is member of Corporate Social Responsibility Committee.



### Item No. 7

In order to avail the benefits provided under the Companies Act, 2013 and with the intention to make the Articles of Association (“AoA”) of the Company more comprehensive, it is considered imperative to amend the AoA of the Company.

The Board of Directors in their meeting held on 21<sup>st</sup> August, 2017 has approved aforesaid amendment to the existing AoA of the Company. Pursuant to the provisions of Section 14 of the Companies Act, 2013 approval of the shareholders vide Special Resolution is required for the same. Members of the Company are hereby requested to approve amendment in AoA of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

### Item No. 8

In terms of the provisions of Section 148 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 shareholders of the Company at a general meeting.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Jain Sharma & Associates, Cost Accountants (Firm Registration No. 000270), as Cost Auditors of the Company, to conduct the audit (as per the scope of work approved by the Board) of the cost records of the Company for the financial year 2017-18 at a remuneration of ₹ 3,30,750/- (Rupees Three Lakhs Thirty Thousand Seven Hundred Fifty Only) excluding out of pocket expenses & taxes, as applicable.

In terms of the provisions of the Companies Act, 2013, the consent of the members is required for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18. The Board, accordingly, recommends passing of the Ordinary Resolution as set out at Item No. 8 of the Notice for approval of the members.

None of the Directors/Key Managerial Personnel/their relatives is, in anyway, concerned or interested, financially or otherwise, in this resolution.

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

**Place:** Gurugram  
**Date:** August 21, 2017

*Sd/-*  
**Kunal Aggarwal**  
Company Secretary  
Membership No.: ACS 35119



## DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 25<sup>th</sup> Annual Report on business and operations together with the audited financial statements and the auditors' report of your Company for the financial year ended 31<sup>st</sup> March, 2017. The financial highlights for the year under review are given below:

### 1. Financial Results

(in ₹ Lakhs)

Particulars	March 31, 2017	March 31, 2016
Total Revenue	135,402	117,829
Total Expenses	124,497	109,270
Profit /(Loss) before tax	10,905	8,559
Less: Tax	3,914	3,068
Profit / (Loss) after tax	6,991	5,491
Balance Brought Forward from earlier years	36,558	31,067
Adjustment of depreciation on reassessment of useful lives of tangible assets	0	0
Balance carried to Balance Sheet	43,549	36,558
Basic Earnings per Share*	6.57	5.16

\* Nominal Value per share ₹ 10

### 2. State of Affairs of the Company and Outlook

During the financial year 2016-17, your Company has recorded a moderate performance with growth of 14.54% in total net revenue from operations to ₹ 131,468 Lakhs as against ₹ 114,784 Lakhs in the previous year and a growth rate of 27.32% in profit to ₹ 6,991 Lakhs from ₹ 5,491 Lakhs in the previous year.

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

**Light Commercial air conditioning (LC):** Your Company has continued the execution of its strategic priorities on new product programs from the India factory by introducing the star labelled cassettes & localizing the outdoor for Slim Pack units which also got BEE star rating approval. An optimized full range of ducted products with HFC refrigerants from Gurgaon factory sustained your company's leadership in encouraging sustainable business growth, with continued focus on product improvement; we also refreshed many of your other existing light commercial products with new features, improved efficiency etc. Your Company is continuing to import Carrier VRF systems & launched 38VF series of its most advanced range to grow faster and gain market share in growing VRF segment. Carrier VRF grew by 97% in 2016. Overall Carrier LC business grew by 13% in 2016.

**Commercial Airconditioning:** The business consolidated its position further in 2016 in the market which exhibited sluggishness by growing 12% in 2016. The key driver being introduction of full range of high efficiency water cooled screw chillers with latest single circuit design manufactured in Gurgaon factory. Your company also launched the Variable Speed Water Cooled Screw Chillers which are AHRI certified from the Gurgaon facility. We have also introduced the latest Centrifugal range from the China factory- XRC on 2 stage compression which is driving our growth in this segment of market. While the economy was slow, the Company gained market share in almost every segment we operate in and our high efficiency products were well accepted across segments and applications.

**Toshiba:** The business unit continued its growth trajectory in the year 2016. Your Company had significant growth in the Light Commercial range which has VRF, Inverter High Walls, and Inverter Cassettes and Ducted products. This includes some prestigious wins in Hospitality, Condominiums, Institutions and Corporates



which has made this brand a sought after high technology and quality product from your Company in the market. The shifting of Toshiba VRF products from Japan to Thailand continued in 2016 as well thereby leading to better lead times and cost competitiveness. We also launched a new expanded range of Toshiba VRF equipment with much better efficiencies called SMMSe along with improvements in AHU connectivity & TFA connectivity. Toshiba Light commercial business grew by 27% & we launched a new Inverter Bright Future Hi Wall from India and became the first in the Industry to have a 5 star labelled cassette on Inverter range during the voluntary phase of BEE regulation. Overall Toshiba grew by 19% in 2016.

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. Your Company also plans to continue its investments in bringing new and more efficient products in coming years’.

**Commercial and Toshiba Service:** With an endeavor to increase the service revenue, your Company had adopted couple of initiatives – the first one being recapture for the light commercial machines and the second is to look for retrofit which is replacement of old machine with newer generation equipment. Similarly, for the Commercial applied segment, your Company has focused on recapture 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 and taking prior corrective actions. Also, with the help of mobility app which was launched last year, we are 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. The service business has recorded growth of YTD 24 % as of first half of the year.

**TOTALINE:** The Company has developed multiple vendors for various products in Totaline thereby continuing the momentum of H2 of 2016. This has resulted in growth of over 17 % in first half of the year. Also, two new resources have been added in this business which would give us result in the coming year.

The total After Market grew by 21 % YOY as of first half of the year.

**Commercial Refrigeration:** The Sales grew at 8.3% during the year under review with exponential growth of 166% in Food retail sector. The Cold room business was almost flat improving penetration into large size projects and unaddressed market segments like Potato cold storages. The freezer business experienced de-growth of 33% while Service business grew by 26%. However, a number of strategic initiatives have been undertaken such as Channel productivity, geographic expansion into Nepal & Sri Lanka to name a few.

The Food retail segment has witnessed expansion in the local top key account category. However, MNC investments were limited despite government reforms in FDI. However, 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 winning “Best Innovative Technology of the Year” in an event organized by Kamikaze. There was also increased participation in exhibitions like India Cold Chain Show, ICE and Seminar organized by Federation of Cold Storage Associations of India to improve its presence and visibility.

**Transicold:** Carrier Transicold India sales revenue grew 42% versus previous year as the business won several important orders. Our sales to truck manufacturer Ashok Leyland grew multifold supported by segment expansion using fully built reefer trucks. The business also focused on increasing business from small Tier II cities and towns, and picked up orders from 15 such locations.

Carrier Transicold India continues to be one of the largest system providers in the refrigerated truck market. Our products and services are preferred by leading commercial vehicle manufacturers who offer fully built reefer trucks to several leading fleet operators and large logistics companies. The last mile distribution segment continues to be fast growing as more and more products get transported in temperature controlled vans.



New products such as Citimax™ and Citifresh™ are gaining market acceptance. These units are designed to cater to Indian operating conditions and container sizes and have proved ideal for medium size vans and trucks engaged in transportation of frozen and chilled products such as fruits, vegetables, milk, dairy etc. The Supra™ 1150 and Supra™ 1250 units are proving very effective for large sized trucks.

Carrier Transicold India has introduced advance telematics solutions for Diesel Truck and Trailer units. These systems empower customers to remotely monitor and control the refrigeration units, and help them track their consignments with a strict watch over temperature integrity.

The Indian cold chain segment continues to grow with increased awareness on quality and changing consumption habits. Several government interventions on reducing food wastage and enhancing farmer's income are attracting investments into cold chain infrastructure. Refrigerated transportation is an important aspect of a robust cold chain and gets high focus amongst policy makers and end users.

We have been actively involved with various initiatives of the Ministry of Agriculture & Ministry of Food Processing Industries in creating awareness about the cold chain. Members of the Carrier Transicold India team are regular speakers at various cold chain conferences organised by the Ministry of Agriculture and Ministry of Food Processing to promote cold chain use and reduce food wastage.

Carrier Transicold India recently conducted a pilot study on the impact of the Cold Chain on the kinnow fruit from Punjab, where benefits of implementing cold chain for any F&V commodity can be seen. The project was supported by the National Center for Cold Chain Development.

The study demonstrated that investment in refrigeration equipment can reduce food loss by 76 percent while increasing profit margins up to 23 percent. The positive impact of this study led to more than 80 refrigerated ocean containers and 350 refrigerated truck trips of the fruit being shipped during this year's selling season.

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

Carrier Transicold India continues to work with all stakeholders in the Indian cold chain sector in creating awareness of the advantages of a developed cold chain infrastructure aimed at reducing food wastage and providing better value to the Indian consumer.

**AdvanTE3C:** Carrier India added the AdvanTE3C Solutions Center to its broad range of green building capabilities in India in the year 2013. AdvanTE3C Solutions Center is a global group of Experts in Efficiency and Environment focused on developing sustainable building solutions. The AdvanTE3C Solutions Center in India is a natural evolution of Carrier's approach to sustainability. It supports Carrier's customers in developing strategic, energy efficient and custom-engineered building solutions. Carrier's experts in the AdvanTE3C Solutions Center apply today's technology in an innovative fashion to capture even greater energy efficiency and environmental benefits. This helps drive innovation in commercial product designs, with a focus on new solutions. Carrier India's AdvanTE3C Solutions Center objective is to support Carrier's commercial businesses by understanding project design goals such as energy cost and sustainability, providing dynamic building and system simulation, and, ultimately, offering unique Carrier solutions that meet or exceed customer design goals.

AdvanTE3C Solutions Center added customers from energy intense industries like Healthcare, Hospitality, Pharma and Commercial Buildings. Overall, AdvanTE3C helped its customers save in excess of 7.2 Million units of energy. Bureau of Energy Efficiency in its National Energy Conservation awards for the Hotel Industry recognizes Advante3C efforts at Taj Palace property in Delhi. AdvanTE3C helped Taj achieved savings of ₹ 10 Million Rupee.

### 3. **Environment, Health & Safety:**

We are pleased to inform you that Environment, Health & Safety (EH&S) is one of the fundamental commitments that your Company makes to all its stakeholders. We are pleased to inform you that your



Company achieved 'Zero Accident' goals in 2016 and crossed a commendable milestone of 27 Million Man Hours without lost time injury.

This world-class accomplishment means that no work hours were lost due to an employee injury in 10 years of work time for the approximately 1200 employees working in factory. The commitment towards safety can clearly be observed with an achievement of total 4650 Hours spent by your Company leadership team towards safety coaching, assessment and administration. Every incident and near miss reviewed by the management of your Company at different levels based on the severity.

'EH&S Management System, Annual certification, Train the trainer and passport process trainings conducted for all employees and Train the Trainer for channel partners and sub-contractors to educate them on the consequences of 'At Risk' behaviors. We will continue to focus on EH&S Sustainable Goals.

This remarkable achievement not only exemplifies our 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 honors and milestones for its commitment to health and safety and some of them are highlighted below:

- 88% EH&S Assurance and Compliance Review Audit in 2017.
- CCS Asia President Award 2016 for demonstrated excellence of EH&S performance.
- UTC Green House Gas and Energy Management Award 2016 for demonstrated environmental excellence.
- GOLD Certification - Gold Rating Green Building Factory from IGBC.

Our continued focus on Environment Goals from 2011 to 2016 in factory has also helped us in:

- 50% absolute reduction in Water consumption.
- 60 % absolute reduction in Air Emissions.
- 46 % absolute reduction in Waste reduction.
- 14% absolute reduction in Energy usage.

#### **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 Company during the year under review.

#### **6. Dividend:**

Your Directors are pleased to inform that the Company has distributed an Interim Dividend of ₹ 9.58 per share amounting to net dividend of ₹ 1,01,90,89,217.10 out of its profits of the Company for the financial year ended 31<sup>st</sup> March, 2017 to the shareholders of the Company, whose names appear in the "Register of Member" as on Record date i.e. 6<sup>th</sup> July, 2017.

#### **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 Directors & Key Managerial Personnel:**

During the financial year under review and till the date of this report, the following changes have occurred in the constitution of Directors & Key Managerial Personnel of the Company:-

S. No.	Name of Director/ KMP	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1	Mr. Alok Mahajan	Non-Executive Director	July 24, 2015	August 22, 2016	Resignation
2	Ms. Monica Pandey	Company Secretary	November 2, 2009	August 22, 2016	Resignation
3	Mr. Kunal Aggarwal	Company Secretary	September 22, 2016	N.A	N.A
4	Mr. Nanda Kishore Lakkaraju	Re-appointed as Whole-time Director	March 28, 2017	N.A	N.A.
5	Mr. Rahul Jain	Additional Director designated as Whole-time Director	June 27, 2017	N.A	N.A
6	Mr. Ashok Motiram Mirchandani	Whole-time Director	March 24, 2010	June 30, 2017	Resignation

Further, in accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Arun Bhatia (DIN: 00031279) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### 10. **Number of meetings of the Board of Directors:**

During the financial year under review the Company had five meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on June 8, 2016; August 22, 2016; September 30, 2016; December 12, 2016 and March 28, 2017. 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 2016-17 are as below:

Name of the Directors and Director Identification Number	Category of Directorship	No. of Board Meetings	
		Held	Attended
Mr. Arun Bhatia (DIN: 00031279)	Managing Director	5	5
Mr. Narendra Singh Sisodia (DIN: 06363951)	Non-Executive Independent Director	5	4
Mr. Pankaj Prakash Sahni (DIN: 07132999)	Non-Executive Independent Director	5	5
Mr. Sugeeth Kumar (DIN: 07420265)	Whole-time Director & Chief Financial Officer	5	5
Mr. Nanda Kishore Lakkaraju (DIN: 05233356)	Whole-time Director	5	2
Mr. Ashok Motiram Mirchandani (DIN: 00005518)	Whole-time Director	5	3
Ms. Nandita Luthra (DIN: 06948082)	Non-Executive Director	5	1
Mr. Alok Mahajan* (DIN: (07242284)	Non-Executive Director	5	N.A

\* Mr. Alok Mahajan ceased to be director as on August 22, 2016.



### **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, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **12. Declaration of Independence by 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.

### **13. Annual Performance Evaluation:**

In compliance with the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual director for the year. 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. 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.

### **14. Corporate Social Responsibility (CSR):**

The 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. The Company recognizes its need to deliver value to the society, which is the reason for its existence. Our most important responsibility is to fulfill the expectations of our stakeholders and to continuously improve our social, environmental and economic performance while ensuring the sustainability and operational success of your Company. The Company has undertaken activities as per the CSR policy available on Company's website: [www.carrierindia.com/investors.html](http://www.carrierindia.com/investors.html) and the details thereof are given in **Annexure "A"** forming part of this report. The Company will continue to support projects that are consistent with the policy.

### **15. Nomination & Remuneration Policy:**

The Board 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 Section 178(3) of the Companies Act, 2013 is attached as **Annexure "B"** forming an integral part of this report.



## 16. Extracts of Annual Return:

The Extract of Annual Return for the financial year ended 31<sup>st</sup> March, 2017 as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is attached hereto as **Annexure “C”** forming an integral part of this report.

## 17. Audit Committee:

### Composition of Audit Committee:

As on March 31, 2017, the Audit Committee of the Board of Directors comprises of three directors out of which two are Independent Director and one is Whole-time Director of the Company. The Audit Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder, as amended from time to time. The Audit Committee presently comprises of the following members:

- 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 period under review, three meeting of Audit Committee were held as on June 08, 2016, August 22, 2016 and March 28, 2017. The attendance of the Directors at the Audit Committee meetings during the financial year 2016-17 are as below:

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

## 18. Nomination & Remuneration Committee:

### Composition of Nomination & Remuneration Committee:

The Nomination & Remuneration Committee of the Board of Directors was constituted on March 27, 2015 and comprises of the following three directors out of which two are Independent Directors and one is Non-Executive Director. Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder, as amended from time to time. Committee presently comprises of the following members:

- Ms. Nandita Luthra, Chairperson & Non-Executive Director;
- Mr. Narendra Singh Sisodia, Non-Executive Independent Director; and
- Mr. Pankaj Prakash Sahni, Non-Executive Independent Director.

### Meetings and Attendance:

During the period under review, one meeting of Nomination and Remuneration Committee was held as on March 28, 2017. The attendance of the Directors at the meeting during the financial year 2016-17 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Nandita Luthra	Non-Executive Director	1	0
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	1	1
Mr. Pankaj Prakash Sahni	Non-Executive Independent Director	1	1



## 19. Corporate Social Responsibility Committee:

### Composition of Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, your Board has duly constituted Corporate Social Responsibility Committee comprising of four directors out of which one is Non-Executive Independent Director and three are Executive Directors. Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder, as amended from time to time. The Corporate Social Responsibility Committee of the Board of Directors was re-constituted on February 12, 2016 with the following members:

- Mr. Narendra Singh Sisodia, Chairman & Non-Executive Independent Director;
- Mr. Arun Bhatia, Managing Director;
- Mr. Nanda Kishore Lakkaraju, Whole-time Director; and
- Mr. Sugeeth Kumar, Whole-time Director & Chief Financial Officer.

### Meetings and Attendance:

During the period under review one meeting of Corporate Social Responsibility Committee was held as on March 28, 2017. The attendance of the Directors at the meeting during the financial year 2016-17 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 & Chief Financial Officer	1	1
Mr. Arun Bhatia	Managing Director	1	1
Mr. Nanda Kishore Lakkaraju	Whole-time Director	1	0

## 20. Stakeholder Relationship Committee:

Composition of Stakeholder Relationship Committee:

As on March 31, 2017, the Stakeholders' Relationship Committee consists of three directors out of which one is Non-Executive Director, second is Non-Executive Independent Director and third is Executive Director & Chief Financial Officer of the Company. Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder, as amended from time to time. The Stakeholders Relationship Committee of the Board of Directors was re-constituted on December 12, 2016 and comprises of the following members:

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

### Meetings and Attendance:

During the period under review, two meetings of Stakeholders Relationship Committee were held as on December 12, 2016 and March 28, 2017. The attendance of the Directors at the meeting during the financial year 2016-17 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Nandita Luthra	Non-Executive Director	2	0
Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	2	2
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	2	2



## **21. Statutory Auditors and Auditor's Report:**

Pursuant to the provisions of section 139 of the Companies Act, 2013, and the Rules framed thereunder, M/s. Price Waterhouse & Co., Bangalore LLP, Chartered Accountants, (FRN 007567S/S-200012) was appointed as Statutory Auditors to hold office from the conclusion of 22<sup>nd</sup> Annual General Meeting ("AGM") till the conclusion of 25<sup>th</sup> AGM, (subject to ratification of appointment by members at each AGM held after the 22<sup>nd</sup> AGM).

Your Board has appointed M/s. B S R & Associates LLP, Chartered Accountants, (Firm Registration Number: 116231W/W-100024) as Statutory Auditors of the Company for a period of five (5) years to hold office from the conclusion of 25<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 30<sup>th</sup> AGM, (subject to the approval of shareholders at 25<sup>th</sup> AGM and thereafter on ratification of appointment by members at each AGM held after the 25<sup>th</sup> AGM) and received a written certificate and declaration to the effect that their appointment as Auditors of the Company, if made, will be in accordance within the provisions of Section 139 and 141 of the Companies Act, 2013.

The notes to the Accounts, as referred to in the Auditors' Report by the retiring Auditor, are self-explanatory. There are no qualifications, reservation, adverse remark or disclaimer in the Auditor's report of previous Auditors on the Accounts of the Company for the financial year ended March 31, 2017. Hence, no explanation or comments of the Board is required in this matter.

## **22. 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 carries out an audit of cost records relating to manufacturing activities. The Board of Directors of the Company has appointed M/s. Jain Sharma & Associates, Cost Accountants (Firm Registration number – 000270) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2016-17 at their meeting held on June 8, 2016 which was further approved and confirmed by the members of the Company at their adjourned meeting held on September 30, 2016. The said Auditors have given their eligibility certificate for appointment as Cost Auditors. The Cost audit report for the Financial Year 2015-16 was filed with the Ministry of Corporate Affairs within prescribed time. The Cost Audit Report for the financial year ended March 31, 2017 is under finalization and shall be filed with the Central Government within the prescribed time limit.

## **23. Secretarial Auditor:**

The Board of Directors of the Company appointed Vinod Kothari & Company, Practicing Company Secretaries as the Secretarial Auditor of the Company in relation to the Financial Year 2016-17, 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, 2017. Hence, no explanation or comments of the Board is required in this matter.

## **24. Internal Auditor:**

Pursuant to the provisions of Section 138 of Companies Act, 2013 read with Rules framed thereunder, your Company is required to appoint an Internal Auditor. Previous Internal Auditor, Mr. Sachin Gupta has resigned on April 13, 2017 and subsequently on the recommendation of the members of Audit Committee, Board of Directors of your Company appointed new Internal Auditor, Mr. Amit Bhatia w.e.f. May 16, 2017. He is a Chartered Accountant by qualification and has a rich work experience of 12 years. 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 and taken on record.

## **25. 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.

**26. 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, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company.

**27. Human Resources:**

Our relations with the employees are very cordial. Your 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.

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

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013'. During the period under review, your Company has not received any complaint under the policy.

**29. 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.

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

The Particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, for the financial year ended 31<sup>st</sup> March, 2017 are set out in the **Annexure "F"** and form an integral part of this report.

**31. Particulars of loans, Guarantees or Investments under Section 186:**

Details of Loans, Guarantees and Investment covered under the provisions of Section 186 of the Companies Act, 2013 read with the Rules framed thereunder as amended from time to time are given in the notes to the Financial Statements. The Company has complied with the requirements of Section 186 of the Companies Act, 2013 read with the Rules framed thereunder as amended.

**32. Fraud Reporting:**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors, during the year under review.

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

All the Related Party Transactions that were entered into during the financial year under review were in ordinary course of business and on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013. Omnibus approval is being obtained for all potential related party transactions from the Audit Committee. Related Party Transactions under Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 attached as **Annexure "G"** and forms part of this report.



### **34. Enterprise Risk Management Policy:**

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

### **35. 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.carrierindia.com/investors.html](http://www.carrierindia.com/investors.html). All such matters are disclosed to management as a standard worldwide practice.

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

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

### **37. Acknowledgement:**

Your Directors wish to express their gratitude to the Company's Dealers, Suppliers, Bankers, Auditors, Customers, Central and State Government Departments and Local Authorities 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. We look forward to your continued support in the future.

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

Date: August 21, 2017  
Place: Gurugram

Sd/-  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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 4(four) members of the Board, one is Non-Executive Independent Director and three are Executive Directors. The Chairman of the Committee is an Independent Director.

Sl. No.	NAME	CATEGORY	DESIGNATION
1.	Mr. Narendra Singh Sisodia	Non-Executive Independent Director	Chairman
2.	Mr. Arun Bhatia	Managing Director	Member
3.	Mr. Nanda Kishore Lakkaraju	Whole-time Director	Member
4.	Mr. Sugeeth Kumar	Whole-time Director & Chief Financial Officer	Member

- 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. 2015-16, 2014-15, 2013-14) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹ 84.69 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. 2016-17 amounted to ₹ 1.69 Crores.
- 5. Details of CSR spent during the financial year:**
  - Total amount to be spent for the F.Y. = ₹ 1.69 Crores (including Administrative Expenses of ₹ 8.45 lakhs)
  - Manner in which the amount spent during the FY is detailed as below:



(1) S. No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programmes: (1) Local area or other District where projects or programmes was undertaken	(5) Amount outlay (budget) project or programme wise	(6) Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through implementing agency
1.	<p><b>Goal and Objectives</b></p> <p><b>Goal:</b> In alignment with the Sustainable Development Goals, Right to Education Act (RTE) and Swacch Bharat Abhiyaan, the project aims to provide inclusive and quality education for all children.</p> <p><b>Objective:</b> To ensure 1079 boys &amp; girls are able to access quality education facilities, which are child friendly, and an overall growth and development in personal and community space.</p> <p><b>The specific objectives of the project are:</b></p> <ul style="list-style-type: none"> <li>• 879 boys have access to a clean toilet and safe drinking water facility within school and children, teachers and parents are trained in Water and Sanitation best practices.</li> <li>• Majority of the classrooms are made functional including the upper floor of the building being put back to use ensuring the safety of the students.</li> <li>• 279 boys have benches to sit and study along with their peers.</li> <li>• 879 boys engage in technologically aided learning through computer education</li> <li>• 879 boys &amp; 100 girls engage in and develop responsible behavior through life skills and leadership sessions.</li> <li>• 100 boys &amp; girls have access to improved quality attention to improve their learning through remedial education</li> <li>• Improved parent and community engagement</li> </ul>	Education	Badshahpur, Gurugram, Haryana	₹ 1,14,02,600/-	(1) Direct expenditure: ₹ 1,14,02,600/- (2) Overheads: Nil	₹ 1,14,02,600/- for the F.Y. 2016-17	Through Implementing Agency: United Way of Delhi



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes: (1) Local area or other District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2.	Promoting Education - Project "Samarth" partnership with SOS Children's Villages of India to ensure quality education to 100 children from 3 SOS Children's Villages of India	Promoting Education	<ol style="list-style-type: none"> <li>SOS Children's Village Bawana, Main Kanjhawala Road, Bawana, Delhi-110039</li> <li>SOS Children's Village Rajpura, Near ITI (Boys), District. Patiala, Rajpura-140401, Punjab</li> <li>SOS Children's Village Bangalore, 49-Hulimavu, Bannerghatta Road, SOS POST, Near: Meenakshi Temple, Bangalore-560076, Karnataka</li> </ol>	₹ 47,00,700/- towards education support of 100 children in 3 SOS Children's Villages of India for the financial year 2016-17	<ol style="list-style-type: none"> <li>Direct Expenditure ₹ 47,00,700/-</li> <li>Overheads: Nil</li> </ol>	₹ 47,00,700/- for the F.Y. 2016-17	Through the Implementing Agency: SOS Children's Villages of India

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  
For Carrier Airconditioning & Refrigeration Limited

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

Sd/-  
Arun Bhatia  
Managing Director  
(DIN: 00031279)

Date: August 21, 2017  
Place: Gurugram



## ANNEXURE “B”

### NOMINATION & REMUNERATION POLICY

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

#### 1. OBJECTIVE

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

- i. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. To identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. To recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

#### 2. DEFINITIONS

- i. ‘Act’ means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. ‘Board’ means Board of Directors of the Company.
- ii. ‘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’ means 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.

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.
- 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  
For **Carrier Airconditioning & Refrigeration Limited**

Date: August 21, 2017  
Place: Gurugram

Sd/-  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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



## Annexure "C"

### Form No. MGT- 9

#### EXTARCT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

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	6 <sup>th</sup> 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	Narsingpur, Kherki Daula Post, Gurgaon - 122001, Haryana
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	45.03 %
2	Spare Sales & Services	3558 & 9987	32.92 %

#### 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. (erstwhile Singapore Holdco Pte. Ltd.) 8, Kallang Avenue, #09-01/02, Aperia Tower 1, Singapore – 339509	201206739G	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 beginning of the year (As on 31.03.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% 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	5600	17600	0.02	12000	5600	17600	0.02	0.00
(b)	Financial Institutions/ Banks	3200	3312	6512	0.01	4200	3312	7512	0.01	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	20000	20000	0.02	0	20000	20000	0.02	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>15200</b>	<b>29312</b>	<b>44512</b>	<b>0.04</b>	<b>16200</b>	<b>29312</b>	<b>45512</b>	<b>0.04</b>	<b>0.00</b>
<b>2</b>	<b>Central Govt/State Govt/POI</b>									
	Sub-Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
<b>3</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	58567	17933	76500	0.07	57535	16333	73868	0.07	0.00
(b)	Individuals -				0.00				0.00	
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1643936	1572578	3216514	3.02	1651046	1541898	3192944	3.00	-0.02
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	251662	78600	330262	0.31	278160	78600	356760	0.34	0.02
(c)	Qualified Foreign Investor	0	0		0.00	0	0	0	0.00	0.00



S. No.	Category of Shareholders	No. of shares held at the beginning of the year (As on 31.03.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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		0.00	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	77496	12372	89868	0.08	76200	12372	88572	0.08	0.00
v	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vi	OCBs		0		0.00		0		0.00	0.00
	Sub-Total (B)(3)	2032061	1681483	3713544	3.49	2063341	1649203	3712544	3.49	0.00
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>2047261</b>	<b>1710795</b>	<b>3758056</b>	<b>3.53</b>	<b>2079541</b>	<b>1678515</b>	<b>3758056</b>	<b>3.53</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>104665950</b>	<b>1710795</b>	<b>106376745</b>	<b>100.00</b>	<b>104698230</b>	<b>1678515</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>104665950</b>	<b>1710795</b>	<b>106376745</b>	<b>100.00</b>	<b>104698230</b>	<b>1678515</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)**

Detail of Top 10 Shareholders as on 31-03-16 & 31-03-17 and their transactions (Other Than Promoters)

S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Share holding during the year (31-03-16 to 31-03-17)		Category
				No of Shares at the Beginning (31-03-16)/ end of the Year (31-03-17)	% of total shares of the Co.				Shares	% of total shares of the Company	
1	IN30045011066960	YOGESH RASIKLAL DOSHI	AAEPD3360Q	25100	0.02	20160331					INDIAN PUBLIC
						20160422	1411	Pur-chase	26511	0.02	
						20160520	1000	Pur-chase	27511	0.03	
						20160729	1900	Pur-chase	29411	0.03	
						20160819	-500	Sale	28911	0.03	
						20160826	1000	Pur-chase	29911	0.03	
						20160909	3000	Pur-chase	32911	0.03	
						20160923	-1000	Sale	31911	0.03	
						20161007	-50	Sale	31861	0.03	
						20161028	1300	Pur-chase	33161	0.03	
						20161104	5000	Pur-chase	38161	0.04	
						20161118	2000	Pur-chase	40161	0.04	
						20161202	1600	Pur-chase	41761	0.04	
						20161209	400	Pur-chase	42161	0.04	
						20161231	3400	Pur-chase	45561	0.04	
						20170106	1800	Pur-chase	47361	0.04	
						20170203	700	Pur-chase	48061	0.05	
						20170210	400	Pur-chase	48461	0.05	
						20170217	700	Pur-chase	49161	0.05	
						20170224	1120	Pur-chase	50281	0.05	
						20170303	400	Pur-chase	50681	0.05	
				50681	0.05	20170331					
2	IN30012610759612	UMESH NATH KAPUR	AOPPK0608B	50000	0.05	20160331					INDIAN PUBLIC
				50000	0.05	20170331	NIL	NIL			
3	IN30012610913630	BHUSHAN WADHWA	AAHPW9420H	42008	0.04	20160331					INDIAN PUBLIC
				42008	0.04	20170331	NIL	NIL			
4	00094618	AWANTIKA SHARMA		36000	0.03	20160331					INDIAN PUBLIC
				36000	0.03	20170331	NIL	NIL			
5	00000602	RAMINDAR JIT SINGH WALIA		29000	0.02	20160331					INDIAN PUBLIC
				29000	0.02	20170331	NIL	NIL			
6	IN30074910483073	SMITA M TURAKHIA	ABXPT5301M	25000	0.02	20160331					INDIAN PUBLIC



S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Share holding during the year (31-03-16 to 31-03-17)		Category
				No of Shares at the Beginning (31-03-16)/ end of the Year (31-03-17)	% of total shares of the Co.				Shares	% of total shares of the Company	
				25000	0.02	20170331	NIL	NIL			
7	IN30088813614301	KEWAL KUMAR VOHRA	AAHPV5282E	21022	0.02	20160331					INDIAN PUBLIC
				21022	0.02	20170331	NIL	NIL			
8	IN30002030044965	DAVINDER SINGH	AATPS8391P	20000	0.02	20160331					INDIAN PUBLIC
				20000	0.02	20170331	NIL	NIL			
9	IN30311611722770	DEVARSONS TRADEIN LLP	AALFD1436C	15200	0.01	20160331					OTHER BODIES CORPORATE
				15200	0.01	20170331	NIL	NIL			
10	IN30044110582820	PRABHAKAR S B	AEPPP1862G	14000	0.01	20160331					INDIAN PUBLIC
				14000	0.01	20170331	NIL	NIL			
11	IN30044110591321	SANKAR S B	AHNPS9285P	14000	0.01	20160331					INDIAN PUBLIC
				14000	0.01	20170331	NIL	NIL			

**(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 Bhatia	Mr. Ashok Mirchandani	Mr. Sugeeth Kumar	Mr. Nanda Lakkaraju	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,00,58,574	1,30,55,426	44,10,706	87,22,462	3,62,47,168
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,12,332	3,10,193	4,54,735	1,35,367	11,12,627
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission -as % of profit -others, specify	37,87,592	56,08,000	12,87,899	21,24,004	1,28,07,495
5	Others, please specify (PF & SAF)	7,38,023	10,45,749	1,69,002	7,65,529	27,18,303
	<b>Total (A)</b>	<b>1,47,96,521</b>	<b>2,00,19,368</b>	<b>63,22,342</b>	<b>1,17,47,362</b>	<b>5,28,85,593</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				



**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 (paid for attending meetings during FY 2016-17)	2,70,000	3,00,000	5,70,000
	(b) Commission			
	(c) Others, please specify			
	<b>Total (1)</b>			
	<b>Total Managerial Remuneration</b>	<b>2,70,000</b>	<b>3,00,000</b>	<b>5,70,000</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
		CFO (Mr. Sugeeth Kumar)	Company Secretary (Ms. Monica Pandey) 01.04.2016 – 22.08.2016	Company Secretary (Mr. Kunal Aggarwal) 22.09.2016 – 31.03.2017	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	44,10,706	7,91,420	5,59,295	57,61,421
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,54,735	76,183	-	5,30,918
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission (Incentive) -as % of profit -others, specify	12,87,899	-	1,16,222	14,04,121
5	others, please specify (PF & SAF)	1,69,002	23,602	23,096	2,15,700
	<b>Total</b>	<b>63,22,342</b>	<b>8,91,205</b>	<b>6,98,613</b>	<b>79,12,160</b>



## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

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  
For **Carrier Airconditioning & Refrigeration Limited**

Date: August 21, 2017  
Place: Gurugram

*Sd/-*  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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

**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[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, 2016 to March 31, 2017 (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 by the management, including but not limited to, that is to say:
  - a. The Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Room Air Conditioners) Regulations, 2009;
  - b. The Payment of Gratuity Act, 1972;
  - c. The Payment of Bonus Act, 1965;
  - d. Payment of Wages Act, 1936;
  - e. Factories Act, 1948;
  - f. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
  - g. Employees Compensation Act, 1923;
  - h. Punjab Labour Welfare Fund Act, 1965;
  - i. The Contract Labour (Regulation and Abolition) Act, 1970;
  - j. The Minimum Wages Act, 1948;
  - k. The Employees’ State Insurance Act, 1948;
  - l. Employees Provident Fund and Misc. Provisions Act, 1952 read with the Employees Provident Fund Scheme;
  - m. The Industrial Disputes Act, 1947.
  - n. Legal Metrology Act, 2009.
  - o. The Maternity Benefits Act, 1961.
  - p. The Environment (Protection) Act, 1986.
  - q. The Air (Prevention and Control of Pollution) Act, 1981.
  - r. The Water (Prevention and Control of Pollution) Act, 1974.



- s. The Hazardous Wastes (Management and Handling) Rules, 1989.
- t. Equal Remuneration Act, 1976.

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:** August 21, 2017

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

Sd/-  
**Vinita Nair**  
Partner  
Membership No: A 31669  
C.P. No.: 11902



## **“Annexure 1”**

### **Books and Papers**

1. Corporate Matters
  - 1.1. Minutes books of the following Committees were provided in original
    - 1.1.1. Board Meeting;
    - 1.1.2. Audit Committee;
    - 1.1.3. Nomination and Remuneration Committee;
    - 1.1.4. Stakeholders Relationship Committee;
    - 1.1.5. CSR committee;
  - 1.2. General Meeting;
  - 1.3. Agenda papers for Board Meeting and other committee meetings along with Notice;
  - 1.4. Annual Report 2016;
  - 1.5. Memorandum and Articles of Association;
  - 1.6. Disclosures under the Act;
  - 1.7. Policies framed under Act;
  - 1.8. Forms and returns filed with the ROC and RBI;
  - 1.9. Checklists duly filled for specific laws;
  - 1.10. Registers maintained under Act.



## ANNEXURE "E"

### As on 31.03.2017 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
Mr. Ashok Mirchandani	Director-Transicold, Asia Pac & Japan	B Tech, MBA	22	01-Jan-97	N.A.	20,019,368	66	Head of Operations, SRF Ltd. New Delhi
Mr. Nanda Kishore Lakkaraju	Director-Engineering	B. Tech, M S (Mech. Eng. & MBA)	13	01-Mar-09	N.A.	11,747,362	45	BU Manager, Carrier Tyler Refrigeration (Mech. Systems Div.) Niles
Mr. Arun Bhatia	Managing Director, CCS	Post Diploma (Mech. Eng.), & PDGM	4	06-Sep-95	N.A.	14,796,521	47	Project Engineer, Voltas Limited, New Delhi.
Mr. P R Menon (*)	Director - Aftermarket	PGDM	9	25-Oct-89	N.A.	8,010,982	60	Manager, Commercial (Mount Mettur Pharma Ltd)
Mr. Jasmeet Singh Bhatia	Director-Human Resources	B.Sc./MBA	17	02-Mar-16	N.A.	9,200,252	39	HR Head, Velvoline Cummins Private Ltd
Mr. Viney Khunger	Managing Director, CCR India	B. Tech/MBA	1	01-Nov-04	N.A.	7,032,586	48	Branch Manager, Fedders International Aircond.
Mr. Chirag Bajjal	Director - Commercial Sales	PGDBM	7	01-Jun-17	N.A.	9,848,666	41	Operations Manager, Snap On Tools Pvt. Ltd
Mr. Sugeeth Kumar	Chief Financial Officer	CA	11	07-Jun-07	N.A.	6,322,342	39	Business Analyst, Schlumberger Asia
Mr. Anand Sengupta	Chief Information Officer	MBA	15	03-Sep-07	N.A.	6,549,171	50	Head of IT, Daikin Airconditioning Ltd
Mr. Nadirshah Bhalwani	Controller-CCS	CA/MBA	24	17-May-10	N.A.	6,348,375	53	Head, Finance, Expat Projects & Development P Ltd.
Mr. Rahul Garg	Director AdvanTEC	BE/PGDIM	22	11-Mar-13	N.A.	6,635,590	45	Director Business Development, Johnson Controls
Mr. Rahul Jain	Director Manufacturing Operations	BE/MBA	0	01-Jun-13	N.A.	6,345,046	38	General Manufacturing, UTC Fire & Security
Mr. Sundaresan Narayanan	Assistant Director Commercial Sales	BE/MS/MBA	13	01-Apr-14	N.A.	6,544,721	36	GM ACE & Field Operation, UTC Fire & Security
Mr. Farokh Madan (*)	Director Marketing & Strategy	BE/MIMS	19	01-Jul-16	N.A.	4,778,452	46	Managing Director, Metafrío India

(\*) 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.

Date: August 21, 2017  
Place: Gurugram

Sd/-  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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

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



## ANNEXURE “F”

### 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:

- 90 KWp solar power plant, which will generate about 0.120 million units per annum from Solar lights and have life span of about 25 years.
- Usage of high efficient variable speed inverter Hybrid Permanent Magnet Motor Screw Air Compressor in place of reciprocating air compressor. This compressor provides unparalleled energy efficiency at all speeds. There are no motor bearings, pulleys, belts, couplings or motor shaft seals.
- The Utilization of Power from State electricity has increased drastically and maintained at about 77% utilization resulting in less captive generation hence fuel saving & reduction in greenhouse gas emission.
- Changing the old underground water lines to new above ground water distribution, which has resulted in reduction of water usage – approx. 20%
- Factory was awarded the Green Building Factory certification from IGBC

##### (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 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>1. Electricity</b>		
(a) Purchased		
Units (in Lakhs)	24.73	26.74
Total amount (in Lakhs)	244.51	256.57
Rate/unit (₹)	9.89	9.6
(b) Own generation		
(i) Through diesel generator		
Units (in Lakhs)	8.13	6.84
Units per litre of diesel oil	3.42	3.52
Cost/unit (₹)	15.54	13.61
(ii) Through steam turbine/generator		
Units	-	-
Units per litre of fuel oil/gas	-	-
Cost/unit (₹)	-	-



Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>2. Coal</b>		
Quantity (Tonnes)	-	-
Total cost (₹)	-	-
Average rate (₹)	-	-
<b>3. Furnace oil</b>		
Quantity (K. ltrs.)	-	-
Total amount (₹)	-	-
Average rate (₹)	-	-
<b>4. Other/internal generation (SOLAR)</b>		
Quantity (Unit) (in Lakhs)	1.14	-
Total cost (₹)	NIL	-
Rate/unit (₹)	NIL	-

## B. TECHNOLOGY ABSORPTION

### (a) Research and Development (R&D)

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

- R410A based Ducted range was launched at significantly low cost and more environment friendly through reduction in refrigerant charge. With the result of this effort by program team, there has been significant conversion of sales from R22 to R410A refrigerant products.

(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

(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.

(iv) Expenditure on R&D

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

- |   |   |                 |
|---|---|-----------------|
| a. Capital  | : | ₹ 23,011,798.22 |
| b. Recurring  | : | ₹ 37,031,258    |
| c. Total  | : | ₹ 60,043,056.16 |
| d. Total R&D expenditure as a percentage of turnover: |   | 0.45%           |

### (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.

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

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

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

Technology imported	Year of import	Has technology been fully absorbed?	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Manufacturing of water cooled screw 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	2016-17	2015-16
1.	Earnings in foreign exchange	3,395	2,853
2.	Expenditure in foreign currency	945	783
3.	CIF Value of Import	55,094	49,630

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

Date: August 21, 2017  
Place: Gurugram

Sd/-  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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  
For **Carrier Airconditioning & Refrigeration Limited**

Date: August 21, 2017  
Place: Gurugram

Sd/-  
**Arun Bhatia**  
Managing Director  
(DIN: 00031279)

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

# FINANCIAL SECTION





## **INDEPENDENT AUDITORS' REPORT** **To the members of Carrier Airconditioning & Refrigeration Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Carrier Airconditioning & Refrigeration Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

8. 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 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 March, 31, 2017, and its profit and its cash flows for the year ended on that date.



## Emphasis of Matter

9. We draw your attention to the following matters :

- a. Note 28 in the financial statements wherein it is stated that the Company is unable to make a reliable estimate of the liability in respect of collection of electronic and electrical equipment ('EEE') waste as required under the E-waste (Management) Rules, 2016 ('E-Waste Rules') notified under the Environment (Protection) Act, 1986, in view of the reasons stated therein, and hence no provision for the liability has been recognized as at March 31, 2017.
- b. Note 29 in the financial statements regarding non settlement of foreign currency payables amounting to ₹ 1075 lacs as at March 31, 2017 due for more than six months from the date of imports and non-realisation of foreign currency receivables amounting to ₹ 441 lacs as at March 31, 2017, 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 January 1, 2016 and RBI Master Direction on Export of goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 respectively, issued by the Reserve Bank of India. The Company has filed applications with the authorised dealer seeking permission for extension of time period for settlement of the payables and realisation of the receivables.

Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) 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 knowledge and belief and according to the information and explanations given to us:
  - i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer Note 26;
  - ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2017.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, as stated in note 49 to the financial statements amounts aggregating to ₹ 11,500 as represented to us by the Management have been received from transactions which are not permitted.

**For Price Waterhouse & Co Bangalore LLP**  
**Firm Registration Number: 007567S/S-200012**  
Chartered Accountants

*Sd/-*  
**Amitesh Dutta**  
Partner  
Membership Number 058507

Place of the Signature: Gurugram  
August 21, 2017



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of **Carrier Airconditioning & Refrigeration Limited** on the financial statements for the year ended March 31, 2017

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of **Carrier Airconditioning & Refrigeration Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

**For Price Waterhouse & Co Bangalore LLP**  
**Firm Registration Number: 007567S/S-200012**  
Chartered Accountants

*Sd/-*

**Amitesh Dutta**

Partner

Membership Number 058507

Place of the Signature: Gurugram  
August 21, 2017



## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of **Carrier Airconditioning & Refrigeration Limited** on the financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, 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.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for the dues in respect of professional tax, where there are significant delays in payment during the year, and provident fund and work contract tax where there has been a slight delay in a few cases, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise, value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amount (in '000)	Amount deposited Under protest	Period to which amount relates	Forum where dispute is pending
<b>Income Tax Act</b>					
Income Tax Act, 1961	Demands raised by Income Tax Authorities	6,321	-	2007-08	Assistant Commissioner of Income Tax



Name of the statute	Nature of Dues	Amount (in '000)	Amount deposited Under protest	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demands raised by Income Tax Authorities on account of transfer pricing adjustment and for leasehold improvements	42,382	17,715	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demands raised by Income Tax Authorities on account of transfer pricing adjustment	5,071	-	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demands raised by Income Tax Authorities on account of transfer pricing adjustment	16,016	6,504	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demands raised by Income Tax Authorities on account of transfer pricing adjustment	11,516	-	2013-14	Dispute Resolution Panel
<b>Sales Tax Act</b>					
Sales Tax / Value Added Tax as per the statutes applicable in the following states – Delhi, Uttar Pradesh, Madhya Pradesh, Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Kerala, Jharkhand, Bihar, Andhra Pradesh, West Bengal, Karnataka, Goa, Daman and Diu, Haryana and Chhattisgarh	Demands raised by Sales tax authorities	228,718	43,252	1988-89, 1989-90, 1992-93, 1994-95 to 2014-15	Appellate Authorities of various states
Sales Tax / Value Added Tax as per the statutes applicable in the following states – Delhi, Uttar Pradesh, Madhya Pradesh, Rajasthan, Gujarat, Kerala, Bihar, Haryana, Andhra Pradesh	Demands raised by Sales tax authorities	58,709	29,139	1997-98, 1998-99, 2000-01 to 2012-13	Sales Tax Appellate Tribunal of various states
Sales Tax / Value Added Tax as per the statutes applicable in the following states – Uttar Pradesh, Rajasthan, Haryana, Karnataka	Demands raised by Sales tax authorities	10,992	5,086	1989-90, 1995-96, 1996-97, 1997-98 to 2001-02, 2005-06	High Court of various states



Name of the statute	Nature of Dues	Amount (in '000)	Amount deposited Under protest	Period to which amount relates	Forum where dispute is pending
<b>Central Excise Duty</b>					
Central Excise Act, 1944	Additional duty on goods / stock transferred from factory to depot	21,694	-	1998-2003	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act, 1944	Additional duty due to difference in MRP and transaction value for split air conditioners.	3,228*	-	2000-01	Commissioner (Central Excise)
Central Excise Act, 1944	Show Cause Notice for interest on Duty reversed on Input cleared as such	483	-	2002-2007	Commissioner (Central Excise)
Central Excise Act, 1944	Demand for refund amount on Stock Transfer of non MRP goods from Factory to Branches	1,319	-	2006-2007	Customs, Excise and Service tax Appellate Tribunal
Central Excise Act, 1944	Demand on import of power pack and supply along with bus air conditioning systems, without payment of excise duty (clandestine removal)	2,640	-	1996-01	Commissioner Appeal (Central Excise), Bangalore
<i>* Favorable order has been received subsequent to the year end.</i>					
<b>Customs Duty</b>					
Customs Act, 1962	Show Cause Notice for imposing redemption fine, confiscation, penalty etc.	2,500	-	1998-00	Commissioner-Customs
Customs Act, 1962	Demand Notice for short levy of duty due to misclassification and incorrect benefit of Notification	1,050	-	2014-15	Commissioner-Customs
Customs Act, 1962	Show Cause Notice for demanding additional duty on imported filters.	75	-	1999-00	Asst. Commissioner Customs
<b>Service Tax</b>					
Finance Act, 1994	Show Cause Notice demanding Service tax on overseas commission income	208,364	-	2006-2010	Customs, Excise and Service tax Appellate Tribunal
Finance Act, 1994	Show cause Notice demanding the Service tax on overseas commission income	74,372	-	2010-14	Commissioner (Central Excise & Service Tax)



Name of the statute	Nature of Dues	Amount (in '000)	Amount deposited Under protest	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	1,018,437	-	2005-12	High Court
Finance Act, 1994	Show Cause Notice for recovery of Cenvat credit taken on AMC Service, Booking Commission, Service Commission and Warranty Service	380,867	14,283	2012-2014	Customs, 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	78,287	-	2014-15	Commissioner (Central Excise & Service Tax)
Finance Act, 1994	Show Cause Notice imposing penalty for Service Tax credit taken on insurance for transportation.	1,018	-	2006-11	Customs, Excise and Service tax Appellate Tribunal
Finance Act, 1994	Show Cause Notice for reversal of Service Tax credit taken on various input services	210	8	2013-14	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Show Cause Notice for reversal of Service Tax credit taken on event management services.	2,148	-	2012-13 to 2015-16	Asst. Commissioner Central Excise
Finance Act, 1994	Levy of service tax on exempted services of installation / commissioning	854	-	1997-02	Commissioner (Appeals)
Finance Act, 1994	Show Cause Notice for amount reimbursed for Storage and disallowance of service tax credit on bills	530	-	2008-09 2009-10	Commissioner of Service Tax (Appeals)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse & Co Bangalore LLP**  
**Firm Registration Number: 007567S/S-200012**  
Chartered Accountants

*Sd/-*  
**Amitesh Dutta**  
Partner  
Membership Number 058507

Place of the Signature: Gurugram  
August 21, 2017



**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED**  
**BALANCE SHEET**

(All amounts in ₹ Lacs, unless otherwise stated)

	Note	as at March 31, 2017	as at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	2	10,638	10,638
(b) Reserves and surplus	3	45,102	38,111
		<b>55,740</b>	<b>48,749</b>
<b>2. Non-current liabilities</b>			
(a) Other Long term liabilities	4	495	452
(b) Long-term provisions	5	6,069	5,204
		<b>6,564</b>	<b>5,656</b>
<b>3. Current liabilities</b>			
(a) Trade payables	6		
Total Outstanding dues of micro enterprises and small enterprises and		23	175
Total outstanding dues of creditors other than micro enterprises and small enterprises		32,253	26,851
(b) Other current liabilities	7	8,321	9,157
(c) Short-term provisions	8	959	986
		<b>41,556</b>	<b>37,169</b>
<b>TOTAL</b>		<b>1,03,860</b>	<b>91,574</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	5,559	4,755
(ii) Intangible assets	10	314	143
(iii) Capital work-in-progress		200	747
(iv) Intangible assets under development		-	162
(b) Non-current investments	11	1	1
(c) Deferred tax assets (Net)	12	3,794	3,383
(d) Long-term loans and advances	13	4,518	4,424
		<b>14,386</b>	<b>13,615</b>
<b>2. Current assets</b>			
(a) Inventories	14	23,317	21,882
(b) Trade receivables	15	25,078	21,130
(c) Cash and bank balances	16	27,486	22,836
(d) Short-term loans and advances	17	9,371	8,791
(e) Other current assets	18	4,222	3,320
		<b>89,474</b>	<b>77,959</b>
<b>TOTAL</b>		<b>1,03,860</b>	<b>91,574</b>

Summary of significant accounting policies. 1  
The accompanying notes are an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants

On behalf of the Board of Directors

Sd/-  
Sugeeth Kumar  
**WTD & Chief Financial Officer**  
DIN: 07420265

Sd/-  
Arun Bhatia  
**Managing Director**  
DIN: 00031279

Sd/-  
Partner: Amitesh Dutta  
Membership No: 058507

Sd/-  
Kunal Aggarwal  
**Company Secretary**  
Membership No: 35119

Place : Gurugram  
Date: August 21, 2017

Place : Gurugram  
Date: August 21, 2017



**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS**

(All amounts in ₹ Lacs, unless otherwise stated)

	Note	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations (gross)	19	1,35,157	1,18,382
Less : Excise duty		(3,689)	(3,598)
Revenue from operations (net)		1,31,468	1,14,784
Other income	20	3,934	3,045
<b>Total Revenue</b>		<b>1,35,402</b>	<b>1,17,829</b>
<b>Expenses</b>			
Cost of materials consumed	40	19,187	18,682
Purchase of finished goods	42 (b)	46,155	36,874
Changes in inventories of finished goods, work in progress and stock in trade	21	(1,793)	27
Employee benefits expense	22	13,252	12,128
Finance cost	23	123	116
Depreciation and amortization expense	9,10,24	786	654
Other expenses	25	46,787	40,789
<b>Total Expenses</b>		<b>1,24,497</b>	<b>1,09,270</b>
<b>Profit before tax</b>		<b>10,905</b>	<b>8,559</b>
Tax expense:			
(1) Current tax		4,325	3,910
(2) Deferred tax charge/ (credit)	12	(411)	(847)
(3) Tax relating to earlier years		-	5
<b>Profit for the year</b>		<b>6,991</b>	<b>5,491</b>
<b>Earnings per equity share (in rupees):</b>	34		
[Nominal value per share ₹ 10 (previous year ₹ 10)]			
Basic		6.57	5.16
Diluted		6.57	5.16

Summary of significant accounting policies. 1

The accompanying notes are an integral part of these financial statements.

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

For **Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants

Sd/-  
Partner: Amitesh Dutta  
Membership No: 058507

Place : Gurugram  
Date: August 21, 2017

On behalf of the Board of Directors

Sd/-  
Sugeeth Kumar  
WTD & Chief Financial Officer  
DIN: 07420265

Sd/-  
Arun Bhatia  
Managing Director  
DIN: 00031279

Sd/-  
Kunal Aggarwal  
Company Secretary  
Membership No: 35119

Place : Gurugram  
Date: August 21, 2017



**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED**  
**CASH FLOW STATEMENT**

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash Flow from Operating Activities</b>		
Profit before taxation	10,905	8,559
<b>Adjustments for:</b>		
Depreciation and amortization expense	786	654
Profit on sale of fixed assets (net)	(9)	(8)
Provision for inventory obsolescence	161	333
Provision for doubtful debts and advances	860	1,146
Unrealised exchange fluctuation gains (net)	(241)	(86)
Bad debts and advances written off	-	25
Provision for litigation reserve (net)	599	362
Liabilities / provisions no longer required written back	(804)	(739)
Interest income	(1,951)	(1,713)
Provision for accrued leave and gratuity	227	142
Interest expense	84	78
<b>Operating profit before working capital changes</b>	<b>10,617</b>	<b>8,753</b>
<b>Changes in working capital :</b>		
(Increase)/Decrease in trade receivables	(4,688)	(3,172)
(Increase)/ Decrease in inventories	(1,596)	(1,861)
(Increase)/ Decrease in other current assets	(934)	(543)
(Increase)/Decrease in loans and advances	(377)	(206)
Increase/ (Decrease )in current/non current liabilities	5,678	5,175
	<b>(1,917)</b>	<b>(607)</b>
<b>Cash generated from operations</b>	<b>8,700</b>	<b>8,146</b>
Taxes paid	(4,585)	(3,959)
<b>Net cash generated from operating activities (A)</b>	<b>4,115</b>	<b>4,187</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of tangible / intangible assets	(1,008)	(2,036)
Proceeds from sale of tangible / intangible assets	9	8
Interest received	1,984	1,515
Receipt / (payment) of inter-corporate deposit (net)	(351)	(113)
<b>Net cash from investing activities (B)</b>	<b>634</b>	<b>(626)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest paid	(84)	(78)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(84)</b>	<b>(78)</b>
<b>D. Net (decrease)/Increase in Cash and Cash Equivalents {A+B+C}</b>	<b>4,665</b>	<b>3,483</b>
<b>E. Cash and Cash Equivalents at start of the year</b>	<b>22,773</b>	<b>19,286</b>
<b>Cash and Cash Equivalents at close of the year (D+E)</b>	<b>27,438</b>	<b>22,769</b>
Add: Re-instatement gain on balance in EEFC account	7	4
<b>Cash and Cash Equivalents at close of the year</b>	<b>27,445</b>	<b>22,773</b>



**CARRIER AIRCONDITIONING & REFRIGERATION LIMITED**  
**CASH FLOW STATEMENT (Cont'd)**

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

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash on hand	-	*
Cheques in Hand	147	106
Bank balances		
- In current account	14,298	3,167
- Demand deposit	13,000	19,500
<b>Cash &amp; Cash Equivalents</b>	<b>27,445</b>	<b>22,773</b>

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

**Note:-**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 (Cash Flow Statements).
2. Figures in brackets indicate outflow of cash and cash equivalents.

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

For **Price Waterhouse & Co Bangalore LLP**  
 Firm Registration Number: 007567S/S-200012  
 Chartered Accountants

**On behalf of the Board of Directors**

Sd/-  
 Sugeeth Kumar  
**WTD & Chief Financial Officer**  
 DIN: 07420265

Sd/-  
 Arun Bhatia  
**Managing Director**  
 DIN: 00031279

Sd/-  
 Partner: Amitesh Dutta  
 Membership No: 058507

Sd/-  
 Kunal Aggarwal  
**Company Secretary**  
 Membership No: 35119

Place : Gurugram  
 Date: August 21, 2017

Place : Gurugram  
 Date: August 21, 2017



## CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

### Notes to the financial statements for the year ended March 31, 2017

#### 1. Summary of significant accounting policies

##### 1.1 Basis of accounting and preparation of financial statements

- (a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statement have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Company has classified all the assets and liabilities as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months based on the nature of its business and time between the procurement of products and their realization in cash and cash equivalents.

- (b) The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) in India requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Examples of such estimates include provisions for doubtful debts and advances, provision for inventory obsolescence, future obligations under employee retirement benefit plans, income taxes, product warranty and the useful lives of Fixed assets (tangible and intangible).

##### 1.2 Fixed assets

Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation. Own manufactured goods are capitalized at cost. Cost includes labour and overhead burden.

##### 1.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Goodwill represents the commensurate value of the future economic benefits to be derived from business purchases.

##### 1.4 Depreciation on tangible assets

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, except in case of certain assets of the Company which have useful lives as mentioned below:

- (a) Tools are depreciated over a period of one to five years based on the technical evaluation of estimated useful life done by the management.
- (b) Leasehold improvements are amortized over the lease period on straight line basis.
- (c) Fixed assets costing less than USD 2,500 each are fully depreciated in the year of purchase.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

### **1.5 Amortization on intangible assets**

Intangible assets are amortized on straight line basis as per rates mentioned below :

<b>Asset Class</b>	<b>Rate of amortisation</b>
Goodwill	33.33 %
Computer Software	16.67 %
Technical- know how	33.33%

### **1.6 Investments**

Long term investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

### **1.7 Inventories**

(a) Inventories are valued at lower of cost and net realizable value.

Material costs are determined using the weighted average method and include customs duty, wherever paid, and are net of credit under CENVAT scheme.

“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. Excise duty is included in finished goods valuation.

Contract work-in-progress represents material costs and other appropriate overheads in respect of those contracts where performance of service is determined on completion of such service.”

(b) Provision for excess inventory and inventory obsolescence is determined based on management’s estimate.

### **1.8 Revenue**

#### **(a) Sale of products**

Revenue from sale of products is recognized on transfer of significant risk and rewards of ownership to the customer and on reasonable certainty of the ultimate collection. Sales are inclusive of excise duty and net of trade discounts and sales returns.

#### **(b) Income from services**

- Revenue from annual maintenance contracts is recognized on a pro-rata basis.
- Revenue from repair/installations jobs is recognized as and when service is performed and on reasonable certainty of collection. Performance of service is determined on completion of the scope of service defined in the customer order and relevant documentation evidencing completion of such service and related control and compliance requirements.

#### **(c) Interest income, commission income and insurance claims**

“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.”

### **1.9 Employee benefits**

#### **1.9.1 Post retirement employee benefits**

##### **(a) Defined contribution plans:**

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’s contributions to all the above plans are charged to revenue every year on accrual basis.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

### **(b) Defined benefit plan:**

The Company has defined benefit plan namely gratuity, with Life Insurance Corporation of India. The liability for the defined benefit plan is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

### **1.9.2 Other employee benefits**

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent year end actuarial valuation and the charge resulting for the year based on the valuation is recognized in the Statement of Profit and Loss. Short term Employee Benefits are recognized at actual cost on an undiscounted basis whereas long term employee benefits are recognized on the basis of an actuarial valuation at the end of the year.

### **1.10 Foreign currency transactions**

#### **(a) Recognition and conversions**

Transactions in foreign currency are booked at standard rates determined monthly which approximates the actual rates. All monetary items denominated in foreign currency are translated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on such transactions and also exchange differences arising on the settlement of such transactions are adjusted in the Statement of Profit and Loss.

#### **(b) Forward exchange contracts**

It is the Company's policy to enter into forward contracts in case net foreign currency exposure is in excess of US \$ 500,000. However, the Company also enters into forward contract less than US \$ 500,000, if felt necessary.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or losses arising on cancellation or renewal of such a forward exchange contract are recognized as income or as expense for the period.

### **1.11 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### **1.12 Taxation**

Tax expense for the year, comprising current tax and deferred tax is included in determining the profit/ (loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes.

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



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as of the balance sheet date.

### **1.13 Leases**

Lease rentals in respect of assets taken on operating leases are charged to the statement of Profit and Loss on a straight line basis over the lease term.

### **1.14 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.

### **1.15 Impairment of assets**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If such indication exists, the Company estimates the recoverable amount and where carrying amount of the asset exceeds such recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. Where there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, the Company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

### **1.16 Provisions and contingencies**

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Contingencies are disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

### **1.17 Earnings per share (EPS)**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

### **1.18 Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with Banks and other short term highly liquid investments with original maturities of three months or less.

### **1.19 Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses net of unallocated income".



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

### 2. Share capital

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Authorised</b>		
110,000,000 Equity Shares of ₹ 10 each {Previous Year 110,000,000 Equity Shares of ₹ 10 each}	11,000	11,000
<b>11,00,00,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Issued, subscribed and paid-up</b>		
106,376,745 Equity Shares of ₹ 10 each fully paid-up {Previous Year 106,376,745 Equity Shares of ₹ 10 each fully paid-up}.	10,638	10,638
<b>106,376,745</b>	<b>10,638</b>	<b>10,638</b>

#### a. Reconciliation of the number of shares

Equity shares	March 31, 2017		March 31, 2016	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Balance as at the beginning of the year	106,376,745	10,638	106,376,745	10,638
Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>106,376,745</b>	<b>10,638</b>	<b>106,376,745</b>	<b>10,638</b>

#### b. Shareholding details

Equity shares	As at March 31, 2017			As at March 31, 2016		
	Number	Amount	% holding	Number	Amount	% holding
Holding company						
United Technologies South Asia Pacific Pte Ltd. (formerly known as Singapore Holdco Pte Ltd.)	102,618,689	10,262	96.5%	102,618,689	10,262	96.5%

#### c. Shareholder rights

The Company has one class of shares referred to as 'Equity Shares' having a par value of ₹ 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.

### 3. Reserves and surplus

	As at March 31, 2017	As at March 31, 2016
<b>Capital reserve</b>	1	1
<b>Reserves on amalgamation</b>	657	657
<b>General reserve</b>		
Balance as at beginning of the year	895	895
Additions during the year	-	-
<b>Balance as at end of the year</b>	<b>895</b>	<b>895</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at beginning of the year	36,558	31,067
Add : Profit for the year	6,991	5,491
<b>Balance as at end of the year</b>	<b>43,549</b>	<b>36,558</b>
	<b>45,102</b>	<b>38,111</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**4. Other long-term liabilities**

	As at March 31, 2017	As at March 31, 2016
Security deposits	495	452
<b>Total</b>	<b>495</b>	<b>452</b>

**5. Long-term provisions**

	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits :</b> (Refer Note 22 and Note 36)		
Provision for leave encashment	595	515
Provision for gratuity	388	251
<b>Other provisions:</b>		
Provision for litigation/disputes	4,535	3,936
Provision for warranty	551	502
<b>Total</b>	<b>6,069</b>	<b>5,204</b>

**6. Trade payables**

	As at March 31, 2017	As at March 31, 2016
(a) Total Outstanding dues of micro enterprises and small enterprises, (Refer note 33)	23	175
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	48	96
(ii) Others	32,205	26,755
<b>Total</b>	<b>32,276</b>	<b>27,026</b>

**7. Other current liabilities**

	As at March 31, 2017	As at March 31, 2016
Advances from customers	2,042	2,879
Unclaimed dividend [Refer Note below]	41	63
Statutory dues (including tax deducted at source)	2,005	1,593
Interest payable ( Refer note 33)	223	167
Forward Contract Payable	1,467	2,025
Employee benefits payable	463	494
Royalty payable	90	46
Payables for fixed assets	53	141
Deferred/unearned revenue	1,937	1,749
<b>Total</b>	<b>8,321</b>	<b>9,157</b>

**Note:** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

### 8. Short-term provisions

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits : (Refer Note 22 and Note 36)		
Provision for leave encashment	122	112
Other provisions :		
Provision for warranty	837	874
<b>Total</b>	<b>959</b>	<b>986</b>

In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the movement of provisions is detailed below:

Description	Balance as on April 1, 2016	Additions during the year	Utilised / Reversed during the year	Balance as on March 31, 2017
Warranty (net)	1,376	1,000	988	1,388
Litigation / disputes	3,936	645*	46	4,535
<b>Total</b>	<b>5,312</b>	<b>1,645</b>	<b>1,034</b>	<b>5,923</b>

\* included in 'Rates and taxes' (Refer Note 25) and 'Cost of materials consumed' (Refer Note 40)

The above provisions relate to the estimated outflow in respect of a) warranty for products sold by the Company and b) litigation related provisions. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as expense from such estimates.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 9. Tangible assets

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST				DEPRECIATION#			NET BLOCK	
	Cost as at April 1, 2016	Additions during the Year	Deletions/ Adjustments during the year@	Cost as at March 31, 2017	Upto March 31, 2016	For the Year	Deletions/ adjustments @	Upto March 31, 2017	As at March 31, 2017
Free hold land	410	40	-	450	-	-	-	-	450
Buildings	1,186	185	-	1,371	665	55	-	720	651
Leasehold improvements	599	19	-	618	110	89	-	199	419
Plant and machinery	6,994	811	66	7,739	3,764	426	66	4,124	3,615
Furniture and fixtures	414	279	88	605	350	68	88	330	275
Computers and office equipments	644	144	210	578	607	36	210	433	145
Vehicles	4	-	-	4	*	*	-	*	4
<b>Total Tangible assets</b>	<b>10,251</b>	<b>1,478</b>	<b>364</b>	<b>11,365</b>	<b>5,496</b>	<b>674</b>	<b>364</b>	<b>5,806</b>	<b>5,559</b>

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

@ Includes certain assets which are retired from active use and held for disposal. The net book value of these assets aggregate to Nil (Gross Block ₹ 267, Accumulated depreciation ₹ 267). The realizable value for these assets is expected to be negligible.

Particulars	GROSS BLOCK - AT COST#				DEPRECIATION#			NET BLOCK	
	Cost as at April 1, 2015	Additions during the Year	Deletions/ Adjustments during the year	Cost as at March 31, 2016	Upto March 31, 2015	For the Year	Deletions/ adjustments	Upto March 31, 2016	As at March 31, 2016
Free hold land	410	-	-	410	-	-	-	-	410
Buildings	1,144	42	-	1,186	601	64	-	665	521
Leasehold improvements	197	410	8	599	73	45	8	110	489
Plant and machinery	6,145	862	13	6,994	3,416	361	13	3,764	3,230
Furniture and fixtures	385	64	35	414	332	53	35	350	64
Computers and office equipments	669	21	46	644	617	36	46	607	37
Vehicles	3	4	3	4	3	*	3	*	4
<b>Total Tangible assets</b>	<b>8,953</b>	<b>1,403</b>	<b>105</b>	<b>10,251</b>	<b>5,042</b>	<b>559</b>	<b>105</b>	<b>5,496</b>	<b>4,755</b>

# Includes certain assets which are retired from active use and held for disposal. The net book value of these assets aggregate to Nil (Gross Block ₹ 201, Accumulated depreciation ₹ 201). The realizable value for these assets is expected to be negligible.

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**10. Intangible assets**

Particulars	GROSS BLOCK - AT COST			AMORTIZATION			NET BLOCK		
	Cost as at April 1, 2016	Additions during the Year	Deletions/ Adjustments during the year	Cost as at March 31, 2017	Upto March 31, 2016	For the Year	Deletions/ adjustments	Upto March 31, 2017	As at March 31, 2017
Goodwill	199	-	-	199	132	67	-	199	-
Software	1,034	283	-	1,317	996	33	-	1,029	288
Technical Know-How	59	-	-	59	21	12	-	33	26
<b>Total Intangible assets</b>	<b>1,292</b>	<b>283</b>	<b>-</b>	<b>1,575</b>	<b>1,149</b>	<b>112</b>	<b>-</b>	<b>1,261</b>	<b>314</b>

Particulars	GROSS BLOCK - AT COST#			AMORTIZATION			NET BLOCK		
	Cost as at April 1, 2015	Additions during the Year	Deletions/ Adjustments during the year	Cost as at March 31, 2016	Upto March 31, 2015	For the Year	Deletions/ adjustments	Upto March 31, 2016	As at March 31, 2016
Goodwill	199	-	-	199	66	66	-	132	67
Software	1,001	33	-	1,034	988	8	-	996	38
Technical Know-How	-	59	-	59	-	21	-	21	38
<b>Total Intangible assets</b>	<b>1,200</b>	<b>92</b>	<b>-</b>	<b>1,292</b>	<b>1,054</b>	<b>95</b>	<b>-</b>	<b>1,149</b>	<b>143</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**11. Non-current investments**

	As at March 31, 2017	As at March 31, 2016
<b>Other investments (valued at cost)</b>		
<b>Unquoted</b>		
<b>Investment in government or trust securities</b>		
6 Year National Savings Certificate VIII Issue (Pledged with Government Authorities)	*	*
<b>Investment in equity shares (unquoted)</b>		
2,000 Shares of ₹ 50/- each (fully paid up) (Previous Year 2,000 shares) in Carrier Aircon Employees' Co-operative Thrift and Credit Society Limited	1	1
<b>Total</b>	<u>1</u>	<u>1</u>
Aggregate amount of unquoted investments	1	1

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

**12. Deferred tax assets (Net)**

	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax assets</b>		
Tax impact of expenses charged in the financial statements but allowable as deduction in future years under income tax		
Provision for doubtful debts and advances	1,253	1,309
Provision for inventory obsolescence	592	516
Provision for gratuity and leave encashment/compensated absences	382	304
Provision for litigation/disputes	1,569	1,331
Others	399	270
<b>Total deferred tax assets</b>	<u>4,195</u>	<u>3,730</u>
<b>Deferred tax liabilities</b>		
Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax return	401	347
<b>Total deferred tax liabilities</b>	<u>401</u>	<u>347</u>
<b>Deferred tax assets (Net)</b>	<u>3,794</u>	<u>3,383</u>
Deferred tax charge/ (credit)	<u>(411)</u>	<u>(847)</u>

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

**13. Long-term loans and advances**

	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good (unless otherwise stated):</b>		
Capital advances	95	227
Security deposits		
- Considered good	208	299
- Considered doubtful	24	24
Less : Provision for doubtful security deposits	<u>(24)</u>	<u>(24)</u>
Advances recoverable in cash or in kind or for value to be received*	1,295	1,238



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
Advance tax and tax deducted at source (Including fringe benefit tax) [net of provision for tax ₹ 21,307 (previous year ₹ 16,982)]	2,920	2,660
<b>Total</b>	<b>4,518</b>	<b>4,424</b>

\* including amount paid under protest to Government authorities ₹ 1,160 (Previous Year ₹ 1,194)

### 14. Inventories

	As at March 31, 2017	As at March 31, 2016
Stores and spares {Includes stock in transit ₹ 400 (previous year ₹ 1,533)}	6,008	6,390
Raw materials and components {Includes stock in transit ₹ 1017 (previous year ₹ 1,252)}	5,140	5,244
Contract Work-in-progress	752	506
Work-in-progress {Refer Note 42(c)}	106	121
Finished goods {Refer Note 42(a) and 42(b)}		
- Manufactured	3,554	2,794
- Bought out*	9,569	8,419
{*Includes stock in transit ₹ 1,533 (previous year ₹ 1,719)}		
	25,129	23,474
Less: Provision for obsolescence/write down	1,812	1,592
<b>Total</b>	<b>23,317</b>	<b>21,882</b>

### 15. Trade receivables

	As at March 31, 2017	As at March 31, 2016
<b>Unsecured</b>		
a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1,061	1,373
Considered doubtful	3,193	3,422
b) Others		
Considered good	24,017	19,757
Considered doubtful	81	93
	28,352	24,645
Less: Provision for doubtful debts	3,274	3,515
<b>Total</b>	<b>25,078</b>	<b>21,130</b>

### 16. Cash and bank balances

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	-	*
Cheques on hand	147	106



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
Balances with banks:		
- In current accounts	14,298	3,167
- Demand deposits (less than 3 months maturity)	13,000	19,500
	<u>27,445</u>	<u>22,773</u>
Other bank balances:		
- In unclaimed dividend account	41	63
	<u>41</u>	<u>63</u>
<b>Total</b>	<u><b>27,486</b></u>	<u><b>22,836</b></u>

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

### 17. Short-term loans and advances

	As at March 31, 2017	As at March 31, 2016
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Loans and advances to related parties :		
Supriya Elevators Company (India) Limited	104	101
Carrier Race Technologies Private Limited	2,580	2,293
UTC Fire and Security India Limited	1,856	1,857
Chubb Alba Control Systems Limited	562	500
	<u>5,102</u>	<u>4,751</u>
Other loans and advances:		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	1,906	1,807
- Considered doubtful	266	202
Less : Provision for doubtful advances	<u>(266)</u>	<u>(202)</u>
	1,906	1,807
Security deposits		
- Considered good	214	71
- Considered doubtful	59	41
Less : Provision for doubtful deposits	<u>(59)</u>	<u>(41)</u>
	214	71
Balances with Government authorities	<u>2,149</u>	<u>2,162</u>
<b>Total</b>	<u><b>9,371</b></u>	<u><b>8,791</b></u>

### 18. Other current assets

	As at March 31, 2017	As at March 31, 2016
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Forward Contract Receivable	1,413	2,025
Receivables in respect of other contractual obligations	2,613	1,074
Interest accrued on deposits	188	221
Unamortised premium on forward contract	8	-
<b>Total</b>	<u><b>4,222</b></u>	<u><b>3,320</b></u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

### 19. Revenue from operations

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Product sales {Refer Note 42(a) and 42(b)}</b>	89,417	79,376
Spare sale & Service income	43,875	37,641
	<u>1,33,292</u>	<u>1,17,017</u>
Other operating revenue:		
Commission income	1,730	1,189
Scrap sales	135	176
Revenue from operations (gross)	<u><b>1,35,157</b></u>	<u><b>1,18,382</b></u>
Less : Excise duty	<u>(3,689)</u>	<u>(3,598)</u>
<b>Total</b>	<u><b>1,31,468</b></u>	<u><b>1,14,784</b></u>

### 20. Other income

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income		
- On fixed deposits	1,383	1,144
- On inter corporate deposits	<u>568</u>	<u>569</u>
	1,951	1,713
Foreign exchange fluctuation gain (net)	625	40
Liabilities / provisions no longer required written back	804	739
Miscellaneous income	545	545
Profit on sale of fixed assets (net)	9	8
<b>Total</b>	<u><b>3,934</b></u>	<u><b>3,045</b></u>

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

	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock		
Work-in-progress	121	176
Finished goods		
- Manufactured	2,794	2,995
- Bought out	<u>8,419</u>	<u>8,200</u>
	11,213	11,195
	<u><b>11,334</b></u>	<u><b>11,371</b></u>
Closing stock		
Work-in-progress	106	121
Finished goods		
- Manufactured	3,554	2,794
- Bought out	<u>9,569</u>	<u>8,419</u>
	13,123	11,213
	<u><b>13,229</b></u>	<u><b>11,334</b></u>
Excise duty on increase/(decrease) of finished goods (manufactured)	102	(10)
<b>Net (increase)/decrease</b>	<u><b>(1,793)</b></u>	<u><b>27</b></u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

### 22. Employee benefits expense (Refer Note 36)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	11,791	11,069
Contribution to provident and other funds	923	712
Staff welfare expenses	538	347
<b>Total</b>	<b>13,252</b>	<b>12,128</b>

### 23. Finance Cost

	Year ended March 31, 2017	Year ended March 31, 2016
Interest on deposits	28	12
Interest-others	56	66
Bank charges	39	38
<b>Total</b>	<b>123</b>	<b>116</b>

### 24. Depreciation and amortization expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on tangible assets (Refer Note 9)	674	559
Amortization on intangible assets (Refer Note 10)	112	95
<b>Total</b>	<b>786</b>	<b>654</b>

### 25. Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Power, fuel and water	471	473
Cost of services	14,070	12,771
Stores and spares consumed (Refer Note 41)	15,592	13,090
Communication expenses	431	368
Rent, including lease rentals (Refer Note 31)	1,252	1,185
Repairs and maintenance:		
Building	66	70
Machinery	101	109
Others	506	430
Insurance	371	299
Rates and taxes	810	370
Dealer/ Service commission	3,176	2,392
Travelling and conveyance	1,471	1,261
Advertisement and sales promotion (net of recoveries)	578	621
Cartage and freight outward (net of recoveries)	3,658	2,980
Warranty	1,000	1,004
Bad debts & advances written off	1,020	179
Less- Existing provision utilized	(1,020)	(154)
Provision for doubtful debts and advances	860	1,146



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
Payment to auditors (excluding service tax)		
As Auditors:		
Audit fees	39	39
Tax audit fees	7	7
In other capacity	2	2
Out-of-pocket expenses	*	*
	48	48
Expenditure towards Corporate Social Responsibility (CSR) activities ( Refer Note 48)	169	168
Training	54	57
Legal and professional charges	853	419
Royalty charges	137	137
Provision for inventory obsolescence	161	333
Research and development	369	396
Miscellaneous expenses	583	637
<b>Total</b>	<b>46,787</b>	<b>40,789</b>

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

### 26. Contingent Liabilities:

- (a.1) Demands from Income Tax Authorities under appeal amount to ₹ 820 (Previous Year ₹ 830).
- (a.2) The Company has filed appeals for the assessment year 2005-06 & 2006-07 involving tax amount of ₹ 188 & ₹ 111 before CIT(A) and Income Tax Appellate Tribunal (ITAT) respectively under the Income Tax Act, 1961, in response to income tax assessment orders involving 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, for AY 2006-07, ITAT has remanded back the matter to the transfer pricing officer during the previous year.
- (b) Demands from Sales Tax Authorities under appeal amount to ₹ 2,585 (Previous Year ₹ 2,670).
- (c) Show cause notices/demands received from Excise, Customs Department and Service Tax (excluding applicable penalties), not acknowledged as debts amount to ₹ 17,800 (Previous Year ₹ 7,655).
- (d) Show cause notices/demands received from Employee State Insurance (ESI) Department (excluding applicable penalties), not acknowledged as debts amount to ₹ 126 (Previous Year ₹ 126).
- (e) Other claims against the Company not acknowledged as debts amount to ₹ 372 (Previous Year ₹ 392).
- (f) Financial Guarantees issued on behalf of the Company, outstanding at the year end, amount to ₹ 197 (Previous Year ₹ 247).
- (g) Other Guarantees and letters of credit issued on behalf of the Company, outstanding at the year end, amount to ₹ 3,044 and ₹ 278 respectively (Previous Year ₹ 2,422 and ₹ 335 respectively).

The amount shown in the items (a) to (f) 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. The amount shown in item (g) represent guarantees and letters of credit given in the normal course of



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

the Company's operations and are not expected to result in any loss to the Company on the basis of beneficiaries fulfilling their ordinary commercial obligations.

27. During 2000-01, the Government of Haryana levied a 'Local Area Development Tax' (L.A.D.T.) on material being purchased from out side Haryana. Based on legal advice, the erstwhile company, Carrier Aircon Limited ('CAI'), like other industries in Haryana, had filed a writ petition in the Hon'ble High Court of Punjab & Haryana challenging the validity of this enactment. The Hon'ble High Court has 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 (SLP) before the Hon'ble Supreme Court of India, which has been admitted for hearing. The Company has already provided for ₹ 53 (Previous Year ₹ 53) towards entry tax liability (net of payment) in the books of account. As regards the interest on arrears, the same has been stayed by the Hon'ble Supreme Court. In case the levy of the interest is ultimately upheld, the Company may be liable to pay interest payable under this legislation.

This Act was repealed by the Govt. of Haryana effective from April 15, 2008. Further, the Haryana Govt. introduced Haryana Tax on Entry of Goods into Local Area Act, 2008 (Entry Tax) effective from April 16, 2008 levying 2% entry tax on entry of all goods into the Local Area for consumption, use or sale. The Punjab & Haryana High court held this Act to be unconstitutional against which the Haryana Govt. filed Special Leave Petition before the Supreme Court of India. The Supreme Court admitted the Special Leave Petition and tagged this case with the pending L.A.D.T matter. During the year, 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 has filed writ petition before High Court and Court has accepted the same. The case is now awaited for hearing by High court.

The Company has provided ₹ 3,349 (Previous Year ₹ 3,108) 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 has introduced "The West Bengal Tax on Entry of Goods into Local Areas Act, 2012" on goods being purchased from outside West Bengal. In September 2015, based on legal advice, Carrier Airconditioning & Refrigeration Limited ('CARL'), like other industries in West Bengal, had filed a writ petition in the Hon'ble High Court of Calcutta challenging the validity of this enactment. The Hon'ble High Court has adjourned sine die so the realisation of dues gets automatically stayed. The Company has provided ₹ 58 (Previous Year ₹ 24) 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.

The above provisions are included in Note 5 - Provision for litigation/disputes.

28. "During the year E-waste (Management) Rules, 2016 ('E-Waste Rules') have been notified under the Environment (Protection) Act, 1986. The rules inter-alia cast a responsibility on manufacturer to collect electronic and electrical equipment ('EEE') waste generated from 'end-of-life' and channelize it for recycling or disposal.

Pursuant to Rules, Company applied for and has been granted Extended Producer Responsibility – Authorisation (EPR- Authorization) dated May 18, 2017 from Central Pollution Control Board (CPCB) as "Producer" under the Rules. The Company has taken professional advice on the applicability and implementation of the legislation and has concluded that collection of E-waste largely depends upon effective collection mechanism which has not been adequately addressed by the present regulation. As a norm, it is the consumer understanding which decides the end of life of a given product. While the regulation has defined the end of life of EEE, no obligatory responsibility has been put on the consumer for disposal of such goods. Another practical difficulty arises from point of view of establishing proper network of collection centers which will have all the facilities in accordance with norms of CPCB.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

There are ambiguities and probable implementation challenges to comply with this regulation. Therefore, the Company is unable to estimate and recognize the liability associated with the compliance of the regulation.”

**29.** The Company has foreign currency receivables aggregating to ₹ 441 (previous year amounting ₹ 160) which are outstanding for more than nine months as of March 31, 2017 and foreign currency payables aggregating to ₹ 1,075 (previous year amounting ₹ 424) which are outstanding for more than six months as of March 31, 2017. The company has applied to authorised dealer for extension of period for receipt of these receivables & payment of these payables vide letters dated August 4, 2017.

**30.** Estimated value of contracts remaining to be executed on capital account (net of advances) amount to ₹ 94 (Previous Year ₹ 209).

### **31. Future obligation on account of operating lease arrangements are as follows :**

	As at March 31, 2017	As at March 31, 2016
Not later than one year	767	692
Later than one year not later than 5 years	716	838
Later than 5 years	-	-
<b>Total</b>	<b>1,483</b>	<b>1,530</b>

**32.** Subsequent to the financial year, the Board of Directors have decided in Board Meeting held on June 27, 2017 to declare interim dividend related to financial year 2016-17 amounting to ₹ 12,264 (including Dividend Distribution Tax amounting ₹ 2,074).

### **33. Disclosures under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act)**

- i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end- ₹ 23 (Previous year ₹ 175)
- ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end- ₹ 223 (Previous year ₹ 167)
- iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year- ₹ 1,820 (Previous year ₹ 1,489)
- iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year- ₹ Nil (Previous year ₹ Nil)
- v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year- ₹ Nil (Previous year ₹ Nil)
- vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made- ₹ 18 (Previous year ₹ 18)
- vii) Further interest remaining due and payable for earlier years- ₹ 204 (Previous year ₹ 146)

### **34. Earnings per share (EPS)**

The following table reconciles the numerators and denominators used to calculate Basic and Diluted EPS for the period:

	Current Year	Previous Year
Net profit attributable to equity shareholders	6,991	5,491
Income available to equity shareholders	6,991	5,491



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

	Current Year	Previous Year
	Nos. '000	Nos. '000
Weighted average shares outstanding	106,377	106,377
	106,377	106,377
Nominal value of equity shares	10	10
Basic earnings per share	6.57	5.16
Diluted earnings per share	6.57	5.16

(There are no potential dilutive securities)

**35.** The Finance Act, 2001 has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulation for computing the taxable income from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing of Return of Income. For the year ended March 31, 2016, the company had undertaken study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant was obtained and did not envisage any tax liability.

The Transfer pricing study for the current year in respect of the international transactions entered into with associated enterprises on arm's length basis is in process to comply with the said regulation and tax liabilities, if any, will be known only on completion of the study.

### 36. Employee benefits

#### A. Defined contribution plans

- a) Superannuation Fund
- b) Employer's contribution to Provident Fund
- c) Employer's contribution to Employee State Insurance
- d) Employer's contribution to Employee's Pension Scheme, 1995

	Current Year	Previous Year
During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-		
Employer's Contribution to Superannuation Fund *	86	82
Employer's Contribution to Provident Fund*	135	130
Employer's contribution to Employees State Insurance*	#	#
Employer's contribution to Employees Pension Scheme 1995*	306	296

\* Included in 'Contribution to provident fund and other funds' under Employee benefits expense (Refer Note 22).

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

#### B. Defined Benefit Plans

- a) Gratuity
- b) Leave encashment /Compensated absence

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

### a) Gratuity:

The reconciliation of opening and closing balances of the present value of defined benefit obligations are as under:

<b>(i) Present Value of Defined Benefit Obligation</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Balance at the beginning of the year	1,347	1,109
Current Service Cost	138	118
Interest Cost	111	93
Actuarial (Gains) / Losses	209	66
Benefits paid	(105)	(39)
<b>Balance at the end of the year</b>	<b>1,700</b>	<b>1,347</b>

<b>(ii) Fair Value of Plan Assets</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Balance at the beginning of the year	1,096	909
Expected return on plan assets	86	74
Actuarial Gains/ (Losses)	15	7
Contribution by the Company	220	145
Benefits paid	(105)	(39)
<b>Balance at the end of the year</b>	<b>1,312</b>	<b>1,096</b>

<b>(iii) Major Category of Plan Assets as a % of total Plan Assets</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Life Insurance Corporation of India (100%)	1,312	1,096

<b>(iv) Assets and Liabilities recognised in the Balance Sheet</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Present Value of Defined Benefit Obligation	1,700	1,347
Less: Fair Value of Plan Assets	(1,312)	(1,096)
<b>Amounts recognised as liability</b>	<b>388</b>	<b>251</b>

<b>(v) Actual return on Plan Assets</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Actual return on Plan Assets	100	79

<b>(vi) Expense recognised in the Statement of Profit and Loss</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Current Service Cost	138	118
Interest Cost	111	93
Expected return on Plan Assets	(86)	(74)
Actuarial (Gains) / Losses	194	60
Past Service Costs	-	-
Settlements	-	-
Curtailements	-	-
<b>Total Expense</b>	<b>357</b>	<b>197</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

(vii) Actuarial Assumptions	Year ended March 31, 2017		Year ended March 31, 2016	
	Gratuity	Leave encashment/ compensated absence	Gratuity	Leave encashment/ compensated absence
Discount Rate	7.05% p.a.	7.05% p.a.	7.85% p.a.	7.85% p.a.
Expected Return on Plan Assets	7.50% p.a.	-	8.00% p.a.	-
Salary Growth Rate	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.

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.

**(viii) Amounts recognised in current year and previous four years**

Gratuity	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Defined Benefit Obligation	1,700	1,347	1,109	820	756
Plan Asset	1,312	1,096	909	810	750
Surplus / (Deficit)	(388)	(251)	(200)	(10)	(6)
Experience adjustments in plan liabilities	101	56	56	28	2
Experience adjustments in plan Assets	15	7	2	8	11

(ix) Expected Contribution to the Funds in the next year	As at March 31, 2017	As at March 31, 2016
Gratuity	200	100

**b) Leave encashment/ compensated absences:**

Leave encashment/ compensated absences are covered under other employee benefits for which no specific disclosure are required to be given in terms of AS-15 (revised) "Employee Benefits".

**C. Provident Fund:**

Till last year, the Company used to contribute to the "Aircon Management and Lady Confidential Staff Provident Fund" which was a defined benefit plan to the extent that the Company had an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Board of Directors in their meeting held on December 15, 2015 had passed a resolution to dissolve the 'Aircon Management and Lady Confidential Staff Provident Fund'. Accordingly, the Company had filed an application to Employees' Provident Fund organization (EPFO) which was accepted vide EPFO order dated January 20, 2016. In view of the EPFO order, the monthly provident fund contributions were started to be deposited with EPFO from January, 2016 onwards (contribution of December, 2015). Further, the accumulated balance standing to the credit of each employee as of transfer date in the books of the trust was transferred in totality to EPFO. Company's monthly contribution to EPFO is charged to Statement of Profit and Loss. In view of this monthly contribution now being 'Defined Contribution Plan', no specific disclosures are required under AS 15 'Employee Benefits'.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**37. Segment Reporting**

- a) Primary Segment Reporting (by Business Segments)  
Composition of Business Segments\*

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems. The Company's business segments are as under :

**Airconditioning**

It includes manufacturing / trading and supply of air conditioning systems

**Transportation System (Transport)**

It includes trading and supply of truck refrigeration systems.

**Information about primary segments - Business Segments**

(All amounts in ₹ Lacs, unless otherwise stated)

	Current Year		Previous Year		Total
	Airconditioning	Transport	Airconditioning	Transport	
<b>(i) Revenue</b>					
External sales and services (net)	110,661	7,133	117,794	4,314	104,657
Unallocated revenue			15,498		12,360
<b>Total Revenue</b>			<b>133,292</b>		<b>117,017</b>
<b>(ii) Segment results</b>					
Unallocated expenses net of unallocated income.	9,051	(240)	8,811	(318)	8,069
<b>Operating income</b>			266		(1,107)
Finance charges			9,077		6,962
Interest income			(123)		(116)
<b>Profit before tax</b>			1,951		1,713
Current tax			10,905		8,559
Deferred tax			4,325		3,910
Tax relating to earlier years			(411)		(847)
<b>Net Profit after tax</b>			<b>6,991</b>		<b>5,491</b>
<b>(iii) Other information</b>					
Segment assets		4,577	71,652	3,438	55,406
Unallocated assets	67,075		32,208		36,168
<b>TOTAL ASSETS</b>			<b>103,860</b>		<b>91,574</b>
Segment liabilities		7,252	41,082	5,871	35,960
Unallocated liabilities	33,830		62,778		55,614
<b>TOTAL LIABILITIES</b>			<b>103,860</b>		<b>91,574</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

	Current Year		Previous Year	
	Airconditioning	Transport	Total	Total
Capital expenditure	1,008	-	1,008	2,036
Unallocated Capital expenditure	-	-	-	-
<b>Total Capital expenditure</b>	<b>1,008</b>	<b>-</b>	<b>1,008</b>	<b>2,036</b>
Depreciation / Amortization	720	-	720	638
Unallocated Depreciation / Amortization	-	-	66	16
<b>Total Depreciation / Amortization</b>	<b>720</b>	<b>-</b>	<b>786</b>	<b>654</b>
Significant non-cash expense other than depreciation / amortization	1,231	41	1,272	1,519
Unallocated Significant non-cash expense other than depreciation / amortization	-	-	575	489
<b>Total Significant non-cash expense other than depreciation / amortization</b>	<b>1,231</b>	<b>41</b>	<b>1,272</b>	<b>1,519</b>
			<b>1,847</b>	<b>2,008</b>

b) As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers.

**Information about secondary segments - Geographical Segments**

	Revenue		Assets		Capital Expenditure	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	131,627	115,353	101,440	90,619	1,008	2,036
Outside India	1,665	1,664	2,420	955	-	-
<b>TOTAL</b>	<b>133,292</b>	<b>117,017</b>	<b>103,860</b>	<b>91,574</b>	<b>1,008</b>	<b>2,036</b>

\* Considering the changes during the year in terms of re-organisation of management structure and separate financial reporting system for the Refrigeration business along with Suppression and Onity businesses, these have been reported separately under 'unallocated reconciling items' which hitherto were part of 'Airconditioning and Refrigeration' segment till last year. In terms of requirements of Accounting Standard (AS)-17 on Segment Reporting previous year amounts have also been reclassified/regrouped accordingly.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

### **38. Related Party Disclosures:**

A. In accordance with the requirements of Accounting Standard (AS) - 18 on Related Party Disclosures, 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
- i) Automated Logic Corporation, Georgia
- j) Carrier Asia Pacific Operations Pte Ltd, Singapore
- k) Carrier International Sdn. Berhad, Malaysia
- l) United Technologies Corporation India Private Limited, India
- m) Carrier Race Technologies Private Limited, India
- n) UTC Fire & Security India Ltd., India
- o) Chubb Alba Control Systems Limited, India
- p) Otis Elevator Company (India) Limited, India
- q) UTC Fire & Security Singapore Pte Ltd, Singapore
- r) Autronica Fire and Security A/S, Denmark
- s) Kidde Deutschland GmbH, Germany
- t) Kidde Products Ltd
- u) Kidde-Fenwal, Inc., Delaware
- v) Toshiba Carrier AirConditioning Sales (Shanghai) Co., Ltd, China
- w) Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China
- x) Carrier Refrigeration Operation Czech Republic s.r.o, Czech Republic
- y) Carrier Refrigeration System Sales Service (Shanghai) Co. Ltd, China
- z) Onity, S.L., Spain
- aa) Onity Inc., Delaware
- ab) Carrier Commercial Refrigeration (Thailand) Ltd., Thailand



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

- ac) Supriya Elevators Company (India) Limited, India
- ad) UTC Fire & Security B.V., Netherlands
- ae) Carrier (Thailand) Limited, Thailand
- af) Carrier Hungary Refrigerating Trading and Manufacturing Limited Liability Co., Hungary
- ag) Gulf Security Technology Company Limited, China
- ah) Onity India Private Limited, India
- ai) Carrier Transicold Europe, France
- aj) Shanghai Carrier Transicold Equipment Co., Ltd, China
- ak) Chubb Group Security Limited, England
- al) Carrier Transicold Hong Kong Limited, Hong Kong
- am) Nippon Otis Elevator Company, Japan
- an) Carrier Transicold Pte. Ltd, Singapore
- ao) Walter Kidde Portable Equipment Inc., Delaware
- ap) UTC Fire & Security Americas Corporation, Inc., Delaware
- aq) Carrier Vietnam Air Conditioning Company Limited, Vietnam
- ar) Carrier Commercial Refrigeration, Inc., Delaware

### **iv) Key Management Personnel**

- a) Ashok Mirchandani (Whole Time Director)
- b) Nanda Kishore Lakkaraju (Whole Time Director)
- c) Aditya Jindal (Whole Time Director) -Resigned on February 12, 2016
- d) Arun Bhatia (Managing Director)
- e) Sugeeth Kumar (Whole Time Director)- W.e.f February 12, 2016

### **v) Associates**

- a) Carrier Aircon Employees' Co-operative Thrift & Credit Society Limited
- b) Aircon Management & Lady Confidential Staff Provident Fund [ Refer note 36 (C.)]
- c) Carrier Refrigeration Management Super Annuation Fund Trust



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**  
**38B - Description of Transactions with the Related Parties in the ordinary course of business (on an arm's length basis).** *(All amounts in ₹ Lacs, unless otherwise stated)*

Sl. No.	Name of the Party	Sale of Goods and Services	Purchase of Goods	Purchase of fixed assets	Commission Income	Expenses		Interest Income
						Incurring	Re-imbursment	
1	United Technologies South Asia Pacific Pte Ltd	-	-	-	-	-	10	-
2	Carrier Asia Limited, Hong Kong	-	1,412	-	1,379	-	104	-
3	UTC Fire & Security India Ltd., India	4	(1,264)	-	(763)	-	(64)	(-)
4	Carrier Corporation, Delaware	(24)	(46)	-	(365)	-	487	206
5	Carrier Transicold Europe S.C.S., France	-	(2,495)	-	(410)	-	403	82
6	United Technologies Corporation	-	(1,218)	-	-	-	-	(3)
7	United Technologies Corporation India Private Limited, India	-	-	-	-	-	-	-
8	Carrier Race Technologies Private Limited, India	3	263	-	-	-	12	82
9	Otis Elevator Company (India) Ltd., India	34	(152)	-	-	-	(21)	(22)
10	Chubb Alba Control Systems Limited, India	(29)	2	-	-	-	6	236
11	Aircor Management and Lady Confidential Staff Provident Fund	(60)	-	(98)	-	-	(43)	(299)
12	Carrier Refrigeration Management Superannuation Fund Trust	-	-	-	-	-	-	73
13	Shanghai Carrier Transicold Equipment Co., Ltd, China	-	3,633	-	-	-	-	-
14	Carrier Transicold Hong Kong Limited, Hong Kong	-	(2,235)	-	-	-	-	-
15	Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China	-	67	-	-	-	-	167
16	Carrier Singapore (PTE) Limited, Singapore	-	(26)	-	-	-	-	(219)
17	Chubb Group Security Limited, England	-	-	-	-	-	-	761
18	Nanda Kishore Lakkaraju	-	-	-	-	-	(5)	(159)
19	Ashok Mirchandani	-	-	-	-	-	13	422
20	Aditya Jindal	-	-	-	-	-	-	(65)
21	Arun Bhattia	-	-	-	-	-	-	246
22	Sugeeth Kumar	-	-	-	-	-	-	-
23	Others - Fellow subsidiaries	8	4,923	-	39	-	-	-
		(1)	(4,315)	-	(134)	-	-	-
	<b>Total Current Year</b>	<b>155</b>	<b>13,540</b>	<b>43</b>	<b>1,418</b>	<b>1,249</b>	<b>(1,065)</b>	<b>(569)</b>
	<b>Total Previous Year</b>	<b>(113)</b>	<b>(11,751)</b>	<b>(98)</b>	<b>(897)</b>	<b>(1,402)</b>	<b>(1,402)</b>	<b>(569)</b>

Figures in bracket represent previous year's figures  
 \* Amount is below the rounding off norm adopted by the Company.



(All amounts in ₹ Lacs, unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Sl. No.	Name of the Party	Remuneration Paid	Inter Corporate Deposits		Interest received	Trade Receivable	Outstanding Balances at year end		Trade payables	Guarantees Outstanding	Contribution to the Funds
			Given	Repayment received			Interest accrued	Interest received			
1	United Technologies South Asia Pacific Pte Ltd.	-	-	-	-	-	-	-	-	-	-
2	Carrier Asia Limited, Hong Kong	(-)	(-)	(-)	(-)	(-)	668	(-)	480	(-)	(-)
3	UTC Fire & Security India Ltd., India	(-)	(-)	(-)	207	175	(348)	32	(226)	(-)	(-)
4	Carrier Corporation, Delaware	(-)	(-)	(-)	(207)	(23)	(88)	1,856	(48)	(-)	(-)
5	Carrier Transicold Europe S.C.S., France	(-)	(-)	(-)	-	(-)	79	-	549	(-)	(-)
6	United Technologies Corporation	(-)	(-)	(-)	-	(-)	-	-	(784)	(-)	(-)
7	United Technologies Corporation India Private Limited, India	(-)	(-)	(-)	-	(-)	-	-	884	(-)	(-)
8	Carrier Race Technologies Private Limited, India	(-)	(-)	(-)	287	3	(807)	2,580	(807)	21,450	(-)
9	Otis Elevator Company (India) Ltd., India	(-)	(-)	(-)	(287)	(-)	(134)	(2,293)	(-)	(18,539)	(-)
10	Chubb Alba Control Systems Limited, India	(-)	(-)	(-)	-	(6)	(21)	6	(24)	(-)	(-)
11	Aircon Management and Lady Confidential Staff Provident Fund	(-)	(-)	(-)	63	(-)	(43)	562	3	(-)	(-)
12	Carrier Refrigeration Management Superannuation Fund Trust	(-)	(-)	(-)	(63)	(-)	(-)	(500)	(-)	(-)	(-)
13	Shanghai Carrier Transicold Equipment Co., Ltd, China	(-)	(-)	(-)	-	(-)	-	-	7	(-)	86
14	Carrier Transicold Hong Kong Limited, Hong Kong	(-)	(-)	(-)	-	(-)	-	-	1,737	(-)	(-)
15	Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd, China	(-)	(-)	(-)	-	(-)	-	-	(987)	(-)	(-)
16	Carrier Singapore (PTE) Limited, Singapore	(-)	(-)	(-)	-	(-)	-	-	5	(-)	(-)
17	Chubb Group Security Limited, England	(-)	(-)	(-)	-	(-)	-	-	(4)	(-)	(-)
18	Nanda Kishore Lakkaraju	148	(-)	(-)	-	-	871	-	-	-	-
19	Ashok Mirchandani	208	(-)	(-)	-	-	(159)	(-)	(-)	(-)	(-)
20	Aditya Jindal	(200)	(-)	(-)	-	(-)	67	(-)	4	(-)	(-)
21	Arun Bhatia	(80)	(-)	(-)	-	(-)	(64)	(-)	(-)	(-)	(-)
22	Suggeeth Kumar	(113)	(-)	(-)	-	(-)	135	(-)	(-)	(-)	(-)
23	Others - Fellow subsidiaries	(5)	(-)	(-)	-	(-)	(-)	(-)	(-)	(-)	(-)
		601	(-)	(-)	12	9	59	104	1,192	(-)	(-)
		(518)	(-)	(-)	(43)	(11)	(85)	(101)	(4,500)	(-)	(-)
		601	(-)	(-)	568	216	2,051	5,102	4,947	21,450	86
		(518)	(-)	(-)	(570)	(457)	(942)	(4,751)	(4,500)	(18,539)	(495)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

39. Certain employees/directors of the Company are eligible to participate in share based compensation plans of the ultimate holding company and have been granted incentive stock options, stock purchase rights and restricted stock units as per terms and conditions as specified in these plans. Since these plans are assessed, managed and administered by the ultimate holding Company, required information for disclosure as envisaged in the Guidance Note on Accounting for Employees Share Based Payments issued by the Institute of Chartered Accountants of India are not readily available with the Company. The ultimate holding company has not recharged such stocks based compensation expense to the Company during the year.

### 40. Cost of materials consumed:

Description	UOM	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Aluminium	Kgs	3,59,870	681	3,29,808	710
Compressor	Nos	31,352	4,374	30,933	4,399
Copper	Kgs	16,31,202	2,094	17,00,241	2,441
Evaporator / Condensor Coil	Nos	5,657	124	6,971	146
Foam	Nos	1,74,205	171	1,68,864	187
Glass	Nos	1,081	5	1,556	7
Indoor Unit	Nos	1,406	183	989	33
Motors	Nos	55,251	1,013	53,647	977
Cylinder	Nos	1,191	61	411	85
Refrigerant / Gas	Kgs	1,62,019	499	1,67,322	561
Nozzle	Nos	1,500	25	3,160	35
Valve	Nos	90,319	420	87,497	477
Others*			9,537		8,624
<b>Total</b>			<b>19,187</b>		<b>18,682</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.

### 41. Value of imported and indigenous raw materials, components, stores and spares consumed:

	Current Year		Previous Year	
	%	Amount	%	Amount
a) Raw materials and components				
Imported	59.62	11,439	63.71	11,902
Indigenous	40.38	7,748	36.29	6,780
<b>Total</b>	<b>100.00</b>	<b>19,187</b>	<b>100.00</b>	<b>18,682</b>
b) Stores and spares				
Imported	77.11	12,023	78.95	10,335
Indigenous	22.89	3,569	21.05	2,755
<b>Total</b>	<b>100.00</b>	<b>15,592</b>	<b>100.00</b>	<b>13,090</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**42. Information regarding Production, Purchases, Sales and Closing Stocks:**

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

Products	Opening Stock		Production	Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Qty (No's)	Amount
<b>Compressor</b>					
Current Year	297	12	-	161	7
Previous Year	342	13	-	297	12
<b>Room Airconditioners</b>					
Current Year	3,371	1,744	26,350	4,164	2,109
Previous Year	3,236	1,586	24,663	3,371	1,744
<b>AHU/ FCU &amp; Chillers</b>					
Current Year	362	412	1,231	262	555
Previous Year	156	412	1,235	362	412
<b>Condenser/Evaporator Module</b>					
Current Year	474	253	3,057	633	395
Previous Year	583	301	2,523	474	253
<b>Visi-Cooler</b>					
Current Year	16	3	-	10	1
Previous Year	18	3	-	16	3
<b>Freezers / Cold Room Systems</b>					
Current Year	1,776	339	4,928	1,681	376
Previous Year	3,402	602	5,867	1,776	339
<b>Cylinder &amp; Gas &amp; Fluid</b>					
Current Year	295	25	119,176	4,677	108
Previous Year	2,216	71	120,310	295	25
<b>Nozzle &amp; Valve</b>					
Current Year	68	6	2,840	91	3
Previous Year	96	7	2,985	68	6
<b>Suppression Accessories</b>					
Current Year	2	@	127	8	@
Previous Year	-	-	144	2	@

@ 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)	136	25,557	1,331	2,898	6	5,023
	Amount	1	22,283	4,316	2,062	@	1,311
Previous Year	Qty (Nos)	45	24,528	1,029	2,632	2	7,493
	Amount	2	21,135	4,590	1,757	@	1,995

		Cylinder & Gas & Fluid	Nozzle & Valve	Suppression Accessories
<b>Sale #</b>				
Current Year	Qty (Nos)	114,794	2,817	121
	Amount	3,231	200	5
Previous Year	Qty (Nos)	122,231	3,013	142
	Amount	3,368	183	7

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

# The unit sales quantities include Inventory adjustments as well.

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**(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	16,582	5,651	87,221	29,813	85,782	37,737	17,821	5,987
Previous Year	22,239	5,745	64,435	23,651	69,904	30,427	16,582	5,651
<b>AHU/FCU &amp; Chillers</b>								
Current Year	648	121	2,149	3,949	1,638	4,419	1,159	203
Previous Year	730	304	1,166	4,621	1,247	5,873	648	121
<b>Stabilizers &amp; others</b>								
Current Year	48,602	924	1,12,238	3,044	1,19,972	3,591	40,681	929
Previous Year	51,747	956	1,38,214	2,071	1,41,195	3,317	48,602	924
<b>Truck Refrigeration</b>								
Current Year	405	1,541	1,315	6,443	1,172	6,544	548	2,201
Previous Year	295	964	840	3,841	730	3,899	405	1,541
<b>Freezers &amp; System</b>								
Current Year	128	80	13,913	1,994	13,954	2,479	87	144
Previous Year	176	112	8,904	1,422	8,951	1,871	128	80
<b>Condenser/Evaporator</b>								
Current Year	49	59	429	586	427	792	51	55
Previous Year	41	40	286	595	278	738	49	59
<b>Cylinder</b>								
Current Year	4	1	572	246	567	349	9	3
Previous Year	45	21	166	622	207	127	4	1
<b>Nozzle &amp; Valve</b>								
Current Year	1,811	42	9,465	80	8,953	97	2,323	47
Previous Year	2,013	58	2,472	51	2,674	87	1,811	42

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

\*\* Excludes 200 Room Air Conditioners (Previous Year 188) capitalised during the year.

\*\*\* Excludes 187 (Previous Year 164) Stabilisers capitalised during the year.

\*\*\*\* Excludes Nil (Previous year 1) Chiller capitalised during the year

\*\*\*\*\* Excludes Nil (Previous year 1) Freezer / System 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.

**42 (c) Details of Work in progress:**

	Current Year	Previous Year
Room Airconditioners	51	80
AHU/ FCU & Chillers	19	22
Condenser/Evaporator Module	15	1
Freezers / Cold Room Systems	21	18
<b>Total</b>	<b>106</b>	<b>121</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(All amounts in ₹ Lacs, unless otherwise stated)

**43. C I F value of imports:**

	Current Year	Previous Year
Raw materials and components	9,614	10,937
Finished goods	34,883	27,891
Spares	10,495	10,228
Capital goods	102	574
<b>Total</b>	<b>55,094</b>	<b>49,630</b>

**44. Expenditure in foreign currency:**

(On accrual basis-net of tax)

	Current Year	Previous Year
Dealer/ Service Commission	264	206
Cartage and Freight Outward (net of recoveries)	152	104
Communication expenses	310	116
Research and Development	51	101
Royalty	124	124
Training	35	11
Others	9	121
<b>Total</b>	<b>945</b>	<b>783</b>

**45. Earnings in foreign exchange :**

(On accrual basis)

	Current Year	Previous Year
a) FOB value of exports	1,665	1,664
b) Commission	1,730	1,189
<b>Total</b>	<b>3,395</b>	<b>2,853</b>

**46. Derivative instruments and unhedged foreign currency exposure :**

a. Derivatives outstanding as at the reporting date :

Particulars	Purpose	As at March 31, 2017		As at March 31, 2016	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Forward contracts to buy JPY	Hedge of Trade payables	1,31,18,239	76	-	-
Forward contracts to buy CNY	Hedge of Trade payables	27,98,616	273	-	-
Forward contracts to buy USD	Hedge of Trade payables	16,54,166	1,118	29,62,958	2,025

b. Particulars of unhedged foreign currency exposures as at the reporting date :

Particulars	Currency	As at March 31, 2017		As at March 31, 2016	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Trade payables	DKK	-	-	3,14,766	32
	EUR	13,85,800	960	1,72,095	130
	GBP	93,345	75	24,577	23
	JPY	3,49,76,882	204	4,62,46,769	273
Trade receivables	USD	1,62,90,696	10,563	1,18,42,889	7,847
	CNY	49,46,033	466	67,08,285	688
	JPY	3,21,092	2	5,68,986	3



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Currency	As at March 31, 2017		As at March 31, 2016	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Other current assets	EUR	4,407	3	4,407	3
	JPY	20,54,296	12	-	-
	USD	12,58,157	816	10,29,237	682
Long-term loans and advances	USD	2,272	1	15,820	10
Short-term loans and advances	EUR	20,000	14	11,518	9
	USD	64,364	42	1,08,159	72
	GBP	3,750	3	-	-

47. The company has provided a Corporate Guarantee aggregating to ₹ 6,242 (Previous year ₹ 6,242) 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.

### 48. Corporate Social Responsibility expenditure:

(a) Gross amount required to be spent by the company during the year ₹169 (Previous year ₹168)

(b) Amount spent during the year on :

S. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	169	-	169
		(167)	(1)	(168)

Figures in bracket represent previous year's figures

The Company has undertaken projects which are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

### 49. Disclosure of Specified Bank Notes (SBNs) as required by notification no. G.S.R. 308 (E) issued by Ministry of Corporate Affairs as follows:

Particulars	SBNs	Other Denomination Notes	Total Amount
Closing cash in hand as on November 8, 2016	82,500	8,619	91,119
(+) Permitted receipts	-	4,508	4,508
(-) Permitted payments	-	-	-
(+) Non- Permitted receipts	11,500	-	11,500
(-) Non- Permitted payments	-	-	-
(-) Amount deposited in Banks	94,000	230	94,230
Closing cash in hand as on December 30, 2016	-	12,897	12,897

50. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants

On behalf of the Board of Directors

Sd/-  
Sugeeth Kumar  
WTD & Chief Financial Officer  
DIN: 07420265

Sd/-  
Arun Bhatia  
Managing Director  
DIN: 00031279

Sd/-  
Partner: Amitesh Dutta  
Membership No: 058507

Sd/-  
Kunal Aggarwal  
Company Secretary  
Membership No: 35119

Place : Gurugram  
Date: August 21, 2017

Place : Gurugram  
Date: August 21, 2017



**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 25<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 20<sup>th</sup> September, 2017 at 11:30 A.M. at Lemon Tree Premier, Leisure Valley 2, Plot No. 43-47, Near City Centre, Sector 29, Gurugram-122001, Haryana 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 receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017, and the reports of Board of Directors and Auditor(s) thereon.		



Resolution Number	Resolution	Vote	
		For	Against
2	To confirm payment of interim dividend on equity shares of the Company.		
3	To appoint M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration Number: 116231W/W-100024), as Statutory Auditors of the Company and to fix their remuneration.		
4	To appoint a Director in place of Mr. Arun Bhatia (DIN: 00031279), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
5	Appointment of Mr. Rahul Jain (DIN: 07858457) as Whole-time Director of the Company.		
6	Re-appointment of Mr. Nanda Kishore Lakkaraju (DIN: 05233356) as Whole-time Director of the Company.		
7	Alteration of Article of Association of the Company.		
8	Ratification of remuneration payable to Cost Auditors of the Company for the Financial Year 2017-18.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

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.



## Carrier Airconditioning & Refrigeration Limited

**Registered Office:** Narsingpur, Kherki Daula Post

Gurgaon – 122 001, Haryana

**CIN:** U74999HR1992FLC036104

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

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

**Tel.:** +91-124-4825500; **Fax:** +91-124-2372230

### ATTENDANCE SLIP

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 25<sup>th</sup> Annual General Meeting of the Company held on 20<sup>th</sup> September, 2017 at 11:30 A.M. at Lemon Tree Premier, Leisure Valley 2, Plot No. 43-47, Near City Centre, Sector 29, Gurugram-122001, Haryana.

Name of the Member/ Proxy

Signature of Member/ Proxy

#### Note:

Electronic copy of the Annual Report for 2017 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.



## MAP TO AGM VENUE

### Lemon Tree Premier

Leisure Valley 2, Plot No. 43-47, Near City Centre,  
Sector 29, Gurugram-122001, Haryana







## **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)