



CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

ANNUAL REPORT
2022 - 23

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Carrier Airconditioning & Refrigeration Limited
(CIN: U74999HR1992FLC036104)**The Board of Directors:**

Mr. Chirag Baijal*
(DIN: 08465289)
Managing Director

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

Mr. Siraj Azmat Chaudhry
(DIN: 00161853)
Independent Director

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

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

Ms. Simran Thapar
(DIN: 09026461)
Whole-time Director

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

Board Committees:**Nomination and Remuneration Committee:**

Mr. Siraj Azmat Chaudhry
(DIN: 00161853)
Chairman

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Member

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

Audit Committee:

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Chairman

Mr. Siraj Azmat Chaudhry
(DIN: 00161853)
Member

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

Corporate Social Responsibility Committee:

Mr. Siraj Azmat Chaudhry
(DIN: 00161853)
Chairman

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Member

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

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

Stakeholder Relationship Committee:

Mr. Narendra Singh Sisodia
(DIN: 06363951)
Chairman

Mr. Pritesh Agrawal
(DIN: 08757017)
Member

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

*Mr. Chirag Baijal has resigned from the position of Managing Director w.e.f 31st July, 2023.

** Mr. Chirag Baijal has resigned as a Member of the Corporate Social Responsibility Committee w.e.f 31st July, 2023.

Key Managerial Personnel:

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

Mr. Anurag Gupta
(PAN: AXLPG6714B)
Company Secretary

Auditors:

MSKA & Associates
Statutory Auditors
(ICAI Firm Registration Number: 105047W)

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

DMK Associates, Company Secretaries
Secretarial Auditors
(UIN No.: P2006DE003100)

Bankers:

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

Registrar and Share Transfer Agent:

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

Registered Office and Corporate Headquarters:

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

NOTICE OF THE 31ST ANNUAL GENERAL MEETING



NOTICE is hereby given that the 31st Annual General Meeting of members of Carrier Airconditioning & Refrigeration Limited (“**the Company**”) will be held on **Friday, September 8, 2023 at 12:00 noon** through Video Conferencing (“**VC**”) / Other Audio-Visual Means (“**OAVM**”) to transact the following businesses:

ORDINARY BUSINESS:

1. **To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the report of Board of Directors and Auditors thereon and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:**

“Resolved that the audited financial statements of the Company for the financial year ended March 31, 2023 together with the report of Board of Directors and Auditors thereon, be and are hereby considered and adopted.”

2. **To appoint Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) who retires by rotation and being eligible, offers himself for re-appointment as a director of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:**

“Resolved that Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895) 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.”

3. **To appoint Ms. Simran Thapar (DIN: 09026461) who retires by rotation and being eligible, offers herself for re-appointment as a director of the Company and in this regard to consider and if thought fit to pass, with or without**

modification(s), the following resolution as an ordinary resolution:

“Resolved that Ms. Simran Thapar (DIN: 09026461) who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company liable to retire by rotation.”

4. **To declare final dividend of Rs. 1 per equity share for the financial year ended March 31, 2023 and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:**

“Resolved that a final dividend of Rs. 1 per equity share having face value of Rs. 10 each, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023 and shall be paid to members of the Company whose names appear in the register of members as on September 1, 2023, out of the profits of the Company.

SPECIAL BUSINESS:

5. **To re-appoint Mr. Siraj Azmat Chaudhry (DIN: 00161853) as an Independent Director on the Board of Directors of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as Special Resolution:**

“Resolved that pursuant to the provisions of section 149, 150 and 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable laws (including any statutory modifications and / or re-enactment thereof, for the time being in force) and based on the recommendation of the Nomination and

Remuneration Committee, Mr. Siraj Azmat Chaudhry (DIN: 00161853) who was appointed as an Independent Director of the Company for a term of 2 (two) consecutive years commencing from 29th November, 2021 till 28th November, 2023 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years with effect from 29th November, 2023 till 28th November, 2028.

Resolved further that any of the Director or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient and to sign and execute all necessary documents, applications and returns along with the filing of e-form with the jurisdictional Registrar of Companies and do all acts as may be required to give effect the aforesaid resolution.”

6. To ratify remuneration of cost auditors of the Company for the financial year 2023-24 and in this regard to consider and if though fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

“Resolved that pursuant to the provisions of

section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable laws, (including any statutory modification and/or re-enactment thereof, for the time being in force) and based on the recommendation of Audit Committee, the remuneration of Jain Sharma and Associates, Cost Accountants (Firm Registration No. 000270) who have been appointed as cost auditors by the Board of Directors to conduct the audit of the cost records of the Company, as per the scope of work approved by the Board of Directors, for the financial year 2023-24 at the remuneration of Rs. 3,65,000/- (Rupees Three Lacs Sixty Five Thousand Only) excluding out of pocket expenses and taxes as applicable and is hereby ratified.

Resolved further that any of the Director or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient and to sign and execute all necessary documents along with the filing of e-form with the jurisdictional Registrar of Companies and do all acts as may be required to give effect the aforesaid resolution.”

Registered Office:

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

Regd. Office: Narsingpur, Kherki Daula Post,
Gurgaon – 122001, Haryana

Website: www.carrierindia.com

E-mail: secretarial@carrier.com

Tel: +91-124-4825500

Fax: +91-124-2372230

Place: Gurugram

Date: August 9, 2023

By order of the Board of Directors

For **Carrier Airconditioning & Refrigeration Limited**

Sd/-

Anurag Gupta

Company Secretary

Membership No.: ACS 43500

NOTES

1. In accordance with General Circulars No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 10/2022 dated December 28, 2022 and / or any other applicable notification / circular (collectively referred to as “**MCA Circulars**”) issued by Ministry of Corporate Affairs (“**MCA**”) wherein MCA permitted convening of the Annual General Meeting through Video Conferencing (“**VC**”) or Other Audio Visual Means (“**OAVM**”) without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“**Act**”) and the rules made thereunder, the 31st AGM of the Company will be held through VC / OAVM and the members can attend and participate in the 31st Annual General Meeting (“**AGM**” / “**Meeting**”) of the Company through VC / OAVM. The deemed venue for the AGM of the Company shall be the registered office of the Company i.e., Narsingpur, Kherki Daula Post, Gurugram - 122001, Haryana, India.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business to be transacted at the AGM is annexed hereto and forms part of this notice.
3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Since this AGM of the Company is being held through VC / OAVM pursuant to the MCA Circulars, the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available at the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in pursuance of Section 113 of the Act, a body corporate if it is member of the Company can authorize such person as it thinks fit, to act as its representative and such authorized person shall be entitled to exercise voting through remote e-voting, for participate in the AGM through VC / OAVM facility and e-voting during the AGM.
4. Since the AGM will be held through VC / OAVM, the route map of the venue of the AGM is not annexed hereto.
5. Details of Directors retiring by rotation / seeking appointment at this Meeting are provided in the “**Annexure – I**” and Explanatory Statement to the Notice.
DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:
6. In compliance with the MCA Circulars, Notice of the 31st AGM of the Company along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company / depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website <https://www.carrier.com/commercial/en/in/investor/> and on the website of Registrars and Share Transfer Agent of the Company i.e. MCS Share Transfer Agent Limited (“**MCS Share Transfer Agent**”) at <http://www.mcsregistrars.com/downloads.php> and also on the website of Central Depository Services (India) Limited (“**CDSL**”), agency appointed for providing the remote e-voting and e-voting systems during the 31st AGM at www.evotingindia.com.
7. For receiving all communications including Annual Report from the Company electronically: Members holding shares in physical mode and who have not registered / updated their email addresses with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial@carrier.com or to Registrar & Share Transfer agent of Company i.e. MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -110020 at admin@mcsregistrars.com.
Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant which is mandatory while e-voting and joining virtual meetings through Depository.
PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:
8. Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members tab by using the remote

e-voting credentials. The link for VC / OAVM will be available in shareholder / members tab where the EVSN of the Company will be displayed after successful login as per the instructions mentioned for e-voting.

9. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the instructions for shareholders for remote e-voting below after point 15.
10. Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members are encouraged to join the meeting through Laptops / iPad for better experience.
12. The participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
13. The Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
14. The Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 15 (Fifteen) days prior to meeting mentioning their name, Demat account number / folio number, email id, mobile number at the Company email id secretarial@carrier.com. Those members who have registered themselves as a speaker will be

allowed to express their views / ask questions during the meeting.

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

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

16. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (“MCA”) vide the aforesaid MCA Circulars. The forthcoming AGM will thus be held through video conferencing (“VC”) or other audio visual means (“OAVM”). Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and MCA Circulars, the Company is pleased to provide remote e-voting facility to its members to cast their votes electronically on all resolutions set forth in this Notice of AGM. The members may cast their votes remotely using an electronic voting system on the dates mentioned herein below (“remote e-voting”). For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
18. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
19. The voting period begins on **5th September, 2023 at 9:00 a.m. and ends on 7th September, 2023 at 5:00 p.m.** During this period shareholders of the Company, holding shares either in physical form

or in dematerialized form as on the cut-off date (record date) of **1st September, 2023** may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

20. Despite availability of e-voting facility, it has been observed that the participation by the public non - institutional shareholders / retail shareholders is at a negligible level. Currently there are multiple e-voting service providers (“**ESPs**”) providing e-voting facility in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process pursuant to a public consultation it has been decided to enable e-voting to all the Demat account holders by way

of a single login credential, through their Demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their votes without having to register again with the ESPs, thereby not only facilitating seamless authentication but also enhancing ease and convenience of participation in e-voting process. Accordingly, individual shareholders holding securities in Demat mode can vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat accounts in order to access e-Voting facility.

21. The Login method for e-Voting and joining virtual meetings for individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with Central Depository Services India Limited (CDSL)	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers i.e., CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN Number from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with National Securities Depository Limited (NSDL)	<ol style="list-style-type: none"> 1. If the user is already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.	

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL.	
Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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For Members holding shares in Physical Form and other than individual shareholders holding shares in Demat.

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on “Shareholders” module.
- iii. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID
 - c. Members holding shares in physical form should enter folio number registered with the Company.

OR

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

- iv. Next enter the image verification as displayed and Click on Login.
- v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 Digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ MCS Share Transfer Agent or contact Company/ MCS Share Transfer Agent at secretarial@carrier.com or admin@mcsregistrars.com.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- vii. After entering these details appropriately click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password

with any other person and take utmost care to keep your password confidential.

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for Carrier Airconditioning & Refrigeration Limited.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - xiii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xiv. Once you “CONFIRM” your vote on the resolution you will not be allowed to modify your vote.
 - xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
 - xvi. If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
 - xvii. Members can also cast their vote using CDSL’s mobile app “m-Voting” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**
22. The facility for voting through electronic voting system during the AGM shall be made available only to those members who are present in the AGM through VC / OAVM facility and have not casted their votes on the resolutions through remote e-voting and are otherwise not barred from doing so. The procedure for e-voting on the day of the AGM is same as per instructions mentioned above for remote e-voting.
 23. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC / OAVM facility, then the votes casted by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM.
 24. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his/her share in the paid-up equity share capital of the Company as on the cut-off date i.e., **1st September, 2023**.
 25. The Board of Directors have appointed Mr. Deepak Kukreja, Practicing Company Secretary (CP No. 8265) and failing him, Ms. Monika Kohli, Practicing Company Secretary (CP No. 4936) as scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
- NOTE FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:**
26. Non-Individual shareholders i.e., other than Individuals, HUF, NRI etc. and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 27. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 28. After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 29. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their votes.
 30. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 31. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer at deepak.kukreja@dmkassociates.in and to the Company at the email address secretarial@carrier.com if they have voted from

individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

For shareholders who holds shares in physical form - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email address at secretarial@carrier.com or to Registrar and Transfer agent of Company on email address at admin@mcsregistrars.com.

For shareholders who holds shares in Demat form - Please provide Demat account details (CDSL 16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company email address secretarial@carrier.com or to Registrar and Transfer Agent of Company on email address admin@mcsregistrars.com.

After due verification the Company / MCS Share Transfer Agent will forward your login credentials to your registered email address.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

32. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice of the AGM will be available electronically for inspection by the members during the AGM <https://www.carrier.com/commercial/en/in/investor/> and can also be inspected at the registered office of the Company during business hours up to the date of passing of above said resolution. Members seeking to inspect such documents can send an email to secretarial@carrier.com
33. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 25th August, 2023 through email on secretarial@carrier.com. The same will be replied by the Company suitably.

IEPF RELATED INFORMATION:

34. Pursuant to the provisions of section 124 of the Act, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules, 2016”) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”) constituted by the Central Government.
35. As per the provisions of IEPF Rules, 2016 the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company on its website and the same can be accessed through the web-link: <https://www.carrier.com/commercial/en/in/investor/>. The said details have also been uploaded on the website of investor education and protection fund and can be accessed through the link: www.iepf.gov.in.
36. The members who have not yet encashed their dividend warrant(s) for such period may send their request for revalidation of dividend warrant(s) or issue of duplicate dividend warrant(s) as the case may be to the Company well before the due date of transfer to IEPF.

Unclaimed amount of final dividend declared by the Company for the financial year 2009-10 and 2014-15 was transferred to the Investor Education and Protection Fund in the year 2017 and 2021 respectively within the prescribed time.

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

INTIMATION FOR COMPULSORY TRANSFER OF EQUITY SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF") SUSPENSE ACCOUNT

As you are aware, dividend declared by the Company is remitted either electronically or by sending dividend warrants to the registered address of the eligible shareholders.

As per Section 124(5) of the Act, any dividend remaining unpaid / unclaimed for a period of seven (7) years is required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company has regularly uploaded on its website and also on the website of the Ministry of Corporate Affairs, Government of India, full details of such unpaid or unclaimed dividends before transferring to IEPF.

Further, Section 124 (6) requires that all the shares in respect of which unpaid / unclaimed dividend has been transferred to IEPF, shall also be transferred to IEPF. Ministry of Corporate Affairs has notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" which have come into force from September 7, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid / claimed for seven consecutive years

or more, in the name of IEPF Suspense Account.

We request you to claim the dividends for financial year 2016-17 and onwards if unclaimed by making an application along with (a) copy of PAN card (b) a cancelled cheque of your registered bank account and (c) the original un-encashed Dividend warrant or a duly filled in indemnity bond available on the website of the Company and send it to Registrar and Transfer Agents of Company i.e., MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020, India. In case you fail to claim the above dividend, all your shares (whether held in physical or electronic form) will be transferred as per the said IEPF Rules, 2016 by the Company to IEPF Suspense Account in the name of the Company.

As per the above mentioned Rules, shares held in physical form are liable to be transferred to IEPF Suspense Account, by issuing duplicate share certificates and upon issue of such duplicate share certificates, the original share certificate(s) which stand registered in your name will be deemed cancelled and non - negotiable.

In case shares are held in Demat form and are liable to be transferred to IEPF Suspense Account, the Company will give Delivery Instruction Slip to the Depository for transfer of shares to IEPF Suspense Account in the name of the Company.

However, you can claim from IEPF Authority, both unclaimed dividend amount and the shares transferred to IEPF Suspense Account by making an application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered specimen signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its registered office or to MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company at F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020, India for verification of your claim. The Company shall send a verification report to IEPF Authority for payment of the unclaimed dividend amount and transfer of the relevant shares back to the credit of the shareholder.

In case the Company do not hear anything on this intimation we shall, with a view to comply with the requirements of the said Rules, transfer the shares to IEPF Suspense Account in the name of the Company by the due date as per procedure

stipulated in the Rules, without any further notice. Please note that no claim shall lie against the Company or against MCS Share Transfer Agent Limited, Registrar and Transfer Agents of the Company in respect of unclaimed dividend amount and shares transferred to IEPF authority/ suspense account in the name of the Company pursuant to the said Rules.

The IEPF Rules and the application form (Form

IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Company at <https://www.carrier.com/commercial/en/in/investor/unclaimed-dividends/> and also on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Please feel free to contact the Company / MCS Share Transfer Agent Limited in case you have any queries at their following address / email / telephone number:

To the Company:

Carrier Airconditioning & Refrigeration Limited

(U74999HR1992FLC036104)

Narsingpur, Kherki Daula post,
Gurugram – 122001, Haryana, India

Phone: 0124 4825500

Fax: + 91 124 2372230

Email: secretarial@carrier.com

Website: <http://www.carrierindia.com>

To the Registrar and Transfer Agents:

MCS Share Transfer Agent Limited,

(U67120WB2011PLC165872),

F-65, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi-110020

Tel No. +91 11 41406149

Email id: bonds@mcsregistrars.com

admin@mcsregistrars.com

Website: www.mcsregistrars.com

DIVIDEND RELATED INFORMATION

Subject to approval of members at the AGM, the dividend will be paid within timelines prescribed under law to the members whose names appear on the Company's register of members as on the record date and in respect of the shares held in dematerialised mode, to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details. Members are requested to register / update their complete bank details and PAN:

- (a) with their Depository Participant(s) with which they maintain their Demat accounts, if shares are held in dematerialised mode, by submitting forms and documents as may be required by the Depository Participant(s); and

- (b) with the Company/MCS Share Transfer Agent by emailing at admin@mcsregistrars.com if shares are held in physical mode by submitting: (i) scanned copy of the signed request letter which shall contain member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

TAX DEDUCTIBLE AT SOURCE / WITHHOLDING TAX:

Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ MCS Share Transfer Agent / Depository Participant.

A. Resident Shareholders:

- A.1. Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Valid PAN updated in the Company's register of members.	10%	No document required. If dividend does not exceed Rs. 5,000/-, no TDS/ withholding tax will be deducted. Also, please refer note (v) below.
2.	No PAN/Valid PAN not updated in the Company's register of members.	20%	TDS / Withholding tax will be deducted regardless of dividend amount, if PAN of the shareholder is not registered with the Company / MCS Share Transfer Agent / Depository Participant. All the shareholders are requested to update, on or before September 1, 2023, their PAN with their Depository Participant (if shares are held in electronic form) and Company / MCS Share Transfer Agent (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3.	Non filing of ITR for the preceding 2 fiscal years	20%	The total TDS amounts to Rs. 50,000/- or above for each of the 2 preceding years.
4.	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before September 1, 2023

A.2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit following documents as mentioned in column no. 4 of the below table

with the Company / MCS Share Transfer Agent / Depository Participant on or before September 1, 2023.

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non- Resident shareholder	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial	FPI registration certificate in case of FIIs / FPIs. To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment / fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
2.	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
3.	Availability of Lower / NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4.	Any non-resident shareholder exempted from withholding Tax deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from withholding Tax deduction

(i) The Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.

(ii) The aforesaid documents such as Form 15G/ 15H documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate,

Lower Tax certificate etc. can be sent on email admin@mcsregistrars.com and secretarial@carrier.com on or before September 1, 2023 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination / deduction received after September 1, 2023 shall not be considered. Formats of Form 15G / Form 15H are available on the website of the Company and can be downloaded from the link <https://www.carrier.com/commercial/en/in/investor/unclaimed-dividends/>

- (iii) Application of TDS rate is subject to necessary verification by the Company, of the shareholder details as available in register of members as on the record date and other documents available with the Company/ MCS Share Transfer Agent.
- (iv) In case TDS is deducted at a higher rate an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed Rs. 5,000/-. However, where the PAN is not updated in Company/ MCS Share Transfer Agent / Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of Rs. 5,000/- (Rupees Five Thousand Only).
- (vi) All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / MCS Share Transfer Agent (if shares are held in physical form) against all their folio holdings on or before September 1, 2023.
- (vii) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also provide the Company with all information / documents and co-operation in any appellate proceedings. This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

OTHER INFORMATION

- 38. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of the quorum under Section 103 of the Companies Act.
- 39. The Company's ISIN number is INE040I01011.
- 40. The members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Limited, registrar and share transfer agent of the Company for consolidation into a single folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
- 41. In case of joint holders only such joint holder whose name appears as the first holder in the order of names as per the register of members of the Company shall be entitled to attend and vote.
- 42. Pursuant to section 72 of the Companies Act, 2013 the members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13 pursuant to the rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, to the Registrar and Transfer Agents of the Company. Members holding shares in Demat form may contact their respective depository participants for recording of nomination.
- 43. Non-resident Indian members are requested to inform the Company's Registrar and Share Transfer Agent. i.e., MCS Share Transfer Agent Limited immediately: (i) the particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank if not furnished earlier; and (ii) any change in their residential status on return to India for permanent settlement.
- 44. The ministry of corporate affairs has taken a green initiative in corporate governance by allowing paperless compliances by the companies and has issued circulars allowing companies to send official documents to their members electronically to prevent global environment degradation. In support of the green initiative your Company proposes to send the documents i.e., notice convening general meetings, annual report containing audited financial statements, directors' report, auditors' report etc. and other

communications in electronic form. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses in respect of electronic holdings with the depository through their concerned depository participants. The members who hold shares in physical form are requested to register their e-mail addresses with the Company.

45. The register of members and the share transfer register of the Company will remain closed from **September 2, 2023** till **September 8, 2023** (both days inclusive) for the purpose of 31st AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means and e-voting during the 31st AGM is **September 1, 2023**.
46. 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., September 1, 2023 shall only be entitled to avail the facility of remote e-voting / e-voting during the AGM. Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e., September 1, 2023 may obtain their user ID and password for remote e-voting and e-voting during AGM by sending a request to Registrar and Share transfer agent i.e., MCS Share Transfer Agent Limited at admin@mcsregistrars.com. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purposes only.
47. The scrutinizer after scrutinizing the votes casted at the AGM (e-voting during 31st AGM) and through remote e-voting, will not exceeding 3 days from the conclusion of the AGM, make a consolidated scrutinizer's report of the votes casted in favor or against, if any, and submit the same to the Chairman of the AGM. The results declared shall be available on the website of the Company <https://www.carrier.com/commercial/en/in/investor/unclaimed-dividends/> 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL

MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (SECRETARIAL STANDARD 2):

Item No. 5: To re-appoint Mr. Siraj Azmat Chaudhry (DIN: 00161853) as an Independent Director on the Board of Directors of the Company:

Mr. Siraj Azmat Chaudhry (DIN: 00161853) was appointed as an Independent Director of the Company with effect from 29th November, 2021 for a period of 2 (two) years and shall hold the office as such till 28th November, 2023 ("First Term"). As per section 149(10) of the Companies Act, 2013 ("Act"), an Independent Director can be re-appointed for another term of up to 5 (five) consecutive years by passing a special resolution by the Company. The Company has received a notice in writing under section 160 of the Act, from Mr. Chaudhry proposing his candidature for the office of Independent Director of the Company.

The Company has received declaration from Mr. Chaudhry that he meets the criteria of independence as prescribed under section 149(6) of the Act. Mr. Chaudhry is not disqualified from being appointed as a director in terms of section 164 of the Act and has given his consent to act as an Independent Director of the Company. Mr. Chaudhry do not hold any equity shares by himself or on beneficial basis for any other person in the Company as on date of this Notice.

In accordance with the provisions of Section 150 of the Act read with the applicable rules made thereunder, Mr. Siraj Azmat Chaudhry has confirmed that he has registered himself with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs ("IICA"). Mr. Chaudhry is exempted from the online proficiency self-assessment test conducted by IICA.

Considering the immense contribution of Mr. Siraj Azmat Chaudhry during his First Term as an Independent Director and taking into account the declarations and consent received, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings dated 9th August, 2023 have recommended the re-appointment of Mr. Siraj Azmat Chaudhry as an Independent Director for second term of 5 (five) consecutive years with effect from 29th November, 2023 till 28th November, 2028.

Further, the performance evaluation of Mr. Siraj Azmat Chaudhry was carried out by the Board based on various criteria, inter alia including attendance at Board and Committee Meetings and their advice, inputs and contribution therein, skills possessed, experience, knowledge acquired with regard to the Company's business, understanding of industry, etc. Given the high performance ratings received by Mr. Siraj Azmat Chaudhry, and based on the recommendation of the Nomination and Remuneration Committee, the Board is of the view that continued association of Mr. Siraj Azmat Chaudhry as Independent Directors of the Company would be of immense benefit and value to the Company.

Accordingly, it is proposed to re-appoint Mr. Siraj Azmat Chaudhry as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of directors of the Company.

In the opinion of the Board of Directors, Mr. Siraj Azmat Chaudhry fulfils the conditions for re-appointment as an Independent Director as per Companies Act, 2013. Mr. Chaudhry would continue to be entitled to receive sitting fees for attending the Meetings of the Board of Directors and Committees thereof, re-imbusement for travel and lodging expenses incurred in connection with attending Board / Committee meetings, within the limits approved by the Board of Directors of the Company from time to time.

A copy of letter of appointment of Mr. Siraj Azmat Chaudhry (DIN: 00161853) setting out the terms and conditions of the re-appointment will be available electronically for inspection by the members during the AGM of the Company on the website of the Company at <https://www.carrier.com/commercial/en/in/investor/> and can also be inspected at the registered office of the Company during business hours up to the date of passing of above said resolution. The Board of Directors recommends the special resolution set out at item number 5 of the notice for approval of members.

Save and except Mr. Siraj Azmat Chaudhry and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other directors / key managerial personnel of the Company / their relatives are in any way

concerned or interested financially or otherwise in the resolution.

Item No. 6: To ratify remuneration of cost auditors of the Company for the financial year 2023-24:

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

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of Jain Sharma & Associates, Cost Accountants (Firm Registration Number 000270) as cost auditors of the Company for the financial year 2023-24 at a remuneration of Rs. 3,65,000/- (Rupees Three Lacs Sixty Five Thousand Only) excluding out of pocket expenses and taxes as applicable.

Accordingly, the consent of the members is sought by passing an ordinary resolution as set out at item number 6 of the notice for ratification of the remuneration payable to the cost auditors for the financial year 2023-24.

The relevant documents referred to in this resolution, if any, will be available electronically for inspection by the members during AGM of the Company on the website of the Company at <https://www.carrier.com/commercial/en/in/investor/> and can also be inspected at the registered office of the Company during business hours up to the date of passing of above said resolution. Members seeking to inspect such documents can write to Company at secretarial@carrier.com.

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

Annexure - I

Information of directors seeking appointment / re-appointment at the forthcoming annual general meeting pursuant to Secretarial Standards - 2 issued by The Institute of Company Secretaries of India:

Name and Designation of the Director	Mr. Har Amrit Pal Singh Dhillon, Non-executive Director	Ms. Simran Thapar, Whole time Director	Mr. Siraj Azmat Chaudhry, Independent Director
Director Identification Number	07043895	09026461	00161853
Date of Birth (Age in years)	December 28, 1976 (47 years)	March 13, 1980 (43 years)	January 8, 1967 (56 years)
Original date of appointment	April 1, 2019	March 31, 2021	November 29, 2021
Qualifications	<ul style="list-style-type: none"> • B.E • MBA 	PG in Human Resource	<ul style="list-style-type: none"> • MPIB, International Business Management from Indian Institute of Foreign Trade and • Commerce graduate from Shri Ram College of Commerce
Experience & expertise in specific functional area	23 + years (20 years with Carrier & 3 years with Tata Motors Limited) of experience in IOT-AI Technologies, Digital Platforms, Applied Analytics, Remote Services, Energy Efficiency, Management Consulting and Sales & Service Channel Management.	19 years of experience in diverse areas in Talent & Engagement; Performance; HR business partnering, Compensation & Benefits.	With over 32 years of experience Mr. Siraj Azmat Chaudhry is an industry expert, thought leader, innovator and a leading voice in the agriculture and food industry.
Shareholding in the Company	Nil	Nil	Nil
Remuneration last drawn from Company in F.Y. 2022-23	Nil	INR 60,08,601/-	INR 2,70,000/- (sitting fees)
Number of board meetings attended during the year	4	3	3
Terms & conditions of appointment / re-appointment and remuneration	Re-appointed as a non - executive director pursuant to retirement by rotation as per Nomination & Remuneration Policy of the Company.	Re-appointed as a wholetime director pursuant to retirement by rotation as per Nomination & Remuneration Policy of the Company.	Re-appointed as an Independent Director, not liable to retire by rotation as per Nomination & Remuneration Policy of the Company.
Relationship with other director/KMP	No relationship with other director / KMP	No relationship with other director / KMP	No relationship with other director / KMP

Name and Designation of the Director	Mr. Har Amrit Pal Singh Dhillon, Non-executive Director	Ms. Simran Thapar, Whole time Director	Mr. Siraj Azmat Chaudhry, Independent Director
Directorships held in other companies	Nil	Nil	9 (nine) <ol style="list-style-type: none"> 1. Tata Coffee Limited 2. Tata Consumer Products Limited 3. Bikaji Foods International Limited 4. Dhanuka Agritech Limited 5. Jubilant Ingrevia Limited 6. Arboreal Bioinnovations Private Limited 7. SATS (India) Co. Private Limited 8. Air India Sats Airport Services Private Limited 9. Triveni Engineering & Industries Ltd.
Members / chairmanship of committees in public limited companies in India	Membership: <ol style="list-style-type: none"> 1. Carrier Airconditioning & Refrigeration Limited: 2. Nomination and Remuneration Committee; and 3. Stakeholder Relationship Committee 	Nil	<ol style="list-style-type: none"> 1. Carrier Airconditioning & Refrigeration Limited Chairperson: Nomination and Remuneration Committee; Member: Audit Committee and Corporate Social Responsibility Committee 2. Tata Coffee Limited Chairperson: Nomination and Remuneration Committee Member: Audit Committee; Corporate Social Responsibility Committee and Risk Management Committee 3. Tata Consumer Products Limited Chairperson: Stakeholder Relationship Committee and Corporate Social Responsibility Committee; Member: Audit Committee and Risk Management Committee

Name and Designation of the Director	Mr. Har Amrit Pal Singh Dhillon, Non-executive Director	Ms. Simran Thapar, Whole time Director	Mr. Siraj Azmat Chaudhry, Independent Director
			<p>4. Bikaji Foods International Limited</p> <p>Chairperson: Nomination and Remuneration Committee</p> <p>Member: Audit Committee; Stakeholder Relationship Committee; Risk Management Committee and Corporate Social Responsibility Committee</p> <p>5. Air India Sats Airport Services Private Limited</p> <p>Member: Corporate Social Responsibility Committee</p> <p>6. Jubilant Ingrevia Limited</p> <p>Chairperson: Stakeholders Relationship Committee</p> <p>Member: Audit Committee; Nomination and Remuneration Committee and Risk Management Committee</p>

Registered Office:
Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

Regd. Office: Narsingpur, Kherki Daula Post,
Gurgaon – 122001, Haryana

Website: www.carrierindia.com
E-mail: secretarial@carrier.com
Tel: +91-124-4825500

Fax: +91-124-2372230

Place: Gurugram

Date: August 9, 2023

By order of the Board of Directors

 For **Carrier Airconditioning & Refrigeration Limited**

Sd/-

Anurag Gupta

Company Secretary

Membership No.: ACS 43500

BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 31st Annual Report on the business and operations of your Company along with audited financial statements and Auditor's report thereon for the financial year ended March 31, 2023 ("Financial Year" or "Year under Review").

The Company's financial performance for the year ended March 31, 2023, is summarized below:

1. Financial Performance:

(In INR Lacs)

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	2,19,719	1,61,207
Other Income	2,412	2,012
Total Income	2,22,131	1,63,219
Total Expenses	2,07,949	1,57,520
Profit before tax	14,182	5,699
Tax Expense	3,189	1,574
Tax related to earlier years	-	(87)
Profit for the year (A)	10,993	4,211
Other comprehensive income for the year (B)	(64)	(226)
Total comprehensive income for the year (A) + (B)	10,929	3,985
Basic Earnings per Share*	10.33	3.96

* Nominal Value per share Rs.10

2. State of Affairs of the Company and Outlook:

During the financial year ended March 31, 2023, your Company has total net revenue from operations of Rs. 2,19,719 Lacs as against Rs. 1,61,207 Lacs in the previous financial year. Profit before tax for the financial year 2023 was Rs. 14,182 Lacs as against Rs. 5,699 Lacs in the previous financial year.

Total comprehensive income for the financial year ended March 31, 2023 was Rs. 10,929 Lacs against Rs. 3,985 Lacs in the previous financial year. Your Company did its best to safeguard the business interest of our customers without compromising the health & safety of our employees, channel partners, or service franchisees.

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

HVAC AIRCONDITIONING:

After two years of impact on market due to COVID 19, the Airconditioning industry saw a

tremendous growth in the financial year 2022 - 2023. Your Company grew faster than the market in VRF & Light Commercial business.

In addition to Fixed Speed and Inverter 3 Star Toshiba brand Hi-wall Airconditioners, this year your Company started the localization of the Toshiba brand Inverter Hi-Wall 5 Star product. In the last financial year, your Company launched Stable Power Inverter (SPI) Classic and SPI Premier in Toshiba brand Light Commercial Cassette product range. This launch has helped your Company to grow Toshiba's Cassette business to double its value. Your Company also launched One Way Cassette for Toshiba VRF business in the current financial year. Your Company had seen a demand in the market for this contemporary product, and therefore added this to our portfolio. This product also has the option of connecting an Air Purification Kit. Your Company continue to be committed towards sustainability and have recently launched R32 refrigerant based Cassettes under Carrier brand.

In the Commercial business, your Company launched the new 19MV magnetic bearing chiller, built for versatile applications. With in-house magnetic bearings, this chiller range differentiates in terms of its capability to operate in wide temperature conditions and high operating efficiency. Your Company also launched new range of Air Handling Units, to cater to significant opportunities in India market. The product range is locally manufactured, and offers high flexibility of design, selection & operation. Your Company expects this product range to help expand our presence in the Applied category.

The Commercial business overall saw an upswing as it almost doubled over last financial year as it saw growth and investment in the Healthcare segment – both in Government and Private sector, PLIs saw a boost in the manufacturing sector. Real Estate footprint saw expansion in primarily large cities and the rub off effect could be observed in Retail sector which reflected in our wins across product segments. The business growth came majorly from the Screw Chillers and Terminal Units manufactured in our Gurugram factory as we invested through Channel Partners to expand market coverage.

Your Company informed you about opening of a new Carrier Expert Centre at its Gurugram campus in the last financial year. The Expert Centre has seen many visitors over the last year, including our large corporate account customers and your Company has received positive feedback on the Centre

Your Company has invested in a training centre in our Gurugram premises. This centre will be utilized to provide hands on training to our colleagues serving our customers on the field. This will significantly help to enhance our team's capability in handling installation and troubleshooting with ease, especially for a technically advanced product like VRF.

SERVICE:

In line with the growth requirement of the organization, your Company's service team continued with various initiatives such as Retrofits, Capture, and Recapture (third party

equipments) in our contracts. For Commercial Applied Service business, your Company has continued focus on Renewals, Conversions, Capture, Recapture and Retrofits / upgrade of chillers along with annual service agreements / contracts for entire plant room equipments as well as Healthy Building Solutions. The focus of your Company has also been on the Digital solutions to have the trends available to reduce failure, moving towards predictive maintenance and sharing Performance/ Operation trends. Commercial Applied Service also went a step further by going LIVE with CPQ within Salesforce platform.

The Channel Business Service business grew significantly post recovery of Covid-19 impact with a focus on all three segments – Service Agreement, Repairs and Modernisation. With an idea to consolidate on our position to pre covid levels, your Company successfully added several new local / national customer accounts to the service portfolio. In order to bring more focus on service deliveries, service team was strengthened in many regions with realignment of roles and responsibilities, Call management services were integrated with technologies like RPA Bots (automatic registration of call without human intervention) for a few customers having their own portals and BI dashboard was launched to provide transparency on the calls and PM management. The previous financial year(s) digital initiatives continued through PM module (to address PM management), Implementation of Parts Process (MRP) had started giving expected results with the continued focus on upgradation of the infrastructure at the Channel Partner's end. The service operations digital platform CCN 2.0 was also launched in the current financial year.

TOTALINE:

The business had shown the resilience in tough times and team's agility on all the fronts of Sales, Supply chain and New Products had supported the business to achieve the numbers. This business focused on increasing profitability despite the cost headwinds. The Totaline App has crossed 3K+ technician registration and is providing good traction on all the products.

COMMERCIAL REFRIGERATION:

Commercial Refrigeration (“CR”) team delivered strong performance in the current financial year. The business delivered high double digit top line growth, backed up with significant increase in profitability.

The momentum with Key / National Accounts customers continued this year as well. Channel business grew in double digits too and helped CR increase the reach in Tier II towns and new segments. This business picked up few highly strategic orders in Port infrastructure cold room development & food delivery segment. The augmented dissemination in neighbouring countries of Nepal, Bangladesh and Maldives helped this business reach more customers.

CR Service business had a far-fetched year in both service revenue & delivery. CR service team improved the TAT which helped keeping customers happy and satisfied. This business delivered new world class products in both medium-temperature and low-temperature segment to keep CR customer’s first choice in the cold room business.

This business also participated in many events to talk about your Company’s commitment to make this world a better place to live. Your company reflected on ways to reduce the food losses and spoke about your Company’s role to help Carrier reduce 1 GT of carbon footprint as ESG goal by 2030. CCN tool was also made live for the channel partners in this business.

TRANSICOLD:

Your Company’s Transicold division continues to be a market leader in the transport refrigeration industry. Your Company provides innovative and sustainable solutions while engaging with cold chain industry stakeholders to establish robust cold chains in India. Your Company’s continuous efforts of policy engagement with various government bodies and industry stakeholders has enabled better understanding of the cold chain in India.

Various initiatives by the Government to upgrade the cold chain infrastructure, investments in cold chain, increased compliance, growth in the organized retail sector and changing consumption trends has further contributed

to the growth of cold chain logistics in India. Your Company is preferred supplier of transport refrigeration systems to leading third party logistics companies and truck manufacturers due to your Company’s national accounts relationships, reliable products and robust aftermarket support. The Carrier Transicold service network has now grown to more than 80 service centers across India.

Carrier Transicold Business channeled its focus to the fast-growing value-added dairy products, fisheries, and fresh fruit segments by introducing new products in the Citimax™ and Citifresh™ range. This business has also increased geographic reach and benefitted from emerging opportunities in tier II and tier III cities due to rapid growth in Quick Service Restaurants, e-commerce industry and local ice cream manufacturing.

Latest introductions of Citifresh™ 280, Citimax™ 400 & the Citimax™ 700 for chilled and frozen applications has gained wide acceptance in the small van and medium truck segment. The legacy Supra® 850, Supra® 1150 and Supra® 1250 continue to be the best sellers in the fast-growing large truck category.

Carrier Transicold continues to foster strong relations with cold chain stakeholders. Your Company is a part of the Confederation of Indian Industry (CII) Cold Chain committee and an active member of the National Center for Cold Chain Development (NCCD) set up by the Government of India to promote cold chain adoption. The members of the Carrier Transicold India team are regular speakers at various cold chain conferences which focus on reducing food losses and increasing farmers’ income by better connectivity to new markets.

Your Company’s Carrier Transicold division also supports cold chain growth through industry collaboration and is part of the steering committee on National Cold Chain Logistics Resource Center which aims to integrate the cold chain requirements across various segments and develop a multi-modal cold chain infrastructure. Your Company is committed to providing efficient cold chain solutions by offering sophisticated equipment, engineered applications, sharing vast experience and

offering access to best global practices. Your Company's strength lies in adapting products to suit Indian conditions, engineering them as per requirement and supporting them with our aftermarket team.

ADVANTE3C:

Your Company's AdvanTE3C Solutions is making significant strides in India's HVAC industry by offering cutting-edge HVAC solutions with an emphasis on energy conservation. This business proactive control strategy is actively contributing to your Company's customers' energy-saving efforts, establishing your Company as a strong player in the market. With

a specialization in customized retrofits for HVAC systems, AdvanTE3C Solutions prioritizes both energy efficiency and indoor air quality. By collaborating with Commercial business, this business further enhances their unique selling proposition, solidifying their position in India.

AdvanTE3C solutions continuously staying ahead of the curve by integrating advanced tools to assist customers in achieving ROI based committed efficient HVAC system. Through the tailored retrofits and innovative control strategies, this business is having significant growth opportunities in expanding decarbonization market.

3. ENVIRONMENT, HEALTH AND SAFETY:

Environment, Health & Safety (EH&S) is an integral part of your Company operations and a prime consideration in every decision that your Company make towards the people, planet & stakeholders. The goal is to provide our employees, channel partner, suppliers, and contractors a workplace free from injury and illness, so that everyone associated or working for your Company go home safely, every day.

Your Company aim to develop and deliver products and services that minimize the impact on environment & community to work on this fundamental evolved us in the marketplace as well as act as a differentiator from others. Your Company has been focusing on increasing EH&S awareness using different ways like train the trainer for our channel partners of light commercial business, EH&S refresher training to our Commercial Applied Sub-Contractors, and EHSMS training to our management staff employees.

We are pleased to inform you that your Company achieved their "Zero Accident" (LWIR & TRIR) goals of Year 2022-2023. Carrier India (HVAC) has clocked more than 34 million Hours without Lost Time Accident which translates to more than 16 Years stating that NO WORK HOURS WERE LOST due to an employee injury for employees in factory and sales & distribution.



This outstanding achievement not only demonstrates our organization's focus on employee's health and Safety but also accentuates our EH&S leadership as a best-in-class within our industry. In this journey your Company have been able to earn many other milestones for our commitment to health and safety.

Our continued focus on Environment Goals from **2015-2020** in Carrier Factory have been able to achieve results as below:

- **33%** absolute reduction in GHG reduction against target of **2% / Year**
- **35%** absolute reduction in Water consumption against Target of **5% / Year**
- **42%** absolute reduction in Hazardous waste.

The focus continued in this year as well and your Company was able to achieve the below results in 2022-2023:

- 7% absolute reduction in Green House Gas
- 1% absolute reduction in Water consumption
- 2219 Hours spent by Leadership team to reinforce safety culture
- 285 dealers covered on cluster connect
- 295 Management Audits done to identify the needs for further strengthening of EHSMS

Carrier India Environment, Health & Safety Policy 2022 & 2023:

At Carrier India, we're committed to creating solutions that matter to our people, our stakeholders and the environment. We aim to create a world where every person is safe and comfortable by designing, sourcing, producing, marketing and delivering our products and services in a secure, environmentally conscious and socially responsible manner.

Carrier 2030 ESG goals will serve as a driver for our entire organization and as a positive catalyst for societal change in our areas of expertise, including healthy, safe and sustainable building as well as in the communities in which we operate. We are working to reduce our manufacturing operation's and customers' carbon footprints through various sustainability initiatives, as well as through designing & building industry-leading, innovative products & services.

To achieve our goals of this policy are committed to drive a culture that protects our:

People

- Deliberate actions to provide our employees, channel partners, suppliers

& contractors with a workplace free from injury and illness.

- Leadership to allocate necessary resources to support the implementation, continuous improvement and sustainment of our Environment, Health and Safety (EH&S) Management System.
- Foster active participation and engagement of all employees, channel partners, suppliers & contractors.
- Stimulate a culture of hazard awareness and prevention that ultimately results in Zero incidents.

Environment and Communities

- Develop and deliver products and services, in full compliance with the applicable regulations, that minimize the impact on the environment and our communities.
- Execute environmental stewardship programs to achieve world-class efficiencies in energy, water usage, waste management, and air emissions.
- Leverage digital technology to analyze data across the design to service value stream and guarantee accurate performance reporting, proactive identification and management of risks.
- Set goals, objective & targets through our EH&S Management System for the continuous improvement of our performance.

Stakeholders

- Govern our operations to ensure exceptional performance above and beyond compliance with all applicable laws, regulations and permits – locally & globally.
- Ensure the mitigation of EH&S aspects, impacts, hazards and risk in all business decisions through efficient change management.
- Engage our high-risk suppliers on topics including but not limited to, environmental stewardship, employee health and safety and ethical business practices to ensure seamless business continuity.
- Proactively identify & manage emerging EH&S aspects, impacts, hazard & risks

through our EH&S Management System for business continuity.

In your Company EH&S is a shared responsibility where everyone is held accountable. All employees in your Company are empowered and expected to stop work where appropriate and report early warning indicators, near misses, concerns and incidents.

Your Company will continue to focus on creating awareness on our recently launched lead with safety program and adherence with teams of our channel partners, suppliers and service providers.

Everyone's SAFER When We Work TOGETHER!

4. Reserves:

The Board of Directors did not propose to transfer any amount to the reserves during the Year under review.

5. Share Capital:

The authorized share capital of the Company is Rs. 11,00,000,000/- divided into 1,10,000,000/- equity shares having face value of Rs. 10/- each. The issued, subscribed and paid up capital of the Company is Rs. 10,63,767,450/- divided into 10,63,76,745/- equity shares having face value of Rs. 10/- each.

The Company has not issued any shares during the Year under review.

6. Change in the nature of business if any:

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

7. Dividend:

The Board of Directors of your Company are pleased to recommend dividend at the rate of Rs. 1/- on each fully paid-up equity shares of Rs. 10/- each for the financial year 2022-23 total amounting to Rs. 10,63,76,745/- (Rupees Ten Crore Sixty-Three Lacs Seventy-Six Thousand Seven Hundred and Forty- Five Only). The aforesaid Dividends are subject to approval / declaration by shareholders of the Company in the 31st Annual General Meeting and shall be subject to deduction of income tax at source.

8. 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.

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

During the Year under review, no Company has become or ceased to be subsidiary, joint venture or associate of your Company.

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

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

S. No.	Name of Director/KMP	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1.	Mr. Suraj Arora (PAN: AZKPS4573P)	Company Secretary	-	August 22, 2022	Resignation
2.	Mr. Anurag Gupta (PAN: AXLPG6714B)	Company Secretary	January 1, 2023	N.A.	N.A.

Further in accordance with the articles of association of the Company and relevant provisions of the Companies Act, 2013, Mr. Har Amrit Pal Singh (DIN: 07043895) Non-Executive Director and Ms. Simran Thapar (DIN: 09026461) Whole-time Director are liable to retire by rotation at the 31st annual general meeting and being eligible offer themselves for

re-appointment and the resolutions for their re-appointment are proposed in the notice of 31st annual general meeting of the Company. This shall not constitute a break in their office as their existing role in Board of Directors of the Company.

Due to the resignation of Mr. Suraj Arora from the position of Company Secretary, the Board of

Directors, based on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Anurag Gupta (PAN: AXLPG6714B) as Company Secretary of the Company with effect from January 1, 2023. In the opinion of the Board, he possesses requisite expertise, integrity, and experience for appointment as Company Secretary of the Company.

11. Number of meetings of the Board of Directors:

During the Year under review the Company had 4 (four) meetings of the Board of Directors as

per section 173 of Companies Act, 2013 on July 6, 2022, August 3, 2022, November 25, 2022 and March 17, 2023. 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 2022-23 is as below:

S. No.	Name of the Directors and Director Identification Number	Category of Directorship	No. of Board Meetings during tenure of respective Board Member	
			Held	Attended
1.	Mr. Chirag Baijal ¹ (DIN: 08465289)	Managing Director	4	4
2	Mr. Narendra Singh Sisodia (DIN: 06363951)	Independent Director	4	4
4.	Ms. Simran Thapar (DIN: 09026461)	Whole-time Director	4	3
5.	Mr. Rahul Jain (DIN: 07858457)	Whole-time Director	4	3
6.	Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895)	Non-Executive Director	4	4
7.	Mr. Pritesh Agrawal (DIN: 08757017)	Whole-time Director	4	4
8.	Mr. Siraj Azmat Chaudhry (DIN: 00161853)	Independent Director	4	3

12. 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:

- In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 profit of the Company for that period.

- 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.
- The Directors had prepared the annual accounts on a going concern basis.
- 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.

¹ Mr. Chirag Baijal has resigned as a Managing Director, Member of the Board and Corporate Social Responsibility Committee w.e.f 31st July, 2023.

13. Secretarial Standards:

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

14. Declaration of independence by Independent Directors:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and the Board of Directors of the Company have taken the declarations in their record.

Further, all the Independent Directors of the Company have complied with the requirement of inclusion of their names in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs and passed / exempted from the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs. Further, in the opinion of Board of Directors, the Independent Directors of the Company are the persons of integrity and possess relevant expertise and experience (including the proficiency).

15. Annual Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual performance evaluation of Independent Directors and of its own performance and that of its committees and individual Directors for the financial year 2022-23. 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 2022-23 and timeliness of flow of information between management and the board. The manner of performance evaluations was based on parameters including but not limited to knowledge of business / operations of the Company, effective participation in board / Committee meetings, independence, their value addition / contribution to Company's objectives and plans, efficient discharge of

their responsibilities, governance, trust & confidentiality, and other relevant parameters. It was further acknowledged that board, every individual Director, and committee of the board contributes its best in the overall growth of the organization and the Independent Directors are having expertise, experience (including the proficiency) and integrity.

16. Corporate Social Responsibility (CSR):

Your Company is committed to the belief that it exists not just to run business and generate profits but also to fulfill its duties as a responsible corporate citizen. Your Company recognizes its need to deliver value to the society which is the reason for its existence. Your Company's most important responsibility is to fulfill the expectations of stakeholders and to continuously improve social, environmental and economic performance while ensuring the sustainability and operational success of your Company. Your Company has undertaken activities as per the CSR policy and the details thereof are given in **Annexure "A"** forming an integral part of this report. Your Company will continue to support projects that are consistent with the policy. The revised CSR policy formulated by the Corporate Social Responsibility Committee and approved by the board on August 24, 2021 can be accessed at <https://www.carrier.com/commercial/en/in/investor/corporate-social-responsibility/>.

17. Nomination and Remuneration Policy:

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

18. Annual Return:

As required under section 134(3)(a) of the Companies Act, 2013, the draft annual

return for the financial year ended March 31, 2023 as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 has been placed on the Company's website and can be accessed at <https://www.carrier.com/commercial/en/in/investor/>.

The signed copy of the annual return shall be available on the website of the Company after the same is filed with the Registrar of Companies.

19. Audit Committee:

Composition of Audit Committee:

The audit committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. The committee

comprises of following three Directors out of which two are Independent Directors and one is Whole-time Director. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

- Mr. Narendra Singh Sisodia, Independent Director and Chairman
- Mr. Siraj Azmat Chaudhry, Independent Director and
- Mr. Pritesh Agrawal, Whole-time Director & Chief Financial Officer

Meetings and Attendance:

During the financial year under review three meetings of audit committee were held on July 6, 2022, August 3, 2022 and March 17, 2023. The attendance of the members of Audit Committee meetings during the financial year 2022-23 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Independent Director	3	3
Mr. Siraj Azmat Chaudhry	Independent Director	3	3
Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	3	3

20. Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review the Committee comprises of the following three Directors out of which two are independent Directors:

- Mr. Siraj Azmat Chaudhry, Independent

Director and Chairman

- Mr. Narendra Singh Sisodia, Independent Director and
- Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director

Meetings and Attendance:

During the financial year under review two meetings of Nomination and Remuneration Committee were held as on November 25, 2022 and March 17, 2023. The attendance of members of Nomination and Remuneration Committee meetings held during the financial year 2022-23 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Siraj Azmat Chaudhry	Independent Director	2	1
Mr. Narendra Singh Sisodia	Independent Director	2	2
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	2	2

21. Corporate Social Responsibility Committee:
Composition of Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review the Committee comprises of following four Directors out of which two are Non-Executive Independent Directors and two are Executive Directors:

- Mr. Siraj Azmat Chaudhry, Independent Director and Chairman

- Mr. Narendra Singh Sisodia, Independent Director
- Mr. Chirag Baijal, Managing Director²; and
- Mr. Pritesh Agarwal, Whole-time Director & Chief Financial Officer

Meetings and Attendance:

During the period under review two meetings of Corporate Social Responsibility Committee was held as on August 3, 2022, and March 17, 2023. The attendance of the members of Corporate Social Responsibility Committee at the meeting during the financial year 2022-23 are as below:

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

22. Stakeholder Relationship Committee:
Composition of Stakeholder Relationship Committee:

The Stakeholders' Relationship Committee reviews and looks into the matters prescribed under the Companies Act, 2013 or rules made thereunder as amended from time to time. During the financial year under review, the Committee comprises of the following three Directors out of which first is non-executive Independent Director, second is Executive Director & chief financial officer and third is

non-executive Director:

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

Meetings and Attendance:

During the period under review one meeting of Stakeholder's Relationship Committee was held on March 17, 2023, with following members:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Independent Director	1	1
Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	1	1
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	1	1

23. Statutory Auditor and Auditor's Report:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and rules framed thereunder MSKA & Associates, Chartered

Accountants (Firm Registration Number: 105047W) were appointed as statutory auditors of the Company for a term of 5 (five) consecutive years i.e., from conclusion of 29th Annual General Meeting till conclusion of

² Mr. Chirag Baijal has resigned as a Managing Director, Member of the Board and Corporate Social Responsibility Committee w.e.f 31st July, 2023.

34th Annual General Meeting of the Company. MSKA & Associates, Chartered Accountants (Firm Registration Number: 105047W) have confirmed their eligibility and qualification required under the Companies Act, 2013 for holding the office of statutory auditors of the Company.

The Statutory Auditors have submitted their report on the Financial Statements of the Company, which forms part of the Annual Report for the financial year ended March 31, 2023. The Auditor's Report read together with the notes to Accounts is self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. There are no qualifications, reservation, adverse remark or disclaimer in the auditor's report on financial statements of the Company for the financial year ended March 31, 2023. Hence no explanation or comments of the Board of Director is required in this matter.

24. Cost Auditors and Cost Accounting Records:

As per the requirement of Central Government and pursuant to section 148 of the Companies Act, 2013 and rules made thereunder as amended from time to time your Company maintains the cost records and accounts and carries out an audit of cost records relating to manufacturing activities. The Board of Directors of the Company had appointed Jain Sharma & Associates, Cost Accountants (Firm Registration Number - 000270) as cost auditor to audit the cost accounts of the Company for the financial year 2022-23 and remuneration of Jain Sharma & Associates was ratified by the members of the Company at their 30th annual general meeting held on September 21, 2022. The cost audit report for the financial year 2021-22 was filed with the ministry of corporate affairs within prescribed time.

For the financial year ended March 31, 2023, the cost auditor has submitted its report to the Board of Directors on August 9, 2023. The Board of Directors took note of the same and said report shall be filed with the ministry of corporate affairs within prescribed time. There are no qualifications in cost auditors report

on the cost accounts of the Company for the financial year ended March 31, 2023.

25. Secretarial Auditor:

The Board of Directors of your Company appointed DMK Associates, Practicing Company Secretaries as the secretarial auditor of the Company for financial year 2022-23 in terms of section 204 of the Companies Act, 2013 and the and rules framed there under. The report of the secretarial audit is attached as **Annexure "C"** and forms an integral part of this report. There are no qualifications in secretarial audit report for the financial year ended March 31, 2023. Hence no explanation or comments of the Board of Directors is required in this matter.

26. Internal Auditor:

Pursuant to the provisions of Section 138 of Companies Act, 2013 read with rules framed thereunder your Company has due to the resignation of Mr. Amit Bhatia appointed Mr. Lokesh Gupta as internal auditor of the Company with effect from 20th June, 2023. He is a chartered accountant by qualification and has a rich work experience of 12 years on the date of appointment. Internal Auditor of the Company has conducted internal audit of the functions and activities of the Company. He has submitted his report to the chairman of the Audit committee, and this was further reviewed by the Board of Directors and taken on record.

27. Deposits:

Your Company has not accepted any deposits within the meaning of Sections 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.

Further, the details of exempted deposits accepted by the Company during the Period under review, has been provided in the financial statements of the Company.

28. Internal Financial Controls:

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

29. Human Resources:

The Carrier Way is the foundation of everything your Company does. It defines our vision, reaffirms our values, describes the behaviors that create a winning culture, and establishes how we work and win together. Your Company introduced a series of new education courses to reinforce behaviors in "The Carrier Way" that are critical to our success, such as having a passion for customers, respect and building the best teams.

Your Company focused on Diversity, Equity and Inclusion in line with Carrier Global's D&I goals. Your Company conducted several sessions and panel discussions to create awareness, in addition to forums that have been created for employees to come together and share their thoughts. As a way of contributing to the society. Your Company had a panel discussion with its employees' children to bring the discussion on diversity to our families and society.

In alignment with The Carrier Way and focus on building best teams, the Company worked towards ensuring that we hire the right talent and nurture talent within the organization by offering opportunities for learning, growth and capability building. Your Company conducted multiple skill building training and learning sessions for our employees to support them in their development journey. Your Company also partnered with leading external organizations to conduct sessions for its employees to keep them abreast with latest market developments and best practices. Your

Company remains dedicated to listening to its employees, reviewing their feedback and taking action to achieve continuous improvement. Your Company conducted "Pulse" which is a global engagement survey and highlighted the improvements made in response to employees feedback.

The pandemic and the new norm of work has had a lasting impact on several employees and to support mental wellbeing several workshops were conducted on mental and physical wellbeing. Your Company have also partnered with a leading organization to provide counselling support to employees and their family members on confidential basis.

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

30. Disclosure as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with provisions relating to the constitution of Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has an anti-sexual harassment policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no matter has been reported to the Internal Complaint Committee related to sexual harassment.

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

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and amendments made thereto for the financial

year ended March 31, 2023 are set out in the **Annexure “D”** and form an integral part of this report.

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

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

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. No materially significant related party transactions which required the approval of members, were entered into by the Company during the Period under review. Further, all related party transactions entered into by the Company are placed before the Audit Committee for its approval.

The related party transactions are disclosed in notes of the financial statements.

The particulars of the contracts or arrangements entered into by the Company with related parties as referred to in Section 134(3)(h) read with section 188(1) of the Act and rules framed thereunder, in the Form No. AOC-2 are annexed and marked as **Annexure “E”**.

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 considered while preparing the annual business plan for the year. The Enterprises Risk Management policy is available on the website of the Company at <https://www.carrier.com/commercial/en/in/investor/>.

35. Reporting of frauds by auditors:

During the year under review, neither the statutory auditors nor the secretarial / Internal / Cost auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board’s report.

36. Vigil Mechanism:

Your Company follows the Carrier Code of Ethics which allows any stakeholder including directors, officers, and employees to report suspected or actual violations without fear of retaliation. In addition, any stakeholder can also report any violation to the compliance officer designated within your Company or to Chairman of Audit Committee. 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 <https://www.carrier.com/commercial/en/in/investor/>. All such matters are disclosed to management as a standard worldwide practice.

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

No material changes and commitments affecting the financial position of the Company occurred

between the end of the financial year to which this financial statement relate and the date of this report.

38. General:

Your directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

39. Acknowledgement:

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

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

Date: August 9, 2023

Place: Gurugram

Sd/
Simran Thapar
Whole-time Director
DIN: 09026461

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



CORPORATE RESPONSIBILITY

2022 - 23

Our company is committed to the belief to deliver value to the society. Our utmost responsibility is to benefit the social and environmental well-being of our stakeholders and fulfill our role as a responsible corporate organisation for its citizens. 17 LED screens under United for Air across 70 locations in Gurugram and the United for Air Mobile Application impact thousands of people everyday, informing them of the real time PM 2.5 and PM 10 air quality ratings. Major events such as musical mobs, cyclothons, workshops largely raise awareness and encourage **Environment Ambassadors** in partaking and supporting to our cause.

The GREEN YOUR SCHOOL Program's 6th Edition witnessed the participation of 538 schools with a total of 311 innovative ideas received from across the nation. Total of 19.5 lacs grant was allocated to the 8 winning schools for implementing their Green Ideas and transforming their campuses into Green Schools.



ANNEXURE "A"
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2021.
1. A brief outline of the Company's Corporate Social Responsibility Policy:

In adherence to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended 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

Promoting Health Care including preventive health care and sanitation environmental sustainability.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company <https://www.carrier.com/commercial/en/in/investor/corporate-social-responsibility/>.

2. The composition of CSR Committee:

The Corporate Social Responsibility Committee comprises of 4 (four) members of the board, two is Non - Executive Independent Directors and two are Executive Directors. The Chairman of the Committee is an Independent Director.

S. No.	Name	Category	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Siraj Azmat Chaudhry	Independent Director	Chairman	2	2
2.	Mr. Narendra Singh Sisodia	Independent Director	Member	2	2
3.	Mr. Chirag Baijal ³	Managing Director	Member	2	2
4.	Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	Member	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company <https://www.carrier.com/commercial/en/in/investor/corporate-social-responsibility/>.

4. Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable.

5. (a) Average net profit of the Company for last three financial years:

(a) The Average Net Profit of last three financial years preceding the reporting financial year (i.e., 2021-22, 2020-21, 2019-20) calculated in accordance with Section 135 of the Companies Act, 2013 is **INR 58,79,00,000/-**

(b) Two percent of average net profit of the Company as per section 135(5): **INR 1,18,00,000/-**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(d) Amount required to be set off for the financial year: **Nil**

(e) **Total CSR obligation for the financial year (5a+5b-5c): INR 1,17,58,000/-**

³Mr. Chirag Baijal has resigned from the position of Managing Director and as a member of the Corporate Social Responsibility Committee w.e.f 31st July, 2023.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 1,12,00,000/-
 (b) Amount spent in Administrative Overheads – INR 6,00,000/-
 (c) Amount spent on Impact Assessment, if applicable - Not Applicable
 (d) Total amount spent for the Financial Year (6a+6b+6c) - INR 1,18,00,000/-
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)		
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the fund
1,18,00,000/-	Not Applicable		Not Applicable

- (f) Excess amount for set off, if any

S. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,17,58,000/-
(ii)	Total amount spent for the Financial Year	1,18,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	42,000/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	42,000/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
1	FY-1	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
-	-	-	-	-	CSR Registration Number, if applicable Name Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

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

Date: August 9, 2023
Place: Gurugram

Sd/-
Siraj Azmat Chaudhry
Chairman, CSR Committee
DIN: 00161853

Sd/-
Pritesh Agrawal
Member
DIN: 08757017

ANNEXURE “B”

NOMINATION AND REMUNERATION POLICY

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

1. OBJECTIVE

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

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

2. DEFINITIONS

- i. ‘Act’ means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. ‘Board’ means Board of Directors of the Company.
- iii. ‘Directors’ mean Directors of the Company.
- iv. ‘Key Managerial Personnel’ means:
Chief Executive Officer or the Managing Director or the Manager; Whole-time Director;
Chief Financial Officer;
Company Secretary; and
Such other officer as may be prescribed.
- v. ‘Senior Management’ mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the Functional Heads.

3. ROLE OF THE COMMITTEE

- i. **Matters to be dealt with pursued and recommended to the board by the Nomination and Remuneration Committee**
 - a. The Committee shall:
 - Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
 - Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
 - Recommend to the board, appointment and removal of Director, KMP and Senior Management Personnel.

ii. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel**a. Appointment criteria and qualifications**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

b. Term / Tenure**I. Managing / Whole-time Director:**

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

II. Independent Director:

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

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

c. Evaluation

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

d. Removal

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

e. Retirement

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

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

- i. The remuneration / compensation / commission etc. to the Managing / Whole-time Director, KMP and Senior Management Personnel will be as per the Company Policies. The Committee shall recommend the same to the board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Managing / Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the board which should be within the limits approved by the Shareholders in the case of Managing/ Whole-time Director.
- iv. Where any insurance is taken by the Company on behalf of its Managing Director / Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

i. Remuneration

The Managing / Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as per the Company Policies, as may be approved by the board on the recommendation of the Committee and subject to member's approval and central government approval, to the extent required. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company Policies.

ii. Minimum Remuneration:

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

iii. Provisions for excess remuneration:

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

c. Remuneration to Non- Executive / Independent Director:

i. Sitting Fees:

The Independent Director may receive remuneration by way of fees for attending meetings of board or committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lac Only) per meeting of the board or committee, or such amount as may be prescribed by the Central Government from time to time.

4. MEMBERSHIP

- i. The Committee shall consist of a minimum 3 non-executive directors, not less than one-half of them being independent.
- ii. Minimum (2) members (in person or through any audio-visual means) shall constitute a quorum for the Committee meeting.
- iii. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- i. Chairperson of the Committee shall be appointed by the board.

- ii. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- iii. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

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

9. MINUTES OF COMMITTEE MEETING

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

10. MODIFICATION OF POLICY

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

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

Place: Gurugram
Date: August 9, 2023

Sd/-
Simran Thapar
Whole-time Director
DIN: 09026461

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

DMK Associates

Practising Company Secretaries
 31/36, Basement, Old Rajinder Nagar, New Delhi – 110060
 Phone: +91-011-42432721
 Email: deepak.kukreja@dmkassociates.in
 Web: <http://www.dmkassociates.in/>
 Unique Identification No.: P2006DE003100
 PAN No: AAFDD0071P

ANNEXURE “C”

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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
CIN: U74999HR1992FLC036104
NARSINGPUR KHERKI DAULA POST
GURGAON - 122001, HARYANA

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the 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 conduct/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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 (“**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 along with **Annexure A** attached to this report:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the “**Act**”) and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder; (**Not applicable to the Company during the Audit Period**);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (“**FDI**”), Overseas Direct Investments (“**ODI**”) and External Commercial Borrowings (“**ECB**”); (**No ECB was taken and no ODI was given by the Company during the Audit Period**);
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”); (**Not applicable to the Company during the Audit Period as the Company is an Unlisted Company**);

(vi) OTHER LAWS:

(A) ACTS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED AND CONFIRMED BY THE MANAGEMENT:

- (a) The Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Room Air Conditioners) Regulations, 2009.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges. **(Not applicable to the Company during the Audit Period as the Company is not listed with any of the stock exchange(s)).**

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

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company was duly constituted with the proper balance of Executive, Non-Executive, Women and Independent Directors. There was no change in the composition of the Board of Directors during the Audit period.
2. Adequate notices of at least seven days were given to all the Directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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 in compliance of the Act.
3. All decisions at Board Meetings were carried out with requisite majority and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any Director in respect of resolutions passed in the Board meetings.

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 major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

**FOR DMK ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
(DEEPAK KUKREJA)
FCS, LLB., ACIS (UK), IP.
PARTNER
FCS 4140
C P 8265**

**Place: New Delhi
Date: August 9, 2023
UDIN: F004140E000768948**

Peer Review No. 779/2020

Annexure 1
Auditor and Management Responsibility
ANNEXURE TO SECRETARIAL AUDIT REPORT

TO,
THE MEMBERS
CARRIER AIRCONDITIONING & REFRIGERATION LIMITED
CIN: U74999HR1992FLC036104
NARSINGPUR KHERKI DAULA POST
GURGAON – 122001, HARYANA

Sub: Our Secretarial Audit Report for the Audit Period is to be read along with this letter.

1. Maintenance of secretarial record 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. 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.
7. As per the information provided by the Company, there are no pending cases filed by or against the Company which will have major impact on the Company.

FOR DMK ASSOCIATES
COMPANY SECRETARIES

Sd/-
(DEEPAK KUKREJA)
FCS, LLB., ACIS (UK), IP.
PARTNER
FCS 4140
C P 8265
Peer Review No. 779/2020

Place: New Delhi
Date: August 9, 2023
UDIN: F004140E000768948

ANNEXURE “D”

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

A. CONSERVATION OF ENERGY:

- (i) **The steps taken or impact on conservation of energy:** Energy and Green House Gas Reduction by conversion of DG fuel (HSD to PNG) – Diesel consumption 1.03 Lacs Liters and PNG consumption is 2.07 Lacs Kg.
- (ii) **The steps taken by the company for utilising alternate sources of energy:** Nil
- (iii) **The capital investment on energy conservation equipments:** Usage of energy efficient Motor for air washer. Energy consumption reduction was recorded about 9% of consumption which is 9500 units.

Power fuel consumption

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Electricity		
(a) Purchased		
Units (in Lacs)	33.37	27.88
Total amount (in Lacs)	300.7	239.3
Rate/unit (Rs)	9.01	8.58
(b) Own generation		
(i) Through diesel generator		
Units (in Lacs)	4.81	4.25
Units per liter of diesel oil	3.25	3.25
Cost/unit (Rs)	21.57	33.54
(ii) Through steam turbine/generator		
Units	-	-
Units per litre of fuel oil/gas	-	-
Cost/unit (Rs)	-	-
2. Coal		
Quantity (Tonnes)	-	-
Total cost (Rs)	-	-
Average rate (Rs)	-	-
3. Furnace oil		
Quantity (K. ltrs.)	-	-
Total amount (Rs)	-	-
Average rate (Rs)	-	-
4. Other/internal generation (SOLAR)		
Quantity (Unit) (in Lacs)	6.03	6.07

B. TECHNOLOGY ABSORPTION

(a) Research and Development (R&D)

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

- Development of new Condensing unit chassis, with lower size & weight.
- R32, Low GWP refrigerant, based Cassette range was developed. With the new development, energy efficiency of the product range was enhanced & refrigerant consumption per unit was reduced by 40%.
- Development & qualification of new heat exchanger having 5mm tube diameter for Cassette range, which has helped in reducing the copper content.
- Development of IAQ solution which includes UV lamp & PM 2.5 filter option for hydronic FCU range.
- Introduction of new state of the art Semi-anechoic sound chamber, having capability of connected load tested with air-conditioning as per latest IS standard requirements.
- Introduction of Remote Witness Factory Acceptance Testing for chillers, Light commercial products & VRF, enabling customers to view their product & its test performance as per agreed test conditions.
- Introduction of Long Pipe Test setup for light commercial products in multi-room psychrometric test rooms

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

- Readiness for upcoming QCO regulations & higher efficiency requirement for BEE star labeling program.
- Sustainable solutions for ESG goals as products have higher energy efficiency, and lower GWP refrigerant.
- Improved supply chain capability due to lower copper & refrigerant content.
- Improvement in the performance and reliability of the units.

(3) Future plan of action:

- Develop new products based on change in technology, market and/ regulatory requirements.
- Continuous improvement in quality and reliability of products manufactured in India.
- Usage of advanced tools to optimize the design costs and bring agility in the design cycle.

(i) The efforts made towards technology absorption;

Technology transfer and absorption for water-cooled and air-cooled screw chillers for cost and lead time reduction to help in gaining market share. Indigenized product in evaporator product category available for the customer. The business team had submitted invention disclosures and files patents from India Research and Development center.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

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

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year;

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.
Nil	Nil	Nil	Nil

- (iv) The expenditure incurred on Research and Development (“R&D”):

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

- a. Capital : Rs. 2,24,32,956/-
 b. Recurring : Rs. 69,485,858/-
 c. Total : Rs. 91,918,814/-
 d. Total R&D expenditure as a percentage of turnover: 0.42

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

(In INR Lacs)

S. No.	Foreign Exchange Earnings and Outgo	2022-23	2021-22
1.	Earnings in foreign exchange	2,621	1,902
2.	Expenditure in foreign currency*	4,840	3,575
3.	CIF Value of Import	78,603	62,355

*Excluding provision

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

Sd/-
Simran Thapar
 Whole-time Director
 DIN: 09026461

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

Place: Gurugram
 Date: August 9, 2023

ANNEXURE "E"

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangements or transactions for the year ended 31st March, 2023.

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

Sd/-

Simran Thapar
Whole-time Director
DIN: 09026461

Sd/-

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

Place: Gurugram
Date: August 9, 2023

Information regarding Production, Purchases, Sales and Closing Stocks:
(a) Production, Sale and Stocks - Manufactured Goods

Products	Opening Stock		Production Qty (No's)	Closing Stock	
	Qty (No's)	Amount		Qty (No's)	Amount
Compressor					
Current Year	39	2	-	39	2
Previous Year	45	2	-	39	2
Room Airconditioners					
Current Year	4,261	2,090	29,413	4,856	2,922
Previous Year	3,918	1,920	22,892	4,261	2,090
AHU/ FCU & Chillers					
Current Year	1,067	1,492	5,500	764	1,627
Previous Year	1,070	1,552	5,024	1,067	1,492
Condenser/Evaporator Module					
Current Year	593	311	7,389	1,080	595
Previous Year	854	405	6,033	593	311
Freezers / Cold Room Systems					
Current Year	8	90	9	2	5
Previous Year	7	1	5	8	90
Cylinder & Gas & Fluid					
Current Year	2	1	74,083	698	120
Previous Year	2,110	48	97,618	2	1
Nozzle & Valve					
Current Year	29	8	1,334	18	@
Previous Year	69	2	1,909	29	8
Suppression Accessories					
Current Year	-	-	41	-	-
Previous Year	21	4	47	-	-

		Compressor	Room Airconditioners ##	AHU/ FCU & Chillers	Condenser/ Evaporator Module	Freezers / Cold Room Systems
Sale #						
Current Year	Qty(Nos)	-	28,815	5,803	6,902	15
	Amount	-	29,494	12,853	5,042	17
Previous Year	Qty(Nos)	6	22,544	5,027	6,294	4
	Amount	@	20,843	8,362	4,233	13

		Cylinder & Gas & Fluid	Nozzle & Valve	Suppression Accessories
Sale #				
Current Year	Qty(Nos)	73,387	1,345	41
	Amount	2,142	63	4
Previous Year	Qty(Nos)	99,726	1,949	68
	Amount	2,649	69	4

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

The unit sales quantities include Inventory adjustments as well.

Excludes 3 Room Air Conditioners (Previous Year 5) capitalised during the year.

(b) Purchases, Sales and Stocks - Traded Goods

Products	Opening Stock		Purchase		Sale *		Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount
Room Airconditioners	**							
Current Year	26,901	10,940	1,41,008	47,633	1,45,377	59,975	22,276	8,836
Previous Year	16,860	5,961	1,23,917	42,302	1,13,630	44,733	26,901	10,940
AHU/FCU & Chillers								
Current Year	122	116	1,962	16,942	2,010	20,161	74	109
Previous Year	247	274	424	5,766	549	6,367	122	116
Stabilizers & others	***							
Current Year	67,047	1,735	1,23,914	3,640	1,55,688	5,739	35,242	1,173
Previous Year	47,937	967	1,15,754	4,853	96,565	5,331	67,047	1,735
Truck Refrigeration								
Current Year	661	2,196	2,189	12,474	2,301	12,765	549	4,251
Previous Year	609	1,635	1,706	6,695	1,654	7,861	661	2,196

Products	Opening Stock		Purchase		Sale *		Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount	Qty (No's)	Amount
Freezers & System								
Current Year	597	1,081	2,616	3,799	2,462	5,262	751	1,287
Previous Year	525	721	1,999	2,991	1,927	3,584	597	1,081
Condenser/Evaporator								
Current Year	55	84	431	867	439	1,203	47	38
Previous Year	69	79	365	491	379	597	55	84
Cylinder								
Current Year	-	-	422	327	303	263	119	87
Previous Year	4	@	-	-	4	@	-	-
Nozzle & Valve								
Current Year	1,035	9	1,412	115	2,033	105	414	57
Previous Year	1,186	21	5	@	156	@	1,035	9
Spares								
Current Year	#	8,562	#	24,679	#	29,165	#	10,481
Previous Year	#	8,421	#	19,525	#	24,472	#	8,562

* The unit sales quantities include Inventory adjustments as well.

** Excludes 256 Room Air Conditioners (Previous Year 246) capitalised during the year.

*** Excludes 31 (Previous Year 79) Stabilisers capitalised during the year.

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

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

Cost of materials consumed

	Year ended March 31, 2023		Year ended March 31, 2022	
	Quantity	Amount	Quantity	Amount
Aluminium (Kgs)	3,96,243	1,169	3,06,167	493
Compressor (Nos)	34,337	9,631	27,128	6,633
Copper (Kgs/Nos)	25,91,369	6,016	20,76,869	3,067
Motors (Nos)	90,934	2,242	75,036	1,182
Refrigerant / Gas (Kgs)	2,76,347	2,529	2,49,493	2,037
Valve (Nos)	2,36,187	1,422	1,77,072	1,057
Electrical Parts (Nos)	15,17,181	4,409	11,67,502	3,313
Others*		12,316		8,353
Total	51,42,598	39,733	40,79,267	26,135

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

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

Value of imported and indigenous raw materials, components

	Current Year		Previous Year	
	%	Amount	%	Amount
Imported	40	15,949	44	11,450
Indigenous	60	23,785	56	14,685
Total	100	39,733	100	26,135

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

Sd/-
Simran Thapar
Whole-time Director
DIN: 09026461

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

Date: August 9, 2023
Place: Gurugram

INDEPENDENT AUDITOR'S REPORT

To the Members of Carrier Airconditioning & Refrigeration Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("**the Order**"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14, Note 28 and Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 44 (ii) to the financial statements.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 27 to the financial statements).
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid /provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Vinod Gupta
Partner

Membership No. 503690
UDIN: 23503690BGYIHL3905

Place: Gurugram
Date: August 9, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2023

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Vinod Gupta
Partner
Membership No. 503690
UDIN: 23503690BGYIHL3905

Place: Gurugram
Date: August 9, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2023

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management in the current year in accordance with a planned program of verifying them in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or its intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them after the year end. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits on the basis of security of current assets. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, 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.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we 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, undisputed statutory dues including professional tax, employees' state insurance, income-tax, duty of custom, Labour welfare Fund, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been few delays in the payment of professional tax, Labour welfare Fund & Tax deducted at source.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and examination of records of the Company, the outstanding statutory dues which have not been deposited as on March 31, 2023, on account of any dispute, are given below:

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income tax					
Income tax Act, 1961	Income tax	63	-	2006-07	Assistant commissioner of Income-tax
Income tax Act, 1961	Income tax	7,725	-	2016-17 to 2019-20	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Income tax	87*	79@	2000-01 & 2013-14	Income tax appellate tribunal
Sales tax					
Sales tax/Value added tax Act of various states	Sales tax/Value added tax	4,976	518	1988-90, 1992-93, 1994-95 to 2007-08, 2009-10 to 2019-20	Appellate authorities of various states
Sales tax/Value added tax Act of various states	Sales tax/Value added tax	609	234	1997-2002, 2004-10, 2011-12, 2012-13, 2014-15 and 2017-18	Sales tax Appellate tribunal of various states
Sales tax/Value added tax Act of various states	Sales tax/Value added tax	169	79	1989-90, 1995-97, 1998-2002 and 2003-06	High Courts of various states
Sales tax/Value added tax Act of Kerala	Sales tax/Value added tax	46	18	2002-03	Supreme Court

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Amount paid (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise duty					
Central Excise Act, 1944	Excise duty	5	-	2002-08	Commissioner of Excise (Appeals)
Custom duty					
Customs Act, 1962	Custom duty	26	-	1998-00	Commissioner of Customs
Customs Act, 1962	Custom duty	11	-	2014-15	Assistant Commissioner of Customs
Service tax					
Finance Act, 1994	Service tax	9	2	1997-02	Assistant Commissioner of Central Excise
Finance Act, 1994	Service tax	3,832	-	2010-18	Commissioner of Excise and Service tax (Appeals)
Finance Act, 1994	Service tax	5,903	143	2006-15	Central Excise and Service tax Appellate Tribunal
Finance Act, 1994	Service tax	10,184	-	2005-12	Hon'ble High Court (department has gone into appeal)
Local Area Development tax/Entry tax					
Local Area Development Tax Act, 2000	Local area development tax	53	-	2000-08	Supreme court
Local Area Development Tax Act, 2000	Local area development tax	3,415	-	2008-2018	High Court
The West Bengal Tax on Entry of Goods into Local Area Act, 2012	Entry tax	67	-	2015-2018	Supreme court

*Rs 8 lacs. represents tax impact due to reduction in business loss and unabsorbed depreciation for the period 2000-01.

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

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of accounts which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (c) and sub-Clause (e) and (f) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, 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 nor on the Company, during the course of audit of the Financial Statements for the year; accordingly, the provisions stated in paragraph 3(xi)(a) and (b) of the Order are not applicable to the Company.
- (b) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, neither the Company nor any Company in the Group, is a Core Investment Company as defined in the regulations made by

the Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) and (d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Vinod Gupta
Partner

Membership No. 503690
UDIN: 23503690BGYIHL3905

Place: Gurugram
Date: August 9, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2023

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in 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, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**Opinion**

We have audited the internal financial controls with reference to financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)(the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to financial statements 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Vinod Gupta

Partner

Membership No. 503690

UDIN: 23503690BGYIHL3905

Date: August 9, 2023

Place: Gurugram

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current assets			
Property, plant and equipment	3	6,499	6,766
Right-of-use assets	4.1	2,402	1,970
Capital work-in-progress	4.2	783	66
Intangible under development	4.2	96	83
Other intangible assets	4	104	179
Financial assets			
Investments	5.1	1	1
Loans	5.2	423	273
Others	5.3	296	283
Income tax assets (net)	6	1,248	1,630
Deferred tax assets (net)	7	4,993	3,754
Other non-current assets	8	1,552	2,191
Total non-current assets		18,397	17,196
Current assets			
Inventories	9	34,364	33,681
Financial assets			
Trade receivables	10.1	32,391	25,728
Cash and cash equivalents	10.2	19,835	6,488
Loans	10.3	115	161
Others	10.4	3,232	2,895
Other current assets	11	5,366	5,103
Total current assets		95,303	74,056
TOTAL ASSETS		1,13,700	91,252
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,638	10,638
Other equity	13	26,621	16,590
Total equity		37,259	27,228
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	1,714	1,354
Provisions	14	5,929	5,891
Other non-current liabilities	15	340	222
Total non-current liabilities		7,983	7,467

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

Current liabilities			
Financial liabilities			
Lease liabilities	31	789	614
Trade payables	16.1		
a) total outstanding dues of micro and small enterprises; and		676	1,269
b) total outstanding of creditors other than micro and small enterprises		52,276	41,880
Other current financial liabilities	16.2	1,507	1,372
Other current liabilities	17	10,803	9,651
Provisions	18	2,407	1,771
Total current liabilities		68,458	56,557
Total liabilities		76,441	64,024
TOTAL EQUITY AND LIABILITIES		1,13,700	91,252

Significant accounting policies 2

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

As per our report of even date attached.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Vinod Gupta

Partner

Membership No: 503690

Place: Gurugram

Date: August 9, 2023

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

Sd/-

Rahul Jain
Whole Time Director

DIN No. 07858457

Place: Gurugram

Date: August 9, 2023

Sd/-

Pritesh Agrawal
Whole-time Director &
Chief Financial Officer

DIN No. 08757017

Place: Gurugram

Date: August 9, 2023

Sd/-

Simran Thapar
Whole Time Director

DIN No. 09026461

Place: Gurugram

Date: August 9, 2023

Sd/-

Anurag Gupta
Company Secretary

Membership No: A43500

Place: Gurugram

Date: August 9, 2023

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	19	2,19,719	1,61,207
Other income	20	2,412	2,012
Total income		2,22,131	1,63,219
Expenses			
Cost of materials consumed		39,733	26,135
Purchase of traded goods (Including spares)		1,10,476	82,624
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(2,834)	(6,642)
Employee benefits expense	22	16,924	16,562
Finance costs	23	206	272
Depreciation and amortization expense	24	2,107	2,347
Other expenses	25	41,337	36,222
Total expenses		2,07,949	1,57,520
Profit before tax		14,182	5,699
Tax expense/(credit)			
Current tax	7	4,407	1,614
Deferred tax	7	(1,218)	(39)
Tax related to earlier years (refer note 35)		-	(87)
Profit for the year (A)		10,993	4,211
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or (loss)	34	(85)	(302)
(ii) Income tax related to items that will not be reclassified to profit or (loss)	7	21	76
Other comprehensive income for the year (B)		(64)	(226)
Total comprehensive income for the year (A+B)		10,929	3,985
Earning per share (in Rs.)			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	10.33	3.96
Diluted	26	10.33	3.96
Significant accounting policies	2		

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

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Vinod Gupta

Partner

Membership No: 503690

Place: Gurugram

Date: August 9, 2023

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

Sd/-

Rahul Jain

Whole Time Director

DIN No. 07858457

Place: Gurugram

Date: August 9, 2023

Sd/-

Pritesh Agrawal

Whole-time Director &

Chief Financial Officer

DIN No. 08757017

Sd/-

Simran Thapar

Whole Time Director

DIN No. 09026461

Place: Gurugram

Date: August 9, 2023

Sd/-

Anurag Gupta

Company Secretary

Membership No: A43500

Place: Gurugram

Date: August 9, 2023

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities :		
Profit before tax	14,182	5,699
Adjustments for :		
Depreciation and amortization expense	2,107	2,347
Share based payments	166	66
Loss/(profit) on sale of Property, plant and equipment's (net)	(15)	(26)
Interest on lease liabilities	186	129
Interest income on fixed deposits	(515)	(34)
Gain on termination of Right of use assets	-	19
Provision for inventory obsolescence	726	364
Allowance for doubtful debts and advances	93	39
Bad debts & advances written off	-	5
MTM loss/ (gain) on forward contracts	32	(4)
Unrealised (gain)/ loss on foreign exchange fluctuations	5	59
Liabilities no longer required written back	(950)	(1,037)
Operating profit before change in assets and liabilities	16,017	7,626
Adjustments for :		
Decrease/(increase) in other current and non current assets	(545)	(1,233)
Decrease/(increase) in current and non current loans	(54)	(53)
Decrease/(increase) in inventories	(1,409)	(8,915)
Decrease/(increase) in current and non current financial assets -other	(288)	(471)
Decrease/(increase) in current financial assets- trade receivables	(6,289)	1,906
Increase/(decrease) in current financial liabilities - trade payables	10,754	6,812
Increase/(decrease) in current and non current financial liabilities - others	47	31
Increase/(decrease) in other current and non current liabilities	1,270	2,417
Increase/(decrease) in current and non-current provisions	674	995
Cash generated from operating activities	20,177	9,115
Income tax paid, net of refund and interest thereon	(4,024)	(1,508)
Net cash generated from operating activities (A)	16,153	7,607
Cash flow from investing activities :		
Purchase of property, plant and equipment	(1,293)	(964)
Proceeds from sale of property, plant and equipment / intangible assets	15	30
Interest received on deposits	465	32
Net cash flow used in investing activities (B)	(813)	(902)
Cash flow from financing activities :		
Payment of lease liabilities	(953)	(988)
Dividend Paid	(1,051)	(570)
Net cash used in financing activities (C)	(2,004)	(1,558)
Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	13,336	5,147
Cash and cash equivalents at the beginning of the year	6,488	1,347
Add: Re-instatement gain/(loss) on balance in EEFC account	11	(6)
Cash and Cash Equivalents at close of the year	19,835	6,488

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Cash and cash equivalents consists of the following	<i>(All amounts in ₹ Lacs, unless otherwise stated)</i>	
	As at 31 March 2023	As at 31 March 2022
Bank balance		
-in current account	732	2,536
-in deposit account	19,103	3,952
	19,835	6,488
Movement in financial liabilities	Borrowings	Lease liabilities
As at 31 March 2021	-	1,246
Loan taken during the year	11,200	-
Repayment during the year	(11,200)	-
Other non cash transactions		
Lease acquisition during the year	-	1,798
Lease terminated during the year	-	(217)
Interest expense during the year	-	129
Payment during the year	-	(988)
As at 31 March 2022	-	1,968
Loan taken during the year	-	-
Repayment during the year	-	-
Other non cash transactions		
Lease acquisition during the year	-	1,318
Lease terminated during the year	-	(16)
Interest expense during the year	-	186
Payment during the year	-	(953)
As at 31 March 2023	-	2,503

Note:-

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

Significant accounting policies (refer note 2)

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

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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

Sd/-
Rahul Jain
Whole Time Director
DIN No. 07858457
Place: Gurugram
Date: August 9, 2023

Sd/-
Pritesh Agrawal
Whole-time Director &
Chief Financial Officer
DIN No. 08757017
Place: Gurugram
Date: August 9, 2023

Sd/-
Vinod Gupta
Partner
Membership No: 503690

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 9, 2023

Sd/-
Anurag Gupta
Company Secretary
Membership No: A43500
Place: Gurugram
Date: August 9, 2023

Place: Gurugram
Date: August 9, 2023

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

(All amounts in ₹ Lacs, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2023**1 Corporate Information**

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

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

2 Basis of preparation of financial statements**a) Statement of Compliance with Ind AS**

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

The financial statements are authorised for issue by the Company's Board of Directors on August 9, 2023.

b) Basis of measurement

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

- a. Certain financial assets and liabilities (including derivative instruments) - measured at fair value (refer note 2(g)(5)).
- b. Other financial assets and liabilities - measured at amortised cost (refer note 2(g)(5)).
- c. Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.

c) Functional and presentation currency

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

d) Significant accounting judgments, estimates and assumptions

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

e) Assumptions and estimation uncertainties

- (i) measurement of useful life, residual values and impairment of property, plant and intangible assets
- (ii) impairment of financial assets and non-financial assets
- (iii) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- (iv) recognition and estimation of tax expense including deferred tax

Measurement of fair values

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

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

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

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

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

f) Current and non-current classification

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

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

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

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating cycle

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

g) Significant accounting policies

1) Property, plant and equipment and depreciation

Recognition and measurement

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

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

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

Subsequent expenditure and disposal

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

Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

2) Intangible assets and amortisation

Recognition and measurement

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

Subsequent expenditure and disposal

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

Amortisation

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**4) Inventories**

Inventories are valued at lower of cost and net realizable value. Material costs are determined using the weighted average method. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. Costs in case of work in progress and finished goods include material costs, conversion costs and appropriate production overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

Raw materials, components and other supplies held in production of finished products are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed their net realisable value. The comparison of cost and net realisable value is done on a item by item basis.

Provision for excess inventory and inventory obsolescence is determined based on Management's estimate.

5) Financial instruments*i) Recognition and initial measurement*

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A debt investment is measure at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

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

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

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

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

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

iv) Offsetting

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

v) Modification of financial assets and liabilities**Financial assets:**

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

Financial Liabilities:

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

vi) Impairment**Impairment of financial instruments**

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- it is probable that the borrowers will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the company recognises impairment loss allowances based on life time ECLs at each reporting date, right from initial recognition.

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

Presentation of allowance for expected credit losses in the balance sheet

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*Write-off*

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

vii) Income/loss recognition

- Interest income

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

6) Leases**The Company as a lessee**

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

The Company as a lessor

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

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

7) Asset retirement obligations

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

8) Provisions

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

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

9) Contingent liabilities

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

10) Revenue recognition

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

(i) Sale of products

Revenue from sale of goods is recognized when control of the goods has transferred when the goods have been delivered to the customer and there is no unfulfilled obligation that could affect

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the customer location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the goods in accordance with the sales contract.

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

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

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

(ii) *Income from services*

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

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

Annual Maintenance Contracts

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

Repairs and Installation Jobs

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

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

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

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

(iii) *Interest income, commission income*

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

(iv) *Multiple deliverable arrangements*

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

11) Accounting for Foreign currency transactions

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

12) Income tax

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

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

13) Employee benefits

i) Short-term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

b) *Defined benefit plan*

The Company provides for gratuity, a defined benefit plan covering its employees.

The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes Gratuity liabilities to the Carrier Aircon Limited Employees Group Gratuity Scheme (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India. Liabilities with regard to this is determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date, using the projected unit credit method. This defined benefit plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

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

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

d) *Share based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in other equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcome.

14) Segment reporting

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

Identification of segments:

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

15) Earnings per share

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

16) Cash and cash equivalents

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

CARRIER AIRCONDITIONING & REFRIGERATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Number	Amount
a. Equity share capital		
As at March 31, 2021		
Changes in equity share capital during the year	10,63,76,745	10,638
As at March 31, 2022		
Changes in equity share capital during the year	-	-
As at March 31, 2023	10,63,76,745	10,638
	10,63,76,745	10,638

	Reserves and Surplus				Other comprehensive income		Total
	Capital reserve	Reserves on business combination	General reserve	Retained earnings	Share options outstanding account	Re-measurement gain/(loss) on defined benefit obligations	
Balance as at March 31, 2021	1	657	895	11,029	489	-	13,071
Profit for the year	-	-	-	4,211	-	(226)	3,985
Transfer to retained earnings	-	-	-	(226)	(117)	226	(117)
Dividend paid during the year (Refer Note 27)	-	-	-	(532)	-	-	(532)
Share based payments (Refer Note 42)	-	-	-	117	66	-	183
Balance as at March 31, 2022	1	657	895	14,599	438	-	16,590
Profit for the year	-	-	-	10,993	-	(64)	10,929
Transfer to retained earnings	-	-	-	(64)	(31)	64	(31)
Dividend paid during the year (Refer Note 27)	-	-	-	(1,064)	-	-	(1,064)
Share based payments (Refer Note 42)	-	-	-	31	166	-	197
Balance as at March 31, 2023	1	657	895	24,495	573	-	26,621

Significant accounting policies (refer note 2)

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

As per our report of even date attached

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Sd/-

Vinod Gupta

Partner

Membership No: 503690

Place: Gurugram

Date: August 9, 2023

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

Sd/-

Rahul Jain

Whole Time Director

DIN No. 07858457

Place: Gurugram

Date: August 9, 2023

Sd/-

Pritesh Agrawal

Whole-time Director &

Chief Financial Officer

DIN No. 08757017

Place: Gurugram

Date: August 9, 2023

Sd/-

Simran Thapar

Whole Time Director

DIN No. 09026461

Place: Gurugram

Date: August 9, 2023

Sd/-

Anurag Gupta

Company Secretary

Membership No: A43500

Place: Gurugram

Date: August 9, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Gross block			Depreciation			Net block	
	As at April 01, 2022	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2023	For the year	On deletions/ adjustments	As at March 31, 2023	As at March 31, 2023
Freehold land	446	-	-	446	-	-	-	446
Buildings	1,293	-	36	1,257	70	35	365	892
Leasehold improvements	518	-	23	495	2	23	488	7
Plant and Equipment	8,032	564	-	8,596	678	-	3,997	4,599
Furniture and fixtures	626	84	45	665	116	45	530	135
Computers and office equipment	1,188	238	8	1,418	286	8	998	420
Vehicles	5	-	-	5	-	-	5	-
Total	12,108	886	112	12,882	1,152	111	6,383	6,499
Particulars	Gross block			Depreciation			Net block	
	As at April 01, 2021	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2022	For the year	On deletions/ adjustments	As at March 31, 2022	As at March 31, 2022
Freehold land	446	-	-	446	-	-	-	446
Buildings	1,264	29	-	1,293	55	-	330	963
Leasehold improvements	548	-	30	518	179	30	509	9
Plant and Equipment	7,582	450	-	8,032	675	-	3,319	4,713
Furniture and fixtures	613	66	53	626	160	50	459	167
Computers and office equipment	887	310	9	1,188	279	8	720	468
Vehicles	5	-	-	5	1	-	5	-
Total	11,345	855	92	12,108	1,349	88	5,342	6,766

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

4. Intangible assets											
Particulars	Gross block			Amortization			Net block				
	As at April 01, 2022	Additions during the year	Deletions/adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/adjustments	As at March 31, 2023	As at March 31, 2023		
Computer software	556	19	-	575	377	94	-	471	104		
Technical know-how	38	-	-	38	38	-	-	38	-		
Total	594	19	-	613	415	94	-	509	104		
4.1 Right-of-use assets											
Particulars	Gross block			Amortization			Net block				
	As at April 01, 2021	Additions during the year	Deletions/adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	On deletions/adjustments	As at March 31, 2022	As at March 31, 2022		
Computer software	556	-	-	556	259	118	-	377	179		
Technical know-how	38	-	-	38	38	-	-	38	-		
Total	594	-	-	594	297	118	-	415	179		
4.1 Right-of-use assets											
Particulars	Gross block			Amortization			Net block				
	As at April 01, 2022	Additions during the year*	Deletions/adjustments during the year*	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/adjustments*	As at March 31, 2023	As at March 31, 2023		
Right-of-use assets	2,955	1,318	731	3,542	985	861	706	1,140	2,402		
Total	2,955	1,318	731	3,542	985	861	706	1,140	2,402		
* Addition/deletion includes leases roll forward to further period or completion of original period.											
Particulars	Gross block			Amortization			Net block				
	As at April 01, 2021	Additions during the year	Deletions/adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	On deletions/adjustments	As at March 31, 2022	As at March 31, 2022		
Right-of-use assets	2,772	1,883	1,700	2,955	1,607	880	1,502	985	1,970		
Total	2,772	1,883	1,700	2,955	1,607	880	1,502	985	1,970		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***4.2. Capital work in progress/Intangible under development****As at March 31, 2023**

Capital Work in Progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (refer note 1)	762	21	-	-	783
Projects temporarily suspended	-	-	-	-	-
Intangible under development (refer note 2)	-	96	-	-	96

As at March 31, 2022

Capital Work in Progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (refer note 1)	66	-	-	-	66
Projects temporarily suspended	-	-	-	-	-
Intangible under development (refer note 2)	83	-	-	-	83

Notes

1. Capital work-in-progress includes upgradation of plant & machinery owned by the company located at Gurugram, Haryana.
2. Intangible under development includes software development to store research & development related design and documentations.
3. There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
5.1 Non-current financial assets - Investments

	As at March 31, 2023	As at March 31, 2022
A. Investment in equity shares (at FVTPL)		
Unquoted		
Carrier Aircon Employees' Co-operative Thrift and Credit Society Limited (2,000 shares of Rs. 50 each)	1	1
Total	1	1
Aggregate value of unquoted investments	1	1

5.2 Non-current financial assets - Loans

	As at March 31, 2023	As at March 31, 2022
<i>Unsecured, considered good</i>		
Security deposits	423	273
<i>Unsecured, considered doubtful</i>		
Security deposits	27	74
Impairment allowance for doubtful advances	(27)	(74)
Total	423	273

5.3 Non-current financial assets - others

	As at March 31, 2023	As at March 31, 2022
<i>Unsecured, considered good</i>		
Unpaid dividend account	296	283
Total	296	283

6. Income tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Advance tax and tax deducted at source	1,248	1,630
Total	1,248	1,630

Net of provision for tax Rs 9,672 lacs (as at March 31, 2022 Rs 18,000 lacs).

7. Income tax

The major components of tax expense/deferred tax assets recognised as at and for the year ended March 31, 2023 are indicated below:

a) Amounts recognised in profit or loss

	As at March 31, 2023	As at March 31, 2022
Current tax on profit for the year		
- for the year	4,407	1,614
Total current tax	4,407	1,614

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(1,218)	(39)
Total deferred tax	(1,218)	(39)
Tax charge/(credit) for the year	3,189	1,575

b) Amounts recognised in other comprehensive income

	As at March 31, 2023	As at March 31, 2022
Current tax on defined benefit obligations	-	-
Deferred tax on defined benefit obligations	(21)	(76)
Tax charge/(credit) for the year	(21)	(76)

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

	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax	14,182	5,699
Applicable tax rate	25.17%	25.17%
Tax on profit at statutory tax rate	3,570	1,435
Permanent differences	76	62
Others	(457)	78
Tax charge/(credit) for the year	3,189	1,575

d) Deferred tax assets/liabilities

	As at April 01, 2022	(Charged)/ credited to PL	Credited to OCI	As at March 31, 2023
Property, plant and equipment	(132)	64	-	(68)
Provision for doubtful debts and advances	1,208	(96)	-	1,112
Provision for inventory obsolescence	851	238	-	1,089
Provision for gratuity and compensated absences	318	569	21	908
Provision for litigation/disputes	1,262	79	-	1,341
Others	247	364	-	611
Total	3,754	1,218	21	4,993
	As at April 01, 2021	(Charged)/ credited to PL	Credited to OCI	As at March 31, 2022
Property, plant and equipment	(203)	71	-	(132)
Provision for doubtful debts and advances	1,321	(113)	-	1,208
Provision for inventory obsolescence	759	92	-	851
Provision for gratuity and compensated absences	255	(13)	76	318
Provision for litigation/disputes	1,232	30	-	1,262
Others	275	(28)	-	247
Total	3,639	39	76	3,754

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
8. Other non-current assets

	As at March 31, 2023	As at March 31, 2022
<i>Unsecured, considered good</i>		
Capital advances	33	416
Amount paid under protest	1,342	1,357
Amount deposited with gratuity fund (refer note 34)	177	418
<i>Unsecured, considered doubtful</i>		
Balances with Government authorities	272	272
Provision for doubtful advances	(272)	(272)
Total	1,552	2,191

9. Inventories

	As at March 31, 2023	As at March 31, 2022
Raw Materials and Components	5,008	6,301
Stock-in-transit	2,002	1,917
Work-in-progress	91	128
Finished goods	5,270	3,994
Traded goods	20,800	21,957
Stock in transit (traded goods)	5,518	2,765
Provision for inventory obsolescence	(4,325)	(3,381)
Total	34,364	33,681

Provision for inventory obsolescence relates to provision made for Excess & Obsolete stock amounting to Rs 4,325 lacs (As at March 31, 2022 – Rs 3,381 lacs). The provision is reversed as and when excess & obsolete inventory is sold/disposed off. Net provision for inventory obsolescence expense during the year is Rs. 726 Lacs (March 2022 Rs. 364 lacs).

10.1 Current financial assets - Trade receivables*

	As at March 31, 2023	As at March 31, 2022
<i>Trade receivable considered good- Unsecured</i>	32,391	25,728
Trade receivable credit impaired	2,795	3,291
Total	35,186	29,019
Expected credit loss allowance	(2,795)	(3,291)
Total	32,391	25,728

*refer note 40 for related parties balances

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***10.1 Current financial assets - Trade receivables**

Particulars	As at March 31, 2023						
	Not Due	Current					
		Outstanding for following periods from due date of Receipts					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	18,976	12,763	652	-	-	-	32,391
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	56	99	147	317	176	1,137	1,932
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	177	45	57	6	578	863
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(56)	(276)	(192)	(374)	(182)	(1,715)	(2,795)
Total	18,976	12,763	652	-	-	-	32,391

Particulars	As at March 31, 2022						
	Not Due	Current					
		Outstanding for following periods from due date of Receipts					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	17,290	7,906	532	-	-	-	25,728
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	100	92	86	426	507	976	2,187
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	23	193	73	17	201	597	1,104
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(123)	(285)	(159)	(443)	(708)	(1,573)	(3,291)
Total	17,290	7,906	532	-	-	-	25,728

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

10.2 Current financial assets - Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- on current accounts	732	2,536
- on deposit accounts (with original maturity of 3 months or less)	19,103	3,952
Total	19,835	6,488

10.3 Current financial assets - Loans

	As at March 31, 2023	As at March 31, 2022
(At amortised cost)		
<i>Unsecured, considered good</i>		
Security deposits	115	161
<i>Unsecured, considered doubtful</i>		
Security deposits	97	99
Impairment allowance for doubtful security deposits	(97)	(99)
Total	115	161

10.4 Current financial assets - Others

	As at March 31, 2023	As at March 31, 2022
<i>Unsecured, considered good</i>		
Unbilled revenue	2,673	2,385
Interest accrued on deposits	51	2
Others*	508	508
Total	3,232	2,895

*refer note 40 for related parties balances

11. Other current assets

	As at March 31, 2023	As at March 31, 2022
<i>Unsecured, considered good</i>		
Contract assets #	1,485	974
Prepaid expenses	505	653
Contract prepayments	462	712
Advance to suppliers	415	1,153
Advance to employees	4	-
Balances with Government authorities	2,495	1,611
<i>Unsecured, considered doubtful</i>		
Contract assets #	459	267
Advance to suppliers	98	93
Balances with Government authorities	674	525
Impairment allowance for doubtful advances	(1,231)	(885)
Total	5,366	5,103

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***12. Share capital**

	As at March 31, 2023		As at March 31, 2022	
A. Authorised share capital				
Equity shares of ₹ 10 each (with voting rights)				
- Number	11,00,00,000		11,00,00,000	
- Amount	11,000		11,000	
B. Issued, subscribed and paid up				
Equity shares of ₹ 10 each (with voting rights)				
- Number	10,63,76,745		10,63,76,745	
- Amount	10,638		10,638	
C. Reconciliation of shares outstanding				
Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Number	Amount	Number	Amount
Balance as at beginning of the year	10,63,76,745	10,638	10,63,76,745	10,638
Issued during the year	-	-	-	-
Balance as at end of the year	10,63,76,745	10,638	10,63,76,745	10,638

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

	As at March 31, 2023		
	Numbers	Amount	Holding %
<i>Holding company</i>			
Carrier Corporation, Delaware	10,26,18,689	10,262	96.5%
	As at March 31, 2022		
	Numbers	Amount	Holding %
<i>Holding company</i>			
Carrier Corporation, Delaware	10,26,18,689	10,262	96.5%

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

13. Other equity

	As at March 31, 2023	As at March 31, 2022
Capital reserve	1	1
Reserves on business combination	657	657
General reserve	895	895
Retained earnings	24,495	14,599
Share options outstanding account	573	438
	26,621	16,590

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
Nature and purpose of other reserves/ other equity
Reserves on business combination

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

General reserve

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

Other comprehensive income

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

(a) actuarial gains and losses

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

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

Share options outstanding account

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

	As at March 31, 2023	As at March 31, 2022
Capital reserve		
Balance at the beginning of the year	1	1
Add : Additions made during the year	-	-
Balance at the end of the year	1	1
Reserves on business combination		
Balance at the beginning of the year	657	657
Add : Additions made during the year	-	-
Balance at the end of the year	657	657
General reserve		
Balance at the beginning of the year	895	895
Add : Additions made during the year	-	-
Balance at the end of the year	895	895
Retained earnings		
Balance at the beginning of the year	14,599	11,029
Add : Additions made during the year	10,993	4,211
Less: Transfers from other comprehensive income	64	226
Less: Dividends paid (Refer to note 27)	1,064	532
Add: Share options outstanding account	31	117
Balance at the end of the year	24,495	14,599
Other comprehensive income		
Balance at the beginning of the year	-	-
Add : Additions made during the year	(64)	(226)
Transferred to retained earnings	64	226
Balance at the end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)*

	As at March 31, 2023	As at March 31, 2022
Share options outstanding account		
Balance at the beginning of the year	438	489
Add : Additions made during the year	166	66
Less : Transferred to retained earnings	(31)	(117)
Balance at the end of the year	573	438

14. Non-current provisions

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	594	875
Other provisions		
Litigations/disputes (Refer note 28)	5,335	5,016
Total	5,929	5,891

Movement in Litigations/disputes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at beginning of the year	5,016	4,896
Additions	440	242
Disposals/adjustments	121	122
Balance as at end of the year	5,335	5,016
Current maturity thereof	-	-
Balance of non-current provisions	5,335	5,016

Litigation/Disputes

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

15. Other non-current liabilities

	As at March 31, 2023	As at March 31, 2022
Deferred revenue	340	222
Total	340	222

16.1 Trade payables*#

	As at March 31, 2023	As at March 31, 2022
Micro and small enterprises	676	1,269
Other than micro and small enterprises	52,276	41,880
Total	52,952	43,149

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

#Refer note 40 for related parties balances

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
16.1 Trade payables aging schedule

As at March 31, 2023		Current					
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	574	97	5	-	-	676
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	22,722	8,978	19,570	325	175	506	52,276
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	22,722	9,552	19,667	330	175	506	52,952

As at March 31, 2022		Current					
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,265	4	-	-	-	1,269
(ii) Disputed dues-MSME	-	-	-	-	-	-	-
(iii) Others	16,507	13,667	10,763	413	165	365	41,880
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	16,507	14,932	10,767	413	165	365	43,149

16.2 Other current financial liabilities

	As at March 31, 2023	As at March 31, 2022
Security deposits	440	440
Unclaimed/unpaid dividend	296	283
Employee benefits payable	570	502
Payable for purchase of property, plant and equipment	57	15
Royalty payable	87	107
Derivatives not designated as hedges	57	25
Total	1,507	1,372

17. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Advances from customers	5,945	6,002
Deferred revenue	3,360	2,848
Statutory dues	1,498	801
Total	10,803	9,651

18. Current provisions

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	9	387
Other provisions		
Warranty	2,398	1,384
Total	2,407	1,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***Movement in Warranty provisions**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at beginning of the year	1,384	759
Additions	1,971	1,297
Disposals/adjustments	957	672
Balance as at end of the year	2,398	1,384
Current maturity thereof	2,398	1,384
Balance of non-current provisions	-	-

Nature of Provisions**Warranty**

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

19. Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of finished goods	49,616	36,174
Sale of traded goods	1,34,637	92,945
Sale of services #	34,532	31,436
	2,18,785	1,60,555
Other operating income		
Commission income	676	341
Scrap sales	258	311
Total	2,19,719	1,61,207

including contract revenue of Rs 3,955 lacs (Previous year Rs.3,408 lacs)

Disclosures required by IND AS 115

- Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 19 to the financial statements. Further, the revenue is disclosed in the said note is net of Rs. 1816 lacs (Previous year Rs.906 lacs) representing incentives given to various customers and Rs. 371 lacs (Previous year Rs.48 lacs) representing revenue on extended warranty.
- Aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied amounts to Rs. 340 lacs (Previous year Rs. 222 lacs). The amount does not include the value of performance obligations outstanding as at 31 March 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.

20. Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets measured at amortised cost		
- On fixed deposits	515	34
Liabilities and provisions no longer required, written back	950	1,037
Profit on sale of property, plant and equipment (net)	15	26
Rental income from property leased (refer note 31)	18	18
MTM gain on forward contracts	-	4
Miscellaneous income	914	893
Total	2,412	2,012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
Work-in-progress	128	188
Finished goods	3,994	3,934
Traded goods	24,723	18,081
	28,845	22,203
Closing stock		
Work-in-progress	91	128
Finished goods	5,270	3,994
Traded goods	26,318	24,723
	31,679	28,845
Net (increase)/decrease	(2,834)	(6,642)

22. Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	15,194	14,914
Contribution to provident and other funds (Refer note 34)	803	745
Gratuity and Leave encashment	242	434
Share based payments (Refer note 42)	166	66
Staff welfare	519	403
Total	16,924	16,562

23. Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings	-	114
Interest on lease liabilities (refer note 31)	186	129
Interest-others	20	29
Total	206	272

24. Depreciation and amortization expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	1,152	1,349
Depreciation of right-of-use assets (refer note 31)	861	880
Amortisation of intangible assets	94	118
Total	2,107	2,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***25. Other expenses**

	Year ended March 31, 2023	Year ended March 31, 2022
Power, fuel and water	630	451
Cost of services	18,132	18,928
Communication expenses	1,126	953
Rent, including lease rentals (Refer note 31)	216	491
Repairs and maintenance:		
Building	165	159
Machinery	135	124
Others	134	111
Insurance	585	509
Rates and taxes	770	370
Dealer/ Service commission	1,485	1,213
Travelling and conveyance	1,037	452
Advertisement and sales promotion	1,160	532
Sales and distribution expenses	5,358	4,676
Warranty	1,971	1,297
Bad debts & advances written off	253	378
Less- Existing provision utilized	<u>253</u>	<u>373</u>
Allowance for doubtful debts and advances	93	39
Payment to auditors (excluding Goods and services tax)		
As Auditors:		
Audit fees	28	27
Tax audit fees	1	1
In other capacity	-	1
Out-of-pocket expenses	1	1
Expenditure towards Corporate Social Responsibility (Refer note 36)	118	151
Training	92	59
Legal and professional	1,694	1,629
Group global support services (refer note 37)	3,092	1,952
Royalty	427	286
Provision for inventory obsolescence	726	364
Research and development	695	507
Foreign exchange fluctuation loss (net)	778	354
MTM loss on forward contracts	32	-
Miscellaneous	656	580
Total	41,337	36,222

26. Earnings per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Basic and diluted earnings per share		
Profit for the year (Rs in lacs)	10,993	4,211
Weighted average number of shares (in numbers)	10,63,76,745	10,63,76,745
Nominal value per share (in Rs)	10	10
Earnings per share (Basic and diluted) (in Rs)	10.33	3.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
27. Dividend Proposed

The Board of Directors of the Company at their meeting held on 9th August, 2023 considered and recommended a final dividend aggregating Rs. 1,064 lacs @ Rs. 1 per share for the financial year 2022-23 for approval by the shareholders of the company in their ensuing general meeting. (Previous year dividend paid aggregating Rs.1,064 lacs @ Rs 1 per share for the financial year 2021-22).

28. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Demands from regulatory authorities, (excluding applicable penalties)		
Income tax authorities	269	263
Sales tax authorities	5,011	5,119
Excise, Customs Department and Service Tax#	19,878	19,946
Employee State Insurance (ESI) Department	126	126
(b) Claims against the Company, not acknowledged as debt	490	573
(c) Estimated value of contracts remaining to be executed on capital account (net of advances)	128	480

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

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

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

- 29.** During the year 2000-01, the Government of Haryana levied 'Local Area Development Tax' (L.A.D.T.) on material being purchased from outside Haryana. Company together with other industries, had filed a Special Leave Petition before the Hon'ble Supreme Court of India which is pending. The Company has already provided for Rs. 53 lacs (Previous Year Rs. 53 lacs) towards entry tax liability (net of payment) in the books of account.

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

During the year 2012, the Government of West Bengal introduced "The West Bengal Tax on Entry of Goods

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

into Local Areas Act, 2012” for levy of entry tax on entry of certain goods into a local area of the State of West Bengal. In September 2015, company filed a writ petition before the Hon’ble High Court of Calcutta challenging the validity of the enactment. The Single Bench of the Hon’ble High Court vide order dated May 17, 2015 has sine die adjourned the matter, accordingly, realisation of dues gets automatically stayed. The Company has provided Rs. 67 lacs (Previous Year Rs. 67 lacs) towards the entry tax liability in the books of account. The said amount has not been paid because of the above pending litigation challenging the validity of this the act.

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

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

- 30.** The Company has foreign currency payables to various parties aggregating to Rs. 185 lacs (Previous Year Rs. 200 lacs) as of March 31, 2023 and foreign currency receivables from various parties aggregating to Rs. 25 lacs (Previous Year Rs. 35 lacs) which are outstanding for more than respective stipulated time period as of March 31, 2023. The Company has also filed applications with the Authorized dealer seeking permission for extension of time period for settlement of trade receivables and payables.

31. Disclosure required by Ind AS 116

The Company recognised a lease liability measured at the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate and Right-of-Use (ROU) asset equal to the lease liability. The Company do not apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

A. Company as a lessee

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

i) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Leased premises	1,801	1,486
Leased vehicle	601	484
	2,402	1,970

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities		
Current	789	614
Non current	1,714	1,354
	2,503	1,968

Movement of lease liability

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities at the beginning	1,968	1,246
Lease acquisition during the year	1,318	1,798
Lease terminated during the year	(16)	(217)
Interest expense during the year	186	129
Payment during the year	(953)	(988)
	2,503	1,968

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
ii) Amount recognised in the Statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of right-of-use assets		
Leased premises	578	641
Leased vehicle	283	239
	861	880
Particulars		
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense (included in finance costs - refer note 23)	186	129
Expense relating to short term/low value leases (included in other expenses - refer note 25)*	216	491
	402	620

*The Company has taken certain premises on leases with contract terms of one or less than one year which has been classified under short term leases. Further, the Company has also taken certain equipment, laptops and mobile phones on leases which are classified as low value items. The Company has elected not to recognise Right-of-use assets and lease liabilities for these leases. Further, the total net cash outflow relating to lease payments during the year amounts to Rs. 953 lacs (previous year Rs 988 lacs).

B. Company as a lessor

The Company has leased out portions of its buildings under operating lease arrangements. These leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of Rs. 18 lacs (previous year Rs. 18 lacs) was recognised as rental income in the Statement of Profit and Loss.

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	676	1,269
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	8	111
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	12	18
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

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

34. Employee benefits
A. Defined contribution plans

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Superannuation fund	80	76
Employer's contribution to Provident Fund	477	441
Employer's contribution to Employee State Insurance	*	*
Employer's contribution to Employee's Pension Scheme, 1995	246	228
Total	803	745

*Amount is below rounding off norm adopted by the Company

B. Defined benefit plans
Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

The Company contributes all ascertained liabilities towards gratuity to the Carrier Aircon Limited Employees Group Gratuity Scheme. Trustees administer contributions made to the trust

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

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

(i) Present value of defined benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	3,147	2,565
Current Service Cost	274	231
Interest Cost	201	155
Actuarial (Gains) / Losses	107	335
Benefits paid	(212)	(139)
Total	3,517	3,147
(ii) Fair value of plan assets	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	3,565	3,170
Expected return on plan assets	239	201
Actuarial Gains/ (Losses)	22	33
Contribution by the Company	80	300
Benefits paid	(212)	(139)
Total	3,694	3,565

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

(iii) Percentage allocation of plan assets	As at March 31, 2023	As at March 31, 2022
Life Insurance Corporation of India (100%)	3,694	3,565
(iv) Liability/(asset) recognised at Balance Sheet date	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligation	3,517	3,147
Less: Fair Value of Plan Assets	(3,694)	(3,565)
Amounts recognised as liability/(asset)	(177)	(418)
(v) Actual return on plan assets	Year ended March 31, 2023	Year ended March 31, 2022
Actual return on Plan Assets	261	234
(vi) Amounts recognised in Profit or loss	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	274	231
Interest Cost (net of expected return on plan asset)	(38)	(46)
Net expense	236	185
(vii) Amounts recognised in Other Comprehensive Income	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain)/loss from demographic assumptions	8	(2)
Actuarial (gain)/loss from financial assumptions	(31)	245
Actuarial (gain)/loss arising from experience adjustments	131	92
Actuarial return on plan asset less interest on plan assets	(23)	(33)
Total	85	302
(viii) Actuarial assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.40%	6.85%
Expected Return on Plan Assets	6.70%	6.34%
Salary Growth Rate		
0-1 year	8.70%	7.70%
0-2 year	8.00%	7.70%
after 2 year	8.00%	7.70%
Attrition rate		
Age group 21-30 Years	11.00%	14.00%
Age group 31-40 Years	11.00%	10.00%
Age group 41-50 Years	7.00%	7.00%
Age group 51-59 Years	8.00%	11.00%
<p>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.</p>		
(ix) Expected contribution in next fiscal year	Year ended March 31, 2023	Year ended March 31, 2022
Gratuity fund	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)*

(x) The expected maturity analysis of gratuity obligation	Year ended March 31, 2023	Year ended March 31, 2022
Within the next 12 months	505	421
Between 1 to 2 years	463	363
Between 2 to 3 years	438	421
Between 3 to 4 years	433	388
Between 4 to 5 years	404	375
Over 5 years	3,751	3,225
<hr/>		
(xi) Weighted average duration of defined benefit obligation (in years)	As at March 31, 2023	As at March 31, 2022
Gratuity	5.94	6.14

(xii) Sensitivity analysis

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

Increase / (Decrease) in defined benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate		
Increase by 0.50%	(101.81)	(94.12)
Decrease by 0.50%	107.38	99.31
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	106.16	98.04
Decrease by 0.50%	(101.61)	(93.82)
Attrition rate		
Increase by 0.50%	(3.76)	(4.66)
Decrease by 0.50%	3.91	4.85

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(xiii) Risk analysis

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

Investment risk

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

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

Interest risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

Longevity risk/ Life expectancy

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

Salary growth risk

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

Code on Social Security, 2020 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

- 35.** In the earlier years, the Company had opted for amnesty scheme popularly known as Vivad se Vishvas scheme (VSV) to settle long pending open litigations. The Company had settled all the 8 open positions upto the previous financial year.

36. Expenditure towards corporate social responsibility

During the year, the Company has spent Rs. 118 lacs (2021-22: Rs. 151 lacs) towards various schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

The details are:

The details are:

	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company	118	151
b) Amount approved by the Board to be spent during the year	118	151
c) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	118	151

- i. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.
- ii. The Company does not have any ongoing projects as at 31st March, 2023.
- 37.** During the current year, the Company has received Group global support service charges from Carrier Corporation (Holding company) of Rs.3,092 lacs (Previous year Rs.1,952 lacs) for provision of services in the various areas including legal, human resources, communications and marketing, finance, operational support etc. The management is of the opinion that it is at arms length and transfer pricing regulations will not have any impact on financial statements particularly on the amount of income tax expense and that of provision for taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

38. Financial instruments – Fair values and risk management**i) Financial instruments by category and fair value**

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

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

	March 31, 2023					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	423	-	-	423
Others	-	-	296	-	-	296
Current						
Trade receivables	-	-	32,391	-	-	32,391
Cash and cash equivalents	-	-	19,835	-	-	19,835
Loans	-	-	115	-	-	115
Others	-	-	3,232	-	-	3,232
Total financial assets	1	-	56,292	-	-	56,293
Financial liabilities						
Non-current						
Lease liabilities	-	-	1,714	-	-	1,714
Current						
Lease liabilities	-	-	789	-	-	789
Trade payables	-	-	52,952	-	-	52,952
Others	57	-	1,450	-	57	1,450
Total financial liabilities	57	-	56,905	-	57	56,905

	March 31, 2022					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	273	-	-	273
Others	-	-	283	-	-	283
Current						
Trade receivables	-	-	25,728	-	-	25,728
Cash and cash equivalents	-	-	6,488	-	-	6,488
Loans	-	-	161	-	-	161
Others	-	-	2,895	-	-	2,895
Total financial assets	1	-	35,828	-	-	35,829

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
38. Financial instruments – Fair values and risk management (continued)

	March 31, 2022					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial liabilities						
Non-current						
Lease liabilities	-	-	1,354	-	-	1,354
Current						
Lease liabilities	-	-	614	-	-	614
Trade payables	-	-	43,149	-	-	43,149
Others	25	-	1,347	-	25	1,347
Total financial liabilities	25	-	46,464	-	25	46,464

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

ii) Measurement of fair values

The different levels of fair value have been defined below:

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

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

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

There have been no transfers in either direction for the years ended 31 March 2023.

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

iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

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

Risk management framework

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
38. Financial instruments – Fair values and risk management (continued)
i. Credit risk

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

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

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

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

In respect of credit exposures from trade receivables, the Company has policies in place to ensure that sales on credit without collateral are made principally to dealers and corporate companies with an appropriate credit history.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Reconciliation of loss allowance provision

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	3,291	3,815
Addition/(reversal) during the year	(243)	(151)
Utilised during the year	253	373
Closing balance	2,795	3,291

The impairment provisions for trade receivable disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
38. Financial instruments – Fair values and risk management (continued)

The Company's liquidity risk management includes maintaining sufficient cash, ensuring the availability of funds through committed/undrawn credit facilities and ensuring cash flow from operating activities. The Company seeks to increase income by maintaining high quality standards resulting into higher sales, while reducing the related costs and by controlling operating expenses.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit to meet the short term funding requirement:

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term and long term liquidity needs.

(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31,2023	Contractual cash flows			
	Carrying amount	Total	Less than 1 year	More than 1 year
Non-derivative financial liabilities				
Lease liabilities (current & non current)	2,581	2,581	887	1,694
Trade payables	52,952	52,952	52,952	-
Other current financial liabilities	1,507	1,507	1,507	-
	57,040	57,040	55,346	1,694

As at March 31,2022	Contractual cash flows			
	Carrying amount	Total	Less than 1 year	More than 1 year
Non-derivative financial liabilities				
Lease liabilities (current & non current)	2,296	2,296	745	1,551
Trade payables	43,149	43,149	43,149	-
Other current financial liabilities	1,372	1,372	1,372	-
	46,817	46,817	45,266	1,551

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2023	As at March 31, 2022
Overdraft facilities and working capital loan from bank.	14,400	14,400
	14,400	14,400

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***38. Financial instruments – Fair values and risk management (continued)****iii. Market risk**

The Company is exposed to market risk primarily relating to the risk of changes in market prices, such as foreign exchange rates, that will affect the Company's expense or the value of its holdings of financial instruments.

iv. Currency risk

The Company's exposure to foreign currency risk is on account of payables of expenditure in currencies other than the functional currency of the Company.

Exposure to currency risk

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

	Currency	As at March 31, 2023		As at March 31, 2022	
		FC (in lacs)	INR	FC (in lacs)	INR
Trade payables	EUR	1	95	*	135
(Gross of forward exchange contracts)	GBP	1	108	*	14
	JPY	120	74	345	215
	USD	43	3,505	42	3,145
	CNY	719	8,618	474	5,622
	LKR	-	-	2	1
	THB	-	-	1,047	2,381
			12,400		11,514
Trade receivables	USD	22	1,814	19	1,393
	JPY	3	2	3	2
	EUR	*	13	*	6
	THB	-	-	2	4
			1,829		1,405

Forward exchange contracts	Currency	As at March 31, 2023		As at March 31, 2022	
		FC (in lacs)	INR	FC (in lacs)	INR
Trade payables	JPY	-	-	-	-
	CNY	332	3,983	400	4,739
	THB	-	-	606	1,379
			3,983		6,118

The forward exchange forward contracts mature within twelve months. The table below shows the derivative financials instruments in to relevant maturity groupings based on the remaining period as at the balance sheet date.

	As at March 31, 2023	As at March 31, 2022
Not later than 1 month	693	3458
Later than 1 month but not later than 3 month	3,290	2659
Later than 3 month but not later than 3 month	-	-
	3,983	6,118

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
38. Financial instruments – Fair values and risk management (continued)
Sensitivity analysis

A reasonably possible strengthening/weakening of the Indian Rupee against foreign currency at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	(Profit) or loss, net of tax	
	Strengthening	Weakening
As at March 31,2023		
10% movement		
Foreign Currency	(659)	659
	(659)	659

Effect in INR	(Profit) or loss , net of tax	
	Strengthening	Weakening
As at March 31,2022		
10% movement		
Foreign Currency	(399)	399
	(399)	399

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

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all equity reserves attributable to the equity holders of the company. The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years end March 31, 2023.

There is no financial covenants which needs to be maintained under the term of borrowing facilities. The capital gearing ratio is as follows.

	As at 31 March 2023	As at 31 March 2022
Total liabilities	76,441	64,024
Less: cash and cash equivalents	19,835	6,488
Adjusted net debt	56,606	57,536
Total equity	37,259	27,228
Adjusted net debt to equity ratio	1.5	2.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

40. RELATED PARTY DISCLOSURES

A. The names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

i) Holding Company

Carrier Corporation, Delaware

ii) Ultimate Holding Company

Carrier Global Corporation, USA

iii) Fellow Subsidiaries / Entities

- | | |
|--|--|
| a) Carrier Asia Limited, Hong Kong | t) Carrier (Thailand) Limited, Thailand |
| b) Carrier ARCD Pte. Ltd, Singapore | u) Carrier Middle East Limited, Bermuda |
| c) UTEC Inc., Delaware | v) Onity India Private Limited, India |
| d) CARRIER S.C.S., France | w) Carrier Transicold Europe, France |
| e) Carrier Singapore (PTE) Limited, Singapore | x) Shanghai Carrier Transicold Equipment Co., Ltd, China |
| f) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China | y) Carrier Transicold Hong Kong Limited, Hong Kong |
| g) Automated Logic Corporation, Georgia | z) Carrier Kältetechnik Deutschland GmbH, Germany |
| h) Carrier International Sdn. Berhad, Malaysia | aa) Carrier Aircon Lanka Private Limited, Sri Lanka |
| i) Chubb Systems Private Limited, India (Previously know as Carrier Race Technologies Private Limited, India)- till 3rd January, 2022. | ab) Carrier Montluel, France |
| j) Carrier Technologies India Limited (Previously know as UTC Fire & Security India Limited), India | ac) Carrier Air-Conditioning And Refrigeration System, China |
| k) Ecoenergy Insights Limited (Previously know as Chubb Alba Control Systems Limited) | ad) Kidde Products Limited, United Kingdom |
| l) Carrier Fire & Security Singapore Pte Ltd, Singapore | ae) Carrier Vietnam Air Conditioning Company Limited, Vietnam |
| m) Carrier Airconditioning & Refrigeration System LTG, China | af) Carrier Transicold Industries S.C.S, France |
| n) Carrier A/C Sales & Service (Shanghai) Co Ltd, China | ag) Toshiba Carrier (Thailand) Co Ltd, Thailand - w.e.f 1 st August, 2022 |
| o) Kidde-Fenwal, Inc., Delaware | ah) Toshiba Carrier Corporation, Japan - w.e.f 1 st August, 2022 |
| p) Toshiba Carrier AirConditioning Sales (Shanghai) Co., Ltd, China | ai) Toshiba Carrier Air-Conditioning India Private Limited, India - w.e.f 1 st August, 2022 |
| q) Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China | |
| r) Carrier Refrigeration Operation Czech Republic s.r.o, Czech Republic | |
| s) Carrier Fire & Security B.V., Netherlands | |

iv) Key Management Personnel

- Chirag Baijal (Managing Director) (till July 31, 2023)
- Pritesh Agrawal (Chief Financial Officer & Whole Time Director)
- Rahul Jain (Whole Time Director)
- Simran Thapar (Whole Time Director)
- Narendra Singh Sisodia (Independent director)
- Siraj Azmat Chaudhry (Independent director) (w.e.f November 29, 2021)
- Har Amrit Pal Singh Dhillon (Non-Executive Director)
- Pankaj Prakash Sahni (Independent director) (till September 24, 2021)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
40B - Description of Transactions with the Related Parties

(All amounts in ₹ Lacs, unless otherwise stated)

Sl No	Name of the Party	For the year ended	Sale of Goods and Services #	Purchase of Goods	Commission Income	Expenses		Dividend paid
						Incurred	Re-imbursed	
1	Carrier Corporation, Delaware	31 March, 2023	-	674	-	5,007	2,707	872
		31 March, 2022	(-)	(23)	(-)	(4,610)	(2,069)	(513)
2	Carrier Asia Limited, Hong Kong	31 March, 2023	-	11,827	962	266	-	-
		31 March, 2022	(-)	(3,809)	(342)	(37)	(3)	(-)
3	Carrier Technologies India Limited	31 March, 2023	15	527	-	112	427	-
		31 March, 2022	(3)	(416)	(-)	(115)	(518)	(-)
4	Toshiba Carrier Air Conditioning India Private Limited	31 March, 2023	443	22,785	-	45	188	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)	(-)
5	Ecoenergy Insights Limited	31 March, 2023	2	15	-	30	281	-
		31 March, 2022	(5)	(4)	(-)	(139)	(522)	(-)
6	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2023	-	11,084	-	-	-	-
		31 March, 2022	(-)	(5,458)	(-)	(-)	(1)	(-)
7	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2023	-	307	-	-	309	-
		31 March, 2022	(-)	(293)	(-)	(-)	(318)	(-)
8	Carrier Singapore (PTE) Limited, Singapore	31 March, 2023	-	-	-	-	912	-
		31 March, 2022	(-)	(-)	(-)	(12)	(739)	(-)
9	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2023	-	81	-	-	-	-
		31 March, 2022	(-)	(79)	(-)	(-)	(-)	(-)
10	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2023	-	1,974	-	-	-	-
		31 March, 2022	(2)	(1,402)	(-)	(-)	(-)	(-)
11	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2023	-	2,227	-	-	-	-
		31 March, 2022	(-)	(1,748)	(-)	(-)	(-)	(-)
12	Carrier A/C Sales & Service (Shanghai) Co Ltd, China	31 March, 2023	-	-	-	-	-	-
		31 March, 2022	(10)	(-)	(-)	(-)	(-)	(-)
13	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2023	1	-	-	-	166	-
		31 March, 2022	(22)	(-)	(-)	(14)	(74)	(-)
14	Carrier International Sdn. Berhad, Malaysia	31 March, 2023	8	59	-	-	1	-
		31 March, 2022	(14)	(47)	(-)	(-)	(1)	(-)
15	Chirag Bajaj	31 March, 2023	202	-	-	-	-	-
		31 March, 2022	(191)	(-)	(-)	(-)	(-)	(-)
16	Pritesh Agrawal	31 March, 2023	115	-	-	-	-	-
		31 March, 2022	(115)	(-)	(-)	(-)	(-)	(-)
17	Rahul Jain	31 March, 2023	112	-	-	-	-	-
		31 March, 2022	(110)	(-)	(-)	(-)	(-)	(-)
18	Simran Thapar	31 March, 2023	60	-	-	-	-	-
		31 March, 2022	(59)	(-)	(-)	(-)	(-)	(-)
19	Narendra Singh Sisodia	31 March, 2023	4	-	-	-	-	-
		31 March, 2022	(6)	(-)	(-)	(-)	(-)	(-)
20	Pankaj Prakash Sahani	31 March, 2023	-	-	-	-	-	-
		31 March, 2022	(2)	(-)	(-)	(-)	(-)	(-)
21	Siraj Azmat Chaudhry	31 March, 2023	3	-	-	-	-	-
		31 March, 2022	(2)	(-)	(-)	(-)	(-)	(-)
22	Others - Fellow subsidiaries	31 March, 2023	1	7,029	5	14	425	-
		31 March, 2022	(-)	(2,757)	(7)	(104)	(607)	(-)

including applicable taxes

Figures in bracket represent previous year's figures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
40B - Description of Transactions with the Related Parties and balances at year end

(All amounts in ₹ Lacs, unless otherwise stated)

SI No	Name of the Party	For the year ended	Outstanding Balances at year end				Contribution to the Funds
			Trade Receivable & Other receivable	Trade payables	Dividend payables	Guarantees Outstanding	
1	Carrier Corporation, Delaware	31 March, 2023	896	1,576	-	-	-
		31 March, 2022	(835)	(2,456)	(-)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2023	379	306	-	-	-
		31 March, 2022	(175)	(179)	(-)	(-)	(-)
3	Carrier Technologies India Limited	31 March, 2023	58	33	-	-	-
		31 March, 2022	(204)	(40)	(-)	(-)	(-)
4	Carrier Global Corporation, USA	31 March, 2023	-	-	-	67,175	-
		31 March, 2022	(-)	(-)	(-)	(66,842)	(-)
5	Carrier Refrigeration Management Superannuation Fund Trust	31 March, 2023	-	-	-	-	59
		31 March, 2022	(-)	(-)	(-)	(-)	(58)
6	Toshiba Carrier Air Conditioning India Private Limited	31 March, 2023	504	3,355	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
7	Ecoenergy Insights Limited	31 March, 2023	44	-	-	-	-
		31 March, 2022	(51)	(104)	(-)	(-)	(-)
8	Shanghai Carrier Transcold Equipment Co., Ltd, China	31 March, 2023	-	6,418	-	-	-
		31 March, 2022	(-)	(2,481)	(-)	(-)	(-)
9	Carrier Transcold Hong Kong Limited, Hong Kong	31 March, 2023	-	78	-	-	-
		31 March, 2022	(-)	(113)	(-)	(-)	(-)
10	Carrier Singapore (PTE) Limited, Singapore	31 March, 2023	513	-	-	-	-
		31 March, 2022	(358)	(-)	(-)	(-)	(-)
11	Shanghai Yifeng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2023	-	28	-	-	-
		31 March, 2022	(-)	(26)	(-)	(-)	(-)
12	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2023	-	410	-	-	-
		31 March, 2022	(-)	(275)	(-)	(-)	(-)
13	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2023	-	596	-	-	-
		31 March, 2022	(-)	(582)	(-)	(-)	(-)
14	Carrier A/C Sales & Service (Shanghai) Co Ltd, China	31 March, 2023	-	-	-	-	-
		31 March, 2022	(10)	(-)	(-)	(-)	(-)
15	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2023	116	14	-	-	-
		31 March, 2022	(98)	(14)	(-)	(-)	(-)
16	Carrier International Sdn. Berhad, Malaysia	31 March, 2023	19	-	-	-	-
		31 March, 2022	(2)	(32)	(-)	(-)	(-)
17	Chirag Bajaj	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
18	Pritesh Agrawal	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
19	Rahul Jain	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
20	Simran Thapar	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
21	Narendra Singh Sisodia	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
22	Pankaj Prakash Sahani	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
23	Siraj/Azmat Chaudhry	31 March, 2023	-	-	-	-	-
		31 March, 2022	(-)	(-)	(-)	(-)	(-)
24	Others - Fellow subsidiaries	31 March, 2023	52	902	-	-	-
		31 March, 2022	(352)	(828)	(-)	(-)	(-)

Figures in bracket represent previous year's figures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)
41. Segment Reporting
General Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company's board of directors have been identified as the Chief Operating Decision Makers (CODM) since they are responsible for all major decisions in respect of allocation of resources and assessment of the performance on the basis of the internal reports/ information provided by functional heads.

For management purposes, the Company is organised into following two reportable segments:

Airconditioning

Others (Includes Cold Room, Transicold and Fire & Security Products)*

Cold Room includes manufacturing/ trading and supply of refrigeration ,cold room and modern retail equipments.

Transicold includes supply & installation of refrigeration equipment to fleet operators and logistics companies. Fire & Security Products includes manufacturing / trading and supply of fire & safety products.

*Cold Room, Transicold and Fire & Security Products are combined as "Others", as these individually do not meet the threshold requirements mentioned under IND AS 108 " Operating Segments".

		Current Year			Previous Year		
		Airconditioning	Others	Total	Airconditioning	Others	Total
(i)	Revenue						
	External sales and services (net)	1,83,984	34,801	2,18,785	1,35,602	24,953	1,60,555
	Total Revenue			2,18,785			1,60,555
(ii)	Segment results	12,123	1,750	13,873	5,188	749	5,937
	Operating income			13,873			5,937
	Finance charges			(206)			(272)
	Interest income			515			34
	Profit before tax			14,182			5,699
	Current tax			4,407			1,614
	Deferred tax			(1,218)			(39)
	Tax related to earlier years			-			(87)
	Net Profit after tax (A)			10,993			4,211
	Other comprehensive income/ (loss)						
	(i) Items that will not be reclassified to profit or loss			(85)			(302)
(ii) Income tax related to items that will not be reclassified to profit or loss			21			76	
Other comprehensive income for the year (B)			(64)			(226)	
Total comprehensive income for the year (A+B)			10,929			3,985	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)*

	Current Year			Previous Year		
	Airconditioning	Others	Total	Airconditioning	Others	Total
(iii) Other information						
Segment assets	74,347	13,027	87,374	70,308	8,789	79,097
Add : Unallocated Assets	-	-	26,326			12,155
Total Assets	74,347	13,027	1,13,700	70,308	8,789	91,252
Segment liabilities	55,995	20,151	76,146	48,237	15,504	63,741
Add : Unallocated Liabilities	-	-	295	-	-	283
Total Liabilities	55,995	20,151	76,441	48,237	15,504	64,024
Capital expenditure	1,293	-	1,293	964	-	964
Depreciation / Amortization	2,089	18	2,107	2,330	17	2,347

	Revenue		Assets		Capital Expenditure		Non Current Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	2,17,042	1,59,070	1,11,871	89,847	1,293	964	18,397	17,196
Outside India	1,743	1,485	1,829	1,405	-	-	-	-
TOTAL	2,18,785	1,60,555	1,13,700	91,252	1,293	964	18,397	17,196

C. Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2023 and 31 March 2022.

42. Employee Stock Option Scheme (ESOP)**A. Description of share based payment arrangements**

The Company employees are entitled to various stock options under Carrier Global Corporation, USA, the Ultimate Parent Company's Long-Term Incentive Plan (LTIP), as amended and restated effective February 5, 2016 (the "LTIP"). The stock options provided to employees of the Company is subject to the terms and conditions of the LTIP. Under the LTIP and predecessor long-term incentive plans, the exercise price of awards is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock appreciation rights and stock options have a term of ten years and a minimum three-year vesting period. In the event of retirement, awards held for more than one year may become vested and exercisable subject to certain terms and conditions. LTIP awards with performance based vesting generally have a minimum three-year vesting period and vest based on performance against pre-established metrics. In the event of retirement, vesting for awards held more than one year does not accelerate but may vest as scheduled based on actual performance relative to target metrics. The Company measures the cost of all share-based payments, including stock options, at fair value on grant date, on the basis of information available from parent company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts in ₹ Lacs, unless otherwise stated)

The key terms and conditions related to various stock options under LTIP is as follows:-

Type of options granted	Vesting condition	Contractual life	Settlement
Restricted stock units (RSU's)	3 years service condition	Equal to vesting period	Settlement to be done by delivery of one common stock of Carrier Global Corporation, USA
Stock Appreciation Rights (SAR's)	3 years service condition	10 years	Settlement is done by delivery common stock of Carrier Global Corporation, USA and no cash is being paid to employees. The number of common stock issued represents the amount of appreciation in options granted to employee
Performance Share Units (PSU's)	3 years service condition	10 years	Settlement is done by delivery common stock of Carrier Global Corporation, USA.

B. Measurement of fair values

The parent company estimates the fair value of RSU option award, PSU option award and SAR option award on the date of grant using a binomial lattice model. The following table indicates the assumptions used in estimating fair value for the years ended March 31, 2023 and 2022. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31-Mar-23	31-Mar-22
Expected volatility	30.8%-31.3%	31.6%-34.1%
Expected term (in years)	6.1	6.6
Expected dividend yield	1.50%	1.50%
Risk-free rate	1.7%-3.00%	0.7%-1.4%

The weighted-average grant date fair value of SAR's stock options granted during 2022-23 was Rs.Nil USD equivalent -\$ Nil (2021-22 Rs. Nil USD equivalent -\$ Nil)

Expected volatilities are based on the returns of Carrier Global Corporation, USA stock, including implied volatilities from traded options on Carrier Global Corporation, USA stock for the binomial lattice model. Historical data is used to estimate equity award exercise and employee termination behavior within the valuation model. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)***C. Reconciliation of outstanding share options**

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2023 is as follows:-

RSU's stock options	31-Mar-23		31-Mar-22	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	1,760	-	2,234	-
Granted during the year	890	-	725	-
Exercised during the year	-	-	1,211	-
Restricted shares due to merger	34	-	12	-
Outstanding at the end of the year	2,684	-	1,760	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2023 have a weighted average remaining contractual life of 7.61 years (31 March 2022 : 7.51 years)

The weighted average share price at the date of exercise for shares options exercised in 2022-23: Rs.Nil USD equivalent - \$ Nil . (31 March 2022 : Rs.3258 USD equivalent -\$44.72)

PSU's stock options	31-Mar-23		31-Mar-22	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	760	-	1,467	-
Granted during the year	385	-	315	-
Exercised during the year	-	-	1,022	-
Restricted shares due to merger	-	-	-	-
Outstanding at the end of the year	1,145	-	760	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2023 have a weighted average remaining contractual life of 7.63 years (31 March 2022: 7.51 years)

SAR's	31-Mar-23		31-Mar-22	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	25,060	23.10	45,522	68.39
Granted during the year	-	-	-	-
Exercised during the year	851	45.49	20,462	43.67
Restricted shares due to merger	-	-	-	-
Outstanding at the end of the year	24,209	23.35	25,060	23.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lacs, unless otherwise stated)

The options outstanding as at 31 March 2023 have a weighted average remaining contractual life of 6.07 years (31 March 2022 : 6.87 years)

The weighted average share price at the date of exercise for shares options exercised in 2022-23 was Rs. 3654 USD equivalent - 45.49 (2021-22: Rs.3236 USD equivalent - \$43.43)

D. Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer note 22

43. Key Financial Ratios

Sr No.	Particulars	Particulars		Ratio as on	Ratio as on	Variation
		Numerator	Denominator	31 March 2023	31 March 2022	
(a)	Current Ratio	Current Assets	Current Liability	1.39	1.31	6%
(b)	Return on Equity Ratio	Net Profits after taxes	Shareholder's Equity*	30%	16%	89%
(c)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory (gross of provision for inventory obsolescence)	3.89	3.13	24%
(d)	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (gross of expected credit loss allowance)	6.84	5.35	28%
(e)	Trade Payables Turnover Ratio	Net Credit Purchases	Average trade payable	3.10	2.76	12%
(f)	Net Capital Turnover Ratio	Revenue from operations	Average Working Capital= Average of Current assets – Current liabilities	9.91	10.56	-6%
(g)	Net Profit Ratio	Net Profits after taxes	Revenue from operations	5%	3%	91%
(h)	Return on Capital Employed	EBIT= Profit before tax + finance costs (other than interest on lease liabilities)	Capital Employed= Total Assets - Current Liabilities	31%	17%	86%

* Excludes reserve on business combinations and capital reserve

Reasons for major variations:

- 1 Improvement in profitability ratios is driven by higher sales growth and higher profits in current year. The profit was further helped by reduction in interest expense due to repayment of loans.
- 2 Change in turnover ratios is due to better working capital management practices through continued and sustained focus on the digital tools & processes.

44. Other Statutory Information's

- i) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) There were no amounts which were required to be transferred but not transferred to the Investor Education and Protection Fund by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts in ₹ Lacs, unless otherwise stated)*

- iii) The Company does not have any sanctioned facility on the basis of security of the current assets but has sanctioned facilities supported by the corporate guarantee from the holding company. Hence, there is no requirement of filling periodic returns.
- iv) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, is as under:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March, 2023 (Payable)/Receivable	Balance outstanding as at 31st March, 2022 (Payable)/Receivable
Bsw Aircon Private Limited	Purchase of goods/services	(1)	(1)
Abacus Hvac Solutions India Private Limited	Purchase of goods/services	*	*
Swathi Airconditioning Private Limited	Purchase of goods/services	*	*
Peace Hvac Systems Private Limited	Purchase of goods/services	*	*
Greenair Engineering Solutions Private Limited	Purchase of goods/services	*	*
Ashoka Hotels Private Limited	Sales of goods/services	6	6
Ambience Facility Management Private Limited	Sales of goods/services	10	10
Aasthaa Airtech Private Limited	Sales of goods/services	*	*
Martin And Harris Laboratories Limited	Sales of goods/services	*	*
Kirti Films Private Limited	Sales of goods/services	*	*

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

- v) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vi) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

45. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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

Sd/-

Rahul JainWhole Time Director
DIN No. 07858457

Place: Gurugram

Date: August 9, 2023

Sd/-

Pritesh AgrawalWhole Time Director &
Chief Financial Officer
DIN No. 08757017

Place: Gurugram

Date: August 9, 2023

Sd/-

Vinod Gupta

Partner

Membership No: 503690

Place: Gurugram

Date: August 9, 2023

Sd/-

Simran ThaparWhole Time Director
DIN No. 09026461

Place: Gurugram

Date: August 9, 2023

Sd/-

Anurag GuptaCompany Secretary
Membership No: A43500

Place: Gurugram

Date: August 9, 2023

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

Regd. Office:-

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

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