



CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

CIN: U74999HR1992FLC036104

Registered Office: Narsingpur Kherki Daula Post Gurgaon-122001, Haryana, India

Website: <http://www.carrierindia.com>; Email: secretarial@carrier.com

Phone: 0124 4825500; Fax: +91-124 2372230

Transcript of the 31st Annual General Meeting dated 8th September, 2023 at 12:00 p.m.

Mr. Anurag Gupta, Company Secretary

Dear Shareholders,

Good Morning,

I, Anurag Gupta, the Company Secretary welcome you all to the 31st Annual General Meeting of your company - Carrier Airconditioning & Refrigeration Limited which is being held through Video conferencing and other audio-visual means, as permitted by the Ministry of Corporate Affairs.

Before we commence, I would like to inform that the notice calling the 31st Annual General Meeting has been sent to all shareholders whose email ids were registered with the company and the depository participants.

The shareholders have been provided with the facility to join the meeting through video conferencing or other audio-visual means on a first come first serve basis. All the members joining this meeting have been kept on mute by default for smooth and seamless conduct of the meeting.

During the question answer-session, the Chairman will announce the name of the shareholders registered for speaking and that shareholder would be unmuted by the host of the Annual General Meeting and would be allowed to express their views, ask questions, give suggestions. Each speaker shareholder will be given three minutes and I request each speaker shareholder to adhere to this time limit. The speaker shareholders are requested to click the audio and video button while speaking, if the shareholder is unable to join through the video mode due to any reason the shareholder is advised to speak through audio mode only. Speaker shareholders are requested to minimize any background noises to avoid any disturbance. In the event, if there is a connectivity problem at speaker shareholder's end, we will ask the next speaker to ask the question, once the connectivity improves the previous speaker shareholder will be called to speak. During the meeting if the shareholder faces any technical issue, he or she may call the help line of Central Depository Service Limited as mentioned in the notice of AGM.

Now may I request upon all directors to please introduce themselves to the shareholders of the company.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank You Anurag. Dear Shareholders, Dear Shareholders, Good Morning. I am Pritesh Agrawal Whole-time Director and Chief Financial Officer of your company. I am also representing audit committee and stakeholder relationship committee of the Board of your company. I am participating in this meeting from our corporate office in Gurgaon and I can clearly see and hear everybody. Thank You

Mr. Anurag Gupta, Company Secretary

Now I request Mr. Siraj Chaudhry to kindly introduce to the shareholders.

Mr. Siraj Azmat Chaudhry, Independent Director

Hi, Good Afternoon. I am Siraj Chaudhary, Independent Director of your company attending this meeting from Gurgaon. I am representing corporate social responsibility and nomination and remuneration committee of the Board of your company. I can clearly see and hear everybody. Thank You.

Mr. Rahul Jain, Whole-time Director

Dear Shareholders, Good Morning. I am Rahul Jain, whole-time Director of your Company. I am participating in this meeting from Gurgaon and I can clearly see and hear everybody. Thank You.

Ms. Simran Thapar, Whole-time Director

Good Afternoon, Shareholders. This is Simran Thapar, whole-time Director of your Company. I am participating in this meeting remotely from Gurgaon and I can clearly see and hear everybody. Thank You.

Mr. Anurag Gupta, Company Secretary

Thank You all the Directors.

Now may I request upon Siraj Chaudhry to propose name of Chairman of this meeting.

Mr. Siraj Azmat Chaudhry, Independent Director

I would like to propose the name of Mr. Pritesh Agrawal as Chairman of this meeting.

Mr. Rahul Jain, Whole-time Director

I agree for Mr. Pritesh Agrawal to chair this meeting.

Ms. Simran Thapar, Whole-time Director

I agree for Mr. Pritesh Agrawal to chair this meeting.

Mr. Anurag Gupta, Company Secretary

Thank you. Now may I request upon Mr. Pritesh Agrawal to please chair this meeting.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you, Anurag and thank you all the Directors for choosing me as Chairman of this meeting.

Good morning and very warm welcome to all shareholders, directors, and auditors to the 31st Annual General Meeting of Carrier Airconditioning & Refrigeration Limited. I sincerely wish, you and your families are safe and healthy. I kindly ask everybody to support to make this AGM a successful event. The requisite quorum for the meeting is present and I call the meeting to order.

I would like to mention that Mr. Vinod Gupta representing MSKA & Associates, Statutory Auditors of your Company, Mr. Deepak Kukreja representing DMK Associates, Secretarial Auditors of your company, Mr. Aseem Jain, representing Jain Sharma and Associates, Cost Auditors of your company and Mr. Lokesh Gupta, Internal Auditor of your company are also present.

My colleagues - Mr. Har Amrit Pal Singh Dhillon and Mr. Narendra Singh Sisodia, Directors of your company are not present due to their pre-occupation. The Company has received authorization from corporate shareholder, Carrier Corporation in respect of 10 Crore 26 Lakh 18 Thousand 6 Hundred and 89 equity shares representing 96.47% of the total share capital of company in favour of Ms. Nandita Luthra and in her absence Mr. Sudarshan Gopalan, to attend and vote in this AGM on behalf of Carrier Corporation.

Since this AGM is being held through video conferencing / other audio-visual means therefore physical attendance of the shareholders has been dispensed with. The requirement to appoint proxy is also not applicable. The register of directors and their shareholding, registers of contracts in which directors are interested, are available for inspection on the website of the company under investor tab. The notice of AGM is already circulated to all members and with your permission I take the notice of the meeting as read. Further the report of statutory auditors and secretarial auditors are unqualified, without any reservation or adverse remarks and with your due permission I take the secretarial auditors report given on page no. 45 to 47 and statutory auditors report given on page no. 56 to 66 of Annual Report as read.

Dear Shareholders

Now with your permission I would proceed to deliver the customary chairman speech. On behalf of the board of directors of your company I want to thank you for taking the time out to join this meeting.

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.

Now I would present brief business update for financial year 2022-23, a year that has been extraordinary in every sense.

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 the 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 Gurgaon 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 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 & 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 suppliers 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.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company's social responsibility extends well beyond business and financial targets. The Company had spent Rs. 1.18 Crores on CSR activities during Financial Year 2022-23. Your company has entered into partnership with the NGO United Way of Delhi for its CSR activities. The CSR projects of your company includes United for Air and Green Your School.

The Objective of project United for Air is to reduce Carbon Footprint & enhance environmental sustainability.

Under this project your company is:

- Raising awareness on alarming levels of air pollution and its implications on climate change. Your company has a total of 17 LEDs & 11 Air monitors as on date.
- Educating on the direct impact of air pollution on human health and existence and

- Promoting mechanisms for raising capacity of communities to deal with pollution at community level and adopt a healthy lifestyle.

Your company spent 82 Lacs in this project last year.

The other CSR project of your company is **Green Your School** in which your company spent Rs. 30 Lacs last year.

The objective of this project is to raise awareness on Green Buildings and sustainability amongst the youth of India and Encouraging the youth to come up with ideas on implementation of Green Building initiatives in their schools and awarding the best adjudged schools to implement initiatives in the schools.

With this I would like to conclude business update and request Anurag to through the shareholders to voting instructions.

Mr. Anurag Gupta, Company Secretary

Thank You Hon'ble Chairman.

Dear Shareholders,

The resolutions along with explanatory statement are given in the notice of AGM which is already circulated amongst all of you and with your due permission I read the headlines of the same as follows:

Item No. 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.

Item No. 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.

Item No. 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.

Item No. 4: To declare final dividend of Rs. 1/- per equity share for the financial year ended March 31, 2023.

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

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

In compliance with the provisions of Companies Act, 2013 and applicable circulars issued by the Ministry of Corporate Affairs the members have been provided with the facility to cast their votes through remote e-voting. The remote e-voting facility was available from 5th September, 2023 from 9:00 A.M. till 7th September, 2023 5:00 P.M. The shareholders who have not casted their votes on the resolutions through remote e-voting, they may cast their votes through e-voting during the continuance of this meeting and within 15 minutes from conclusion of this meeting. The e-voting facility will be disabled thereafter.

The board has appointed DMK Associates as scrutinizer to scrutinize the remote e-voting & e-voting during this meeting and provide the consolidated report to the Chairman. The result of the voting will be announced on or before 12th September, 2023 and the same shall be uploaded on the website of the company and the website of CDSL.

Thank you very much. Now I would hand over the meeting to Hon'ble Chairman.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you, Anurag. Now I would like to invite the shareholders who have registered themselves to speak during the AGM to express their views, ask question, give their suggestions.

Mr. Anurag Gupta, Company Secretary

Registered speaker is Mr. Raju Verma and may I request the Host to unmute Mr. Raju Verma please.

Mr. Raju Verma, Shareholder

Hello Sir, This is Raju Verma, shareholder joining from Delhi. I thank you and the Secretarial team for providing me chance to speak in the AGM. I have complete trust on management of Company. Sir, I believe whatever agenda the Company will propose will be in interest of the Company. I accept and give my assent on all the resolutions. Chairman Sir's speech is transparent in itself. I wish good future of Company. Thank you very much.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you very much Raju ji.

Mr. Anurag Gupta, Company Secretary

Thank you.

We have next speaker, Mr. Parmod Jain.

Mr. Parmod Jain, Shareholder

Hello Sir, I am shareholder joining from Delhi. I want to thank Board of Directors, Secretarial department for providing me chance to speak in the AGM and I support all the proposed resolutions. Sir, is there any scheme for Shareholders for buying Carrier Air conditioners on discount. I have trust on the leadership that Company will do good in future. Thank you.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you, Pramod Ji, for your comment. We will let you know if there will come any scheme for shareholders. Thank you for taking part in AGM.

Mr. Anurag Gupta, Company Secretary

Thank you, we have next speaker Mr. Chetan Chadha.

Mr. Chetan Chadha, Shareholder

Hello Sir, Myself Chetan Chadha and I am joining from Delhi. Sir, first of all I request board to adopt hybrid model for conducting AGM so that more shareholders can get together. Also, I would like to say that Company has grown in more than 20% in terms of revenue and profitability but declare dividend merely 10% which is less. I expect company to increase shareholders dividend. I am also requesting for hard copy Annual Report. Company is spending good on CSR but giving less dividend. Company is also

not giving bonus share. I thank Secretarial department who has arranged AGM in first week of September rather than in end of month. I again suggest to please adopt Hybrid model. Thank you.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you, Chetan ji for your questions and suggestions. We have received requests from shareholders to adopt digital model and send e-copy of annual report so we have opted that model. For dividend point, we have declared almost INR 35-36/- on dividend in last 5 years. In last 2 years we have cleared the outstanding loan and now Company has reached at positive cash reserve. So now we are focusing on maintaining healthy cash reserve for our expansion plans and also if there is funds availability after expansion we will look after for declaring dividend. I think I have answered your questions, thank you.

Mr. Anurag Gupta, Company Secretary

We have next speaker Mr. Praveen Kumar.

Mr. Praveen Kumar, Shareholder

Good afternoon to the Board and fellow shareholders. Myself, Mr. Praveen Kumar joining from New Delhi. First of all, thank you to the Chairman Sir for your in-depth speech. As a retail investor, it is informative. I really appreciate Carrier as an iconic brand. I have complete trust on your leadership. No doubt there are many competitors but still our Company retained its position in the market. Despite market ups and downs, your leadership bring double digit growth. Thank you, sir for our company's sustainable growth. Sir, I support all the resolutions set out here. Sir, I have few suggestions, please keep the meeting in VC mode as it is convenient and saves lot of time. Sir, I request you to kindly communicate with Ministry of Corporate Affairs (MCA) regarding newspaper advertisement for AGM pre and post notice, this exercise is too much costly, please ask them to provide relaxation in this compliance. I am very thankful to our CS Anurag Gupta. He is very friendly and an asset to the Company. We receive notice well in time. His team Deepanshu is doing fabulous job. Sir, one more request, please provide me a chance to visit your CSR activity in Gurgaon. I have my best wishes with the Company. Thank you so much.

I wish all the best to entire team. Thank you so much Sir.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you so much Praveen Kumar ji for your kind words. We welcome your suggestions.

We are working for achieving this Company to greater heights. Thank you.

Mr. Anurag Gupta, Company Secretary

We have next speaker Ms. Reena Jain/ Mr. Ajay Jain.

Mr. Ajay Jain, Shareholder

Hello Sir, this is Ajay Kumar Jain from Delhi. Sir, I appreciate your patience for giving reply to all the shareholders. I also appreciate the profitability and growth of the Company. I hope that Company will reach more heights in future and also shareholders dividend will also increase. I praise the point where you say for helping in agriculture sector. Regarding CSR, I want to suggest to kindly spend on Uttarakhand and Himachal flood area for primary health and education sector as this will be really a noble cause and also it will increase our Company's image. I also want to thank and Secretarial department as they did their job well. Thank you, Jai hind.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thank you, Ajay ji, for your comments and we will certainly look after your suggestions. Thank you.

Mr. Anurag Gupta, Company Secretary

Next speaker is our Shareholder, Ms. Vasudha Dakwe

Not an attendee now, or may be she is having some network issue.

Now, I would request if any other shareholder want to speak.

They can raise their hand or use chat option, we will unmute.

Mr. Pritesh Agrawal, Chairman, Whole-time Director and Chief Financial Officer

Thanks to the shareholders for asking very pertinent questions and their comments and suggestions. We certainly look into whatever we are able to implement.

It has been a year of great teamwork, learning & successes. But I am glad to say that the way Carrier India employees displayed kindness, empathy, generosity and perseverance is really commendable and due to this, Carrier India family came out stronger, more resilient, more caring and more agile than ever before.

I on behalf of Board of Directors would like to place on record 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. I am confident that the next year will be year of faster & more profitable growth and there are many more milestones that we will clear and I am sure support and efforts of our employees, partners & stakeholders would take this Company to greater heights in the future.

I thank all my colleagues on the board for helping me in creating good governance culture across the organization and fulfilling the responsibilities of the Board.

With your consent and all other board members I would like to conclude this meeting and wish all shareholders and their families a very healthy and safe future. Thank you very much.

Mr. Anurag Gupta, Company Secretary

Dear Shareholders: I conclude this meeting with my sincere thanks to all shareholders, board members, auditors and others for their participation in this meeting and making this event successful.

Thank you very much.