



CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

CIN: U74999HR1992FLC036104

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

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Transcript of the 28th Annual General Meeting dated 16th December, 2020 at 02:30 p.m.

Mr. Suraj Arora, Company Secretary

Dear Shareholders: Good Afternoon, I Suraj Arora Company Secretary, welcome you all to the 28th Annual General Meeting of your Company Carrier Airconditioning & Refrigeration Limited 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 28th Annual General Meeting has been sent to all shareholders whose email IDs was registered with company and 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 AGM 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 shareholders are unable to join through video mode due to any reason the shareholders are advised to speak through audio mode only. Speaker shareholders are requested to minimize any background noises to avoid any disturbance. In the event there is 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 member 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. Chirag Baijal, Managing Director

Thank You Suraj. Dear Shareholders, Good Afternoon, I am Chirag Baijal Managing Director of your Company. I am also representing CSR Committee & Stakeholder Relationship committee of the Board of

your company. I am participating in this AGM from Gurgaon & I can clearly see and hear everybody. Thank You.

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

Dear Shareholders, Good Afternoon, I am Pritesh Agrawal Whole-time Director and Chief Financial Officer of your company. I am representing audit committee of the Board of your company. I am participating in this AGM from Gurgaon & I can clearly see and hear everybody. Thank You.

Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director

Dear Shareholders, Good Afternoon I am Har Amrit Pal Singh Dhillon, Non-Executive Director of your company and I am also representing Nomination & Remuneration Committee of the Board of your Company. I am participating in this AGM from Gurgaon and I can clearly see and hear everybody. Thank You.

Mr. Suraj Arora, Company Secretary

Thank You all the Directors.

Now may I request upon Mr. Pritesh Agrawal to propose name of Chairman of this meeting.

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

I would like to propose the name of Mr. Chirag Baijal, Managing Director of your Company as Chairman of this meeting and request other directors present in the meeting to second the name of Mr. Chirag Baijal as Chairman of the meeting.

Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director

I agree for Mr. Chirag Baijal to chair this meeting.

Mr. Suraj Arora, Company Secretary

Now may I request upon Mr. Chirag Baijal to please chair this meeting.

Mr. Chirag Baijal, Managing Director

Thank You Suraj. And Thank You all the Directors for choosing me as Chairman of this meeting.

Good Afternoon, and very warm welcome to all shareholders, directors and auditors to the 28th Annual General Meeting of Carrier Airconditioning & Refrigeration Limited. I sincerely wish, you and your families are safe and healthy. This is for the first time in the history of Carrier India that the AGM is being conducted through virtual mode. 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 in order.

I would like to mention that Mr. Girish Arora representing BSR & Associates LLP, Statutory Auditors of your Company and Ms. Pammy Jaiswal representing Vinod Khatri & Co. Secretarial Auditors of your company, are also present. My colleagues Mr. Narendra Singh Sisodia, Mr. Pankaj Prakash Sahni, Mrs. Nandita Luthra, Mr. Rahul Kumar Jain Directors of the company are not present due to their pre-occupation. The Company has received resolution 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 appointing Ms. Sumita Dass to attend and vote at this AGM on behalf of Carrier Corporation.

Since this AGM has been held through video conference therefore physical attendance of the members has been dispensed. Also, the requirement to appoint proxy is 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 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, adverse remarks and with your due permission I take the secretarial auditors report given on page no. 34 to 37 and statutory auditors report given on page no 45 to 55 of Annual Report as read.

Dear Shareholders:

At Carrier we have started to recognize the crisis of COVID-19 very early and acted to the greatest concern for safety & health of our employees, their families and our partners. In keeping Carrier's EHS legacy, your company strictly followed the guidelines prescribed by the Government authorities from time to time. We have also worked very closely in creating standard operating procedures to ensure employees' health remain key focus during this situation. A resilient team was activated at the beginning of the pandemic to ensure the company to response the evolving challenge & ensure health and safety of our employees and stakeholders.

I am confident that you would be proud of the agility with which your company has managed to navigate the pandemic so far over the last few months. I am happy & proud to inform that today all our offices & plant are fully operational to serve our customers wherein stringent protocol for health & safety of employees are followed.

Now I would present the financial & business update for financial year 2019-20.

During the financial year ended March 31, 2020 your company achieved total net revenue from operations of Rs. 1524.44 Crore as against Rs. 1476.81 Crore in the previous financial year and total comprehensive income is Rs. 46 Crore against Rs. 66 Crore in the previous financial year.

I would now present brief business update for 2019-20:

Light Commercial Airconditioning (LC) market in India is dominated by ducted and cassettes.

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

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

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

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

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

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

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

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

steadily grew sales in the neighboring countries. The company also expanded its business in certain special segments like IQF, mushroom growth chambers etc.

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

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

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

Carrier Transicold continues to foster strong relations with cold chain clients, truck and container manufacturing OEM's. Our continuous efforts of educating and training our clients as well as policy engagement with various government bodies have enabled better understanding of the cold chain in India. In light of our efforts to reduce food loss and creating awareness in the rapidly growing cold chain sector, Carrier Transicold India has been actively involved with various initiatives of the Ministry of Agriculture and Ministry of Food Processing Industries in spreading awareness about the cold chain.

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

AdvanTE3C: AdvanTEC Solutions Center worked on Carrier's approach of energy sustainability in brownfield market offering differentiated and customized solutions of chilled water plant room for customers. Carrier's experts in the AdvanTEC Solutions group has been continuously applying innovations to capture greater energy efficiency and environmental benefits. Further, focusing the business growth in air side healthy building solutions for our customers.

Corporate Social Responsibility: Your Company's social responsibility extends well beyond business and financial targets. The Company had spent Rs. 2.26 Crores on CSR activities during Financial Year 2019-20. Your company has entered into partnership with one NGO United Way of Delhi:

COVID-19 Support health workers with PPEs and hospitals with infrastructure for serving COVID-19 Patients & distribution of ration kits & creating awareness in Gurugram, Haryana- Amount Spent : 1.26 Crores.

United for Air - United way of Delhi- PAN India- Amount Spent: 0.24 Crores

Green Your School - United way of Delhi- Badshahpur, Gurugram, Haryana- Amount Spent: 0.44 Crores

School Support Program - United way of Delhi- Bawana/ Faridabad, Rajpura and Bangalore- Amount Spent: 0.21 Crores

CSR Administrative exp- 0.11 Crore

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

Mr. Suraj Arora, 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 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, 2020 and the report of Board of Directors and Auditors thereon.

Item No.2. To appoint Ms. Nandita Luthra (DIN: 06948082) who retires by rotation and being eligible, offers herself for re-appointment as a director of the company.

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

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

In compliance with the provisions of Companies Act 2013 and applicable circulars issued by the Ministry of Corporate Affairs the members have been provided facility to cast their votes through remote e-voting facility administered by Central Depository Service Limited. The remote e-voting facility was available from 13th December 2020 from 9 AM till 15th December 2020 5.00 PM. The members who have not casted their votes on the resolutions through remote e-voting, may cast their votes through e-voting during the continuance of this meeting and within 15 minutes from conclusion of this meeting. e-voting facility will be disabled thereafter.

The board has appointed Vinod Kothari & Co. 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 19th December 2020 and the same shall be uploaded on the website of the company and website of CDSL.

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

Mr. Chirag Bajjal, Managing Director

Thank You Suraj 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.

Thanks to the shareholders for asking very pertinent questions.

I am confident that the next year will be year of growth and there are many more milestones to cross, and I am sure your support and efforts of our employees would take this Company to greater heights in the future.

Now I would like to conclude this meeting. I thank all my colleagues on the board for helping me in creating good governance culture across the organization and fulfilling the responsibilities of Board. I would like to place on record the sincerity, hard work, commitment and dedication of the entire Carrier India Team.

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

Mr. Suraj Arora, Company Secretary

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

Thank You so much.