



CARRIER AIRCONDITIONING & REFRIGERATION LIMITED

CIN: U74999HR1992FLC036104

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Transcript of the 29th Annual General Meeting dated 23rd September, 2021 at 02:30 p.m.

Mr. Suraj Arora, Company Secretary

Dear Shareholders: Good Afternoon, I Suraj Arora Company Secretary, welcome you all to the 29th 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 29th 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 meeting 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 participating in this meeting from Gurgaon & I can clearly see and hear everybody. Thank You

Mr. Pankaj Prakash Sahni, Independent Director

Dear Shareholders, Good Afternoon, I am Pankaj Prakash Sahni Independent Director of your company. I am representing audit committee, nomination & remuneration committee of the Board of your company. I am participating in this meeting 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. I am participating in this meeting from Gurgaon, and I can clearly see and hear everybody. Thank You.

Ms. Simran Thapar, Whole-time Director

Dear Shareholders, Good Afternoon, I am Simran Thapar, whole-time Director of your Company. I am participating in this meeting from Faridabad, 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 name of Mr. Chirag Baijal Managing Director of the 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 this meeting.

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

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

Mr. Pankaj Prakash Sahni, Independent Director

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

Ms. Simran Thapar, Whole-time 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 29th 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 in order.

I would like to mention that Mr. Vinod Gupta representing MSKA & Associates, Statutory Auditors of your Company and Ms. Pammy Jaiswal representing Vinod Kothari & Co. Secretarial Auditors of your company are also present. My colleagues Mr. Narendra Singh Sisodia, Mr. Rahul Kumar Jain 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. Sampada Narang to attend and vote in 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 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 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. 45 to 48 and statutory auditors report given on page no 56 to 65 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 31st March 2021 your company achieved total net revenue from operations Rs. 1218 Crore as against Rs. 1524 Crore in the previous financial year and total comprehensive income for the year was Rs. 18 Crore against Rs. 45 Crore in the previous financial year. Your company continued to strengthen the balance sheet and during the year your company generated operating cash of Rs. 135 Crore as against Rs. 58 Crore in the previous financial year. With the strong cash generation, your company repaid all its borrowings in full.

Now I would present brief business update for financial year 2020-21, a year that has been extraordinary in every sense.

Light Commercial Airconditioning: Due to COVID 19 pandemic and the consequent national lockdown, a new normal to work from home was adopted and many of the ongoing projects came to a standstill for some time. However, there were expansions in segments like Hospitals, temporary care centers and Pharma industry. The requirement for special designs in Airconditioning systems became a need. Your company equipped with design knowledge on special requirement of filtration and an innovative range of products in VRF and Light Commercial was able to meet the customer expectations with quick installation and deliveries. Some of the products were introduced with special controllers displaying the concentration of pollutants in the zone. The Government segment saw an increase in the requirement for air conditioning works and your company's products and brands were approved for Light Commercial as well as VRF products on government portals like GeM.

With the COVID 19 virus, all countries including India went into a lockdown, and the people were forced to stay indoors throughout. Your company took it upon itself to spread awareness about the need for better indoor air quality and organized a series of webinars. Keeping in mind the pandemic, we introduced application specific solutions for air purification. We helped our customers to select the best solution as per their need providing them with cleaner air for better health. Our offering includes products catering to areas of 180 sq. ft. going all the way up to 4,400 sq. ft. The different products come equipped with pre filters, HEPA Filters and Active Carbon filters. Our products also include a UV based solution, which in combination with Photocatalyst filter, helps to deactivate viruses and bacteria. We also introduced OptiClean™ negative air machine and air scrubber in the India market. It has the capability of converting any hospital room into an air borne infectious isolation room and prevents the spread of contaminants. TIME (American News Magazine) featured OptiClean™ in the Medical Care category of its prestigious annual list that recognizes 100 groundbreaking inventions that are making the world better and smarter. We have also launched a PM 2.5 filter and display kit which can be retrofitted to our ducted products. It is a combined air purification and air conditioning solution built into a single product.

Service: To grow business, your company continued to focus upon conversions, capture, recapture and retrofits /upgrade of chillers along with annual service agreements. Your company also focused on getting contracts for entire plant room equipment's. This business also digitized service operations by launching digital tools i.e., Salesforce, Service Max and Preventive maintenance module. Your company also launched Dealer Technician Certification program to enhance the skill building of your company's dealers. With the guidelines set for operations to be safe and to keep everyone safe, in alignment with Government regulations and along with utmost personal safety, the business continuity was given emphasis to connect with the customers virtually and we did see a significant traction around the same which continued well until the unlocking stages. The emphasis continued to get the customers back on service agreements and also built up of the pipeline for service modernization. The focus on indoor air quality solutions for healthy building management and connected services solutions to the customers continued.

TOTALINE: Your company focused on business with original equipment manufacturer and started business through e-commerce platform of Amazon for better market reach and visibility.

Commercial Refrigeration: This business was hit badly by Covid in the beginning of the year. Due to our strong presence in all three critical segments for this business - Food Retail, Pharma and e-commerce,

your company sales started to grow steadily. Carrier retained its share of segment with the major food retail customer's. Carrier commercial refrigeration business saw good jump coming in channel sales as well as in the Key Account segment where we continue to grow YOY. During the year we effectively positioned our energy saving solutions such as compressor rack, condensers & localized condensing units with two-stage Carlyle compressors coupled with robust application and project management support helping sustain our share of wallet with existing key accounts as well as expanding our foot print to local retailers/independents entering the fray

Transicold: This business continues to lead the way in the truck refrigeration industry. Our continuous efforts of educating and training our clients as well as policy engagement with various government bodies have enabled better understanding of the cold chain in India. Your company focus on solutions for the COVID-19 vaccine drive met with success. Your company's products have been deployed by Government bodies as well as private players for both intercity and local vaccine deliveries. Your company continued to be the preferred suppliers of truck refrigeration systems due to large and reliable sales and service network which has now grown to more than 65 service centers pan India. Your company channeled its focus to increase its geographic reach and build its brand image by penetrating into tier II and tier III cities and towns. The models of Citimax™ 280, 350, 400 & 700 for chilled and frozen applications gained traction in the direct vehicle engine driven segment. Your company continues to foster strong relations with cold chain clients, truck and container manufacturing OEM's. In light of our efforts to reduce food loss and creating awareness in the rapidly growing cold chain sector, your company has been actively involved with various initiatives of the Ministry of Agriculture & Ministry of Food Processing Industries. Your company continues to be a leader and our customer's first choice for transport refrigeration solutions thus adding value to our Indian customers.

AdvanTE3C: AdvanTEC solution, part of aftermarket, strived on the retrofit of HVAC plant rooms through our modernization and energy efficiency solution approach. Service modernization team spread their wings on providing healthy building solutions also to customers. Your company will continue to focus and address the customer need of efficient HVAC system and healthy indoor environment.

Corporate Social Responsibility: Your Company's social responsibility extends well beyond business and financial targets. The Company had spent Rs. 2.17 Crores on CSR activities during Financial Year 2020-21. Your company has entered into partnership with one 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
- 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 1.45 Crore in this project last year.

The other CSR project of your company is Green Your School in which your company spent Rs. 40 Lakh 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.

The third CSR project of your is for funding project “Samarth” to support the quality education of 77 children at three locations of SOS in order to bring sustainable changes in their lives. Your company doing this with the help of ‘SOS Children’s Villages in India’ & your company spent 20 Lakh last year.

Further, your company recognizes that Vaccination is only preventive tool which can protect people in the battle of Covid-19 and reduces the severity of the infection. Despite of free vaccination services provided by the state and central governments across the country, there is still a large section left out from the vaccination due to various reasons such as ignorance, lack of accurate information, unavailability of vaccination, lack of technical knowledge etc. Your company initiated vaccination program to support faster vaccination programs for the technician, electrician and helper community members to enable them to continue their work and earn livelihood in a safer manner and your company spent Rs. 15 Lakh approx. on this.

Your company recognizes that Health, safety and wellbeing of its employees is of paramount importance. We continued our support during the second Covid wave in April 2021 & ramped up efforts on multiple fronts including arranging oxygen & oxygen concentrators, critical medicines, tie-up to facilitate online doctor consultation & discounted diagnostic tests, ambulances, facilitating hospital admissions, tie-up with hotels for Covid isolation rooms for our employees and their immediate family members. The second wave had a lasting impact on several employees, to support mental wellbeing, several workshops were done on mental wellbeing. We have also partnered with a leading organization to provide counselling support to employees on confidential basis. As we emerge out of the second Covid wave, we continue to support our employees & their families on all the above aspects & also partner with leading hospitals & agencies for vaccination.

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, 2021 and the report of Board of Directors and Auditors thereon.

Item No.2. To appoint Mr. Chirag Bajjal (DIN: 08465289) who retires by rotation and being eligible, offers himself for re-appointment as a director of the company.

Item No.3. To appoint MSKA & Associates, Chartered Accountants (ICAI Firm Registration Number: 105047W) as Statutory Auditors of the company.

Item No.4. To declare Dividend of Rs. 0.50 per equity share for the financial year ended March 31, 2021.

Item No.5. To re-appoint and approve remuneration of Mr. Rahul Kumar Jain (DIN: 07858457) as Whole-time 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 2021-22.

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 20th September 2021 from 9 AM till 22nd September 2021 5.00 PM. The members 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. 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 25th September 2021 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 Baijal, 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.

It has been a year of great hardship. 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 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.

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.

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, board members, auditors and others for their participation in this meeting and making this event successful.

Thank You so much.