



CARRIER TECHNOLOGIES INDIA LIMITED

CIN: U29193MH1981FLC024364

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Transcript of the 40th Annual General Meeting dated 29th September, 2022

Mr. Anurag Gupta, Company Secretary

Dear Shareholders,

Good Morning,

My name is Anurag Gupta and I am the Company Secretary of your company. I am joining the meeting through video conferencing from Gurgaon, India. I can clearly see and communicate with each of participants in this meeting.

It gives me immense pleasure to welcome you all to the 40th Annual General Meeting of Carrier Technologies India Limited. I welcome the members to the Annual General Meeting of the Company. This meeting is being held through video conferencing / other audio – visual means in accordance with the circulars issued by the Ministry of Corporate Affairs. For safety reasons, each of us is in a different location.

We have 15 members of the company are present. Therefore, the Quorum for the meeting is present and the meeting is in order.

I now request the dignitaries present to kindly introduce themselves to the shareholders:

- a) **Mr. Prakash Bodla** – Dear Members, I am the Managing Director of the Company. I am joining the meeting through video conferencing from Hyderabad, India. I can clearly see and communicate with each of participants in this meeting. In this meeting, I will be representing the Corporate Social Responsibility Committee of the Company.
- b) **Mr. Muthalagappan Karuppiah** – Dear Members, I am the Whole Time Director of the Company. I am joining the meeting through video conferencing from Bangalore, India. I can clearly see and communicate with each of participants in this meeting. In this meeting I will be representing Nomination and Remuneration Committee of the Company.
- c) **Ms. Shalini Singh** - Dear Members, I am the Whole-time Director of the Company. I am joining the meeting through video conferencing from Hyderabad, India. I can clearly see and communicate with each of participants in this meeting.
- d) **Mr. Adwait Patil** - Dear Members, I am a Non-Executive Director of the Company. I am joining the meeting through video conferencing from Gurgaon, India. I can clearly see and communicate with each of participants in this meeting. In this meeting I am representing the Stakeholder Relationship Committee of the Company.
- e) **Mr. Srinivas Kotni** - Dear Members, I am an Independent Director of the Company. I am joining the meeting through video conferencing from New Delhi, India. I can clearly see and communicate

with each of participants in this meeting. In this meeting I am representing the Audit Committee of the Company.

- f) **Mr. Sanjiv Goel** – Dear Members, I am an Independent Director of the Company. I am joining the meeting through video conferencing from New Delhi, India. I can clearly see and communicate with each of participants in this meeting.
- g) **Ms. Uma Varadarajan** – Dear Members, I am the Chief Financial Officer of the Company. I am joining the meeting through video conferencing from Hyderabad, India. I can clearly see and communicate with each of participants in this meeting.

Mr. Anurag Gupta, Company Secretary

Dear Shareholders, we have with the following other dignatories with us in the dais:-

- a) **Ms. Sampada Narang** – Director (Legal) – Carrier India.
- b) **Mr. Monish Sharma and Mr. Ekansh Gupta** – Representatives from MSKA & Associates, Statutory Auditors.
- c) **Mr. Deepak Kukreja** – Partner and Representative from DMK Associates, Secretarial Auditors and Scrutinizer for this AGM.

Mr. Vikram Prabhu - Non-Executive Director of the Company is not present in the meeting due to his pre-occupation.

Now, I request all directors to elect Chairman of this Meeting. (Mr. Veera Venkata Prakash Bodla was elected as Chairman of the Meeting).

Thank You all. Now, I request Hon'ble Chairman to please address the shareholders of the Company

Mr. Veera Venkata Prakash Bodla, Chairman

Dear Shareholders,

Good Morning,

On behalf of the Carrier Technologies India Limited Board of Directors, I am happy to welcome you all to the 40th Annual General Meeting of your company.

The annual report containing notice of AGM, audited financial statements for financial year 2021-22 along with Report of Board of Directors and Auditors thereon had already been circulated amongst you and with your due permission, I take it as read.

While the annual report contains the details of operations, I would like to share some key business updates with you. The total revenue of your company has increased from Rs. 360.01 Crore in the previous year to Rs. 455.18 crore in the current year and your company earned a net profit of Rs. 59.48 crore during the financial year 2021-22 as compared to a net profit of Rs. 45.05 crore during the financial year 2020-21. There has been an increase by Rs. 14.43 Crore approx. in the net profit of the company compared to the previous year.

Happy to mention that your company continues to address the complete suite of security needs from detection to protection and timely communication through our trained and authorized channel partners vide its key brands namely:

- Fire Detection and Alarm: Edwards & GST

- Gas Suppression: Kidde
- Access Control & Video Surveillance: Lenel S2 & Interlogix

Some of the key products/ solutions that were launched/upgraded are:

- Gulf Security Technology Co. Ltd. (GST) is a key player in fire and security industry and a trusted provider of comprehensive fire system solutions in India. GST provides a wide range of fire products and customized fire system solutions tailored to the needs of different industries. With a sales infrastructure that covers many countries and regions and includes a China-wide network of more than 150 sales offices and several logistics centers, GST has become an important part of Carrier's global business. To satisfy the needs of its global customer base, GST has established extensive R&D facilities in Beijing and large manufacturing in Qinhuangdao. It has advanced manufacturing and inspection equipment and strong capabilities in quality control and process management. GST has earned a range of national and international certificates of conformity to standards such as China's CCC, the international UL, the global LPCB, Europe's CE, the business performed well in the troubled covid times and has grown 30 % and strengthened its foothold in India.
- Edwards' and Kidde fire alarm coming from the same manufacturing hubs are the flagship fire products in India. It caters to the UL - Enterprise and mid-level markets. The company launched the new EST4 and now celebrating the completion of 150 years presence globally with its customers partners and employees. Airsense as a brand has emerged as a strong competitor with its new launch of Modulaser air aspiration system. The new launch has changed the market dynamics and offers the customer a good variety of modulaser scalable selection and the existing variety of Micra and Stratos options to choose upon to suit the application.
- LenelS2 has announced the release of the OnGuard® security management system version 8.0, empowering security teams with enhanced situational awareness by bringing together visualization of data with system status and activity. The Magic Monitor® unified client adds support for OnGuard alarms, video and credentials, while the OnGuard Reporting and Dashboards client transforms data into actionable insights. The browser-based Maps feature brings floor plans and door control to any device. The OnGuard 8.0 system also adds usability improvements and cybersecurity upgrades. LenelS2 also released the NetBox access control software version 5.4 which introduces new tools that streamline system configuration and deployment, making the system easier to install and use. The release also provides Mobile Security User app support for international users as well as security updates.
- Your Company has entered into a Master Sub-contracting Agreement dated 8th May, 2014 with Agnice Fire Protection Private Limited ("**Agnice**") wherein field operation business was divested on an exclusive basis to carry out the balance works and services on a turnkey basis under each project. There are a total 19 projects identified for the sub-contracting arrangement. The total value involved is Rs.50,00,00,000/- (Rupees Fifty Crores Only). Agnice shall execute the project and provide support in their technical closure, AR collection etc. as per the contractual clauses. Further out of 19 projects, 9 projects have been financially closed which includes collection of receivables, account reconciliation with customer(s) and return of Bank Guarantees etc. Further balance 10 projects have been technically closed.
- Hyderabad R&D center ("**HRDC**") is part of the WHQ R&D and focusses primarily on the Software and Embedded Engineering for almost all the Carrier product lines. This year, your company is also celebrating its 20th anniversary of HRDC. It continues to drive core engineering and has helped launch over 70+ products globally. In addition, the team from HRDC are now driving the standardization of software methodologies / tools / standards / platforms for all the product lines at Carrier.

- f. Apart from the R&D center, Carrier Corporation has established its digital capability center in India, called the Digital Hub India (“**DHI**”). DHI is a specialized team that aims to drive simplification, efficiency, growth, break silos and unlock hidden value across the organization by driving digital transformation across the organization. DHI is a unique capability center that acts as an extension of the digital headquarter and works on critical areas like Enterprise Cybersecurity, Analytics and Automation, Customer Experience, Shared Services, and Corporate Applications as well as supports the digital transformation of all businesses of Carrier.
- g. The other major hub that got established in the last 2 years, along with Digital, is the Carrier Business Solutions (“**CBS**”) team and it is part of the WHQ CBS Transformation team and aspires to be the trusted partner that fuels Carrier’s growth & market positioning by simplifying how we work. The CBS Operations Team provide ready capabilities and dedicated expertise to continuously drive end-to-end process improvement, tool and technology innovation and performance management.

With this I would like to conclude my speech. On behalf my colleagues on the Board I wish to express our thanks to all our members, all business associates, and employees at all levels for their untiring efforts in ensuring all round operational performance and we look forward your continued support in the future as well.

Thank You

Mr. Anurag Gupta, Company Secretary

Thank you so much, Sir

Now before moving to agenda items, kindly note we have provided e-voting facility to members. This e-voting facility was available to members from **Monday, 26th September, 2022 from 09:00 a.m.** till **Wednesday, 28th September, 2022 till 05:00 p.m.** Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL. Members may please note that there will be no voting by show of hands.

Members may note that this AGM is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The notice of the AGM, Annual Report, Statutory Registers and other Documents as required under law, has already been uploaded on the Company Website for inspection by members of the Company. As the AGM is being held through video conference / other audio-visual means, the facility for appointment of proxies by the members is not applicable and hence the proxy register for inspection is also not available. The company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. As the Notice is already circulated to all the members, I take the Notice convening the meeting as read. Now, I request Chairman Sir to kindly mention about the resolutions given in the notice of the AGM.

Mr. Veera Venkata Prakash Bodla, Chairman

Now I move on to the resolutions given in the notice of AGM:

- a) Item No. 1: To consider and adopt the audited financial statements of the company for the financial year ended on 31st March, 2022 and the report of the Board of Directors and Auditors thereon.

- b) Item No. 2: To re-appoint Mr. Vikram Arthur Fernandes Prabhu who retires by rotation and being eligible, offers himself for re-appointment as a director of the company.
- c) Item No. 3: To appoint Mr. Adwait Chandrashekhar Patil as a director of the company.
- d) Item No. 4: To approve the appointment and remuneration of Ms. Shalini Singh as a whole-time director of the company.
- e) Item No. 5: To re-appoint Mr. Sanjiv Goel as an independent director on the Board of Directors of the company.
- f) Item No. 6: To ratify the excess remuneration paid to Ms. Vasanthi Narayana erstwhile Whole-Time Director of the Company.
- g) Item No. 7: To approve the increase in the remuneration payable to Mr. Veera Venkata Prakash Bodla Managing Director of the Company.
- h) Item No. 8: To ratify the excess remuneration paid to Mr. Veera Venkata Prakash Bodla Managing Director of the Company.

The objective of the resolutions are self-explanatory and necessary explanations given in the notice of the AGM. I put these resolutions on vote by poll. Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes after closure of this meeting. Therefore, members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Deepak Kukreja, Partner, DMK Associates, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. Further, I hereby authorize Mr. Anurag Gupta, the Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We would now like to invite members to seek clarification, if any, from the management. Thank You.

Mr. Anurag Gupta, Company Secretary

Thank you, sir. We have Speaker No. 1 - Mr. Aspi Bhesania who has registered as the speaker and who is now invited to speak.

Mr. Aspi Bhesania, Shareholder and Speaker

Sir, can you hear me and see me?

Sir, I am asking from Bombay. Thanks for giving an opportunity to talk in the meeting. So, please hold the meeting early. Today we have at least 6 meetings at 11.00 clock. So, it is difficult to attend all the meetings. So, when the next meeting starts, please continue to hold hybrid meetings. Now, that the share market is booming, so is there any plan to come up with an IPO again? So, many companies are coming up with an IPO and ours is a well reputed name and brand. So, what is the life of our air conditioner? I am having a General Ac for the last 14-15 years and it is a 1.5 ton and it has not been any problems only once the gas was the problem. I know there is no problem. So, what's the life of an AC? And do you use the artificial intelligence in our air conditioners? You can start and stop the AC when you are returning home! So thank you very much and all the best for the future.

Ms. Sampada Narang, Director- Legal and Panelist

Good Morning, Mr. Aspi. My name is Sampada Narang. I would want to answer some of your questions which are with respect to air conditioning and IPO of the company. Sir, so as you know that we have a

majority shareholding with Carrier Corporation and we don't have any plans for India. So, right now, amongst those plans or in the strategy, IPO is not in the list. But, we hope that someday, we would think on those lines. And our shareholders would benefit who are there with us.

You also raised a question with respect to the life of the air conditioner. So, if you were seeing the brochures and the bandwidth that come along with the air conditioners, the warranty period is something that the manufacturer gives on an equipment like an air conditioner or any electronic equipment. There is no life span of an equipment that is mentioned. Legally also, that not the trend, or even in the industry that is not the trend. We have had customers who have been loyal and faithful to us. We have taken our products and have been using those products for several years and I am one such beneficiary. So, I think it also depends on the life of the product. On these circumstances, where do you place the product; how efficient to maintain it? We do provide maintenance services from our dealer and there are people who locally maintain the equipment. But if do it through dealers, then you know the process that we undertake to maintain the product is a better process. So, we can see that if we give a warranty for 1 year, 2 years, depending upon the model, that is the kind of warranty that we get. But in our experience, there has been a good life span of our equipment. We are not monitoring those life spans because that is not a legal requirement. But I wish that you do take our air conditioner and you do enjoy the service that we offer along with that air conditioner for years to come. So, in the next year, if the permission is still available, it shall be conducted in hybrid mode, we would continue with the same. However, if the government directs us to go back to the physical mode, then we will be happy to see you for the AGM. I hope, I answered your questions.

Thank You, any other question for Mr. Aspi. On the Board, on other aspects of who have requested as to conduct the AGM through a hybrid mode, we would like to that into consideration. But as you understand that these are conducted through rules and regulations that are available brought out by the MCA.

Mr. Veera Venkata Prakash Bodla, Chairman

Hi Sampada, there was another question on artificial intelligence, how are we using that technology? Whether Carrier is using the artificial intelligence for any of our product lines, maybe I can actually jump in and answer the question.

Yeah, absolutely and that's a fantastic question. The person who has actually invented the modern day air conditioning and we are proud that we are all part of the Carrier organization. Willis Carrier the person who has actually invented the air conditioning, today's air conditioning, right. Coming to the question of artificial intelligence. This is a very exciting area and absolutely, Carrier is also investing quite a bit of time and energy on the artificial intelligence for our product lines. What we actually done is the biggest of things is that we call as a commercial chiller and for that we started to use the artificial intelligence as Tier 1, Tier 2 and Tier 3 offerings to the customers and a lot of artificial intelligence goes in this one is because we are the company that is actually, designing, developing, manufacturing and servicing the equipment. We kind of understand the physics and the thermodynamics behind the models. And we are using the artificial intelligence data modelling to understand if a chiller would be in a position to be actually functioning appropriately, whether there is a degradation in the energy of whether we can actually do some prognostic upfront like a couple of months in earlier. So, there are a lot of cool technologies that the company is actually working upon. And the team from Hyderabad are actually working on some of those, you know that the data analytics and the predictive analytics using the modeling, soon we will be in a position to bring that to all of our customers as well. But that is a very exciting area and we are happy that we are working on that.

Mr. Adwait Patil, Director and Panelist

If I may add in.

Mr. Veera Venkata Prakash Bodla, Chairman

Absolutely.

Mr. Adwait Patil, Director and Panelist

We actually want to go ahead and get our chillers connected which are in the market as Prakash pointed. We are working a lot on artificial intelligence and machine learning and the results of that will be soon known to the customers. Thank you so much.

Mr. Anurag Gupta, Company Secretary

Thank you, sir. I know request if any other member would like to speak.

Ms. Sampada Narang, Director- Legal and Panelist

If any other shareholder would want any clarification / comment, we request you unmute yourself or raise your hand so that we could hear you out.

We have not received any request from any shareholders to raise any questions or comments. Mr. Aspi had registered himself. So, let us give another minute to any of the shareholders, if they want to. We would be happy to take it into consideration.

I think there are no further questions, Anurag. Over to you.

Mr. Anurag Gupta, Company Secretary

Thank you, Chairman Sir, and to all the Directors, Scrutinizer, Statutory Auditors and the other panelist present in the meeting. Now I would like to request Chairman sir to kindly extend a vote of thanks to conclude this meeting as we don't have any questions from any other shareholders.

Mr. Veera Venkata Prakash Bodla, Chairman

Dear Shareholders, I now 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 once again for attending.

Thank you. We can now sign off.