ANNUAL REPORT
2023-24

CARRIER AIRCONDITIONING & REFRIGERATION LTD.

Index

The Board of Directors

Mr. Sundaresan Narayanan
Managing Director

Mr. Pritesh Agrawal
Whole-time Director & CFO

Rahul Jain
Whole-time Director

Ms. Simran Thapar
Whole-time Director

Mr. Narendra Singh Sisodia
Independent Director

Mr. Siraj Azmat Chaudhry
Independent Director

Mr. Har Amrit Pal Singh Dhillon
Non-Executive Director

Board of Directors

Mr. Sundaresan Narayanan*
(DIN: 06443519)
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. Sundaresan Narayanan**
(DIN: 06443519)
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 and Mr. Sundaresan Narayanan has been appointed as Managing Director w.e.f. 1st November, 2023

** Mr. Chirag Baijal has resigned as a Member of the Corporate Social Responsibility Committee w.e.f 31st July, 2023 and Mr. Sundaresan Narayanan has been appointed as Member of CSR Committee w.e.f. 20th February, 2024

Key Managerial Personnel:

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

Mr. Anurag Gupta*
(PAN: AXLPG6714B)
Company Secretary

Ms. Ekta**
(PAN: ACOPE5176F)
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
J.P. Morgan Chase Bank

Registrar and Share Transfer Agent:

Link Intime India Private Limited
Plot No. NH-2, C-1 Block, Noble Heights, 1st Floor,
LSC Near Savitri Market, Janakpuri New Delhi – 110058, India
CIN: U67190MH1999PTC118368
Ph.: +91 011 49411000
E-mail: delhi@linkintime.co.in, Website: https://www.linkintime.co.in/

Registered Office and Corporate Headquarters:

Carrier Airconditioning & Refrigeration Limited
Narsingpur, Kherki Daula Post, Delhi – Jaipur Highway,
Gurgaon - 122004, Haryana, India
CIN: U74999HR1992FLC036104
Tel: 0124 - 4825500, Fax: 0124 – 2372230
Email: secretarial@carrier.com, Website: www.carrierindia.com

*Mr. Anurag Gupta has resigned as Company Secretary w.e.f. 11th June, 2024.
**Ms. Ekta has been appointed as Company Secretary w.e.f. 12th June, 2024.

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104
Registered Office: Narsingpur, Kherki Daula Post, Delhi-Jaipur Highway, Gurugram - 122004, Haryana
E-mail: secretarial@carrier.com Website: www.carrierindia.com
Tel: +91-124-4825500 Fax: +91-124-2372230

NOTICE OF THE 32nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of members of Carrier Airconditioning & Refrigeration Limited (the **"Company"**) will be held on Friday, September 20, 2024 at 11:00 AM through Video Conferencing (**"VC"**) / Other Audio-Visual Means (**"OAVM"**) to transact the following businesses:

ORDINARY BUSINESS:

1. **To consider and adopt the standalone audited financial statements of the Company for the financial year ended March 31, 2024 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 standalone audited financial statements of the Company for the financial year ended March 31, 2024 together with the report of Board of Directors and Auditors thereon, be and are hereby considered and adopted."

2. **To consider and adopt the consolidated audited financial statements of the Company for the financial year ended March 31, 2024 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 consolidated audited financial statements of the Company for the financial year ended March 31, 2024 together with the report of Board of Directors and Auditors thereon, be and are hereby considered and adopted."

3. **To appoint Mr. Rahul Jain (DIN: 07858457) Whole-time Director, 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. Rahul Jain (DIN: 07858457), Whole-time Director 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."

4. **To declare final dividend of Rs. 9.5 per equity share for the financial year ended March 31, 2024 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. 9.5 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, 2024 and shall be paid to members of the company whose names appear in the register of members as on September 13, 2024, out of the profits of the Company.

   SPECIAL BUSINESS:

5. **To approve the appointment and remuneration of Mr. Sundaresan Narayanan (DIN: 06443519) as Managing 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 Special Resolution:**

   "RESOLVED THAT pursuant to the recommendation of nominations and remuneration committee and approval of Board of Directors of the Company and pursuant to the provisions of Section 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder and Articles of Association of the Company, and other applicable laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded by way of special resolution to appoint Mr. Sundaresan Narayanan (DIN: 06443519) as Managing Director and Key Managerial Personnel of the Company for a term of 5 years ("tenure") with effect from 1st November, 2023 on such terms and conditions as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, and Articles of Association of the Company, and other applicable laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of Nomination and Remuneration Committee, the consent of the members of the Company be and is hereby accorded to approve the remuneration to Mr. Sundaresan Narayanan (DIN: 06443519) up to Rs. 3,00,00,000/- (Rupees Three Crores only) per annum during his tenure as the Managing Director and Key Managerial Personnel of the Company with effect from 1st November 2023.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Mr. Sundaresan Narayanan (DIN: 06443519), the Company has no profits or its profits are inadequate, the remuneration subject to the aforesaid ceiling, shall be paid to Mr. Sundaresan Narayanan (DIN: 06443519), as the minimum remuneration.

RESOLVED FURTHER THAT absolute authority/liberty is hereby given to Board of Directors of the Company to decide/revise the remuneration and/or any other terms as may be agreed between the Board and Mr. Sundaresan Narayanan (DIN: 06443519) from time to time, during his tenure subject to the ceiling of remuneration mentioned in above said resolution.

RESOLVED FURTHER THAT Mr. Sundaresan Narayanan (DIN: 06443519) shall perform such duties and functions as may be delegated to him from time to time, subject to the control and superintendence of the Board of Directors and that a power of attorney may be executed in favour of Mr. Sundaresan Narayanan (DIN: 06443519) as Managing Director of the Company.

RESOLVED FURTHER THAT any director of the Company be and is hereby authorized to do all such deeds, matters and things in his absolute discretion as may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto, and such person shall have absolute power to accept any modification in terms and conditions of appointment of Mr. Sundaresan Narayanan (DIN: 06443519) on behalf of the Board and acceptable to Mr. Sundaresan Narayanan (DIN: 06443519) in the best interest of the Company.

RESOLVED FURTHER THAT any director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do such necessary acts, deeds as may be required to give effect to this resolution including but not limited to carry out requisite filings with the office of Registrar of Companies and to provide certified copies as and when required."

6. **To ratify remuneration of cost auditors of the Company for the financial year 2024-25 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 2024-25 at the remuneration of Rs. 3,65,000/- (Rupees Three Lakhs 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."

7. **To approve sale of commercial refrigeration business to Haier Appliances (India) Private Limited and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to Section 180 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, the memorandum and articles of association of the Company and subject to the receipt of requisite approvals, consents, permissions as required under applicable law, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for the sale of the commercial refrigeration business of the Company to Haier Appliances (India) Private Limited, a company incorporated under the laws of India and having its registered office at Building No.1, Okhla Estate Phase - III, Delhi - 110020, India (**"Haier"**), for a consideration of not less than INR 333 Crore (excluding taxes) as a going concern, on a slump sale basis, on such terms and conditions as the Board may deem fit (the **"Transaction"**).

RESOLVED FURTHER THAT any of the Directors of the Company (each an **"Authorized Person"**) be and are hereby severally authorised to do all such acts, matters, deeds and things and take all necessary steps to:

a) negotiate, finalize, agree, execute, deliver, dispatch, and accept any changes, modifications or amendments to the terms and conditions contained in, the business transfer agreement and any other documents, deeds, undertakings, consents, declarations, instruments, requests, letters, notices, forms, writings, papers agreements and/or other writings as may be necessary or desirable, or required in connection with or ancillary to the business transfer agreement (together, the **"Transaction Documents"**), for and on behalf of the Company;

b) execute all other documents as may be necessary or required for the aforesaid purposes and take all such further steps (including but not limited to payment of stamp duty and making all statutory filings/ compliances) as may be required to give effect to the Transaction and the resolutions passed by the Board of the Company and/or matters concerned therewith or incidental thereto in the best interests of the Company; and

c) take all necessary steps in the matter as they may in their absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT all actions taken by the Board of Directors of the Company in connection with any matter referred to or contemplated in any of the foregoing resolution be and are hereby approved ratified and confirmed in all respects.

RESOLVED FURTHER THAT any Authorized Person be and is hereby authorised to furnish a copy of this resolution certified as true on behalf of the Company.

Registered Office:
Carrier Airconditioning & Refrigeration Limited
CIN: U74999HR1992FLC036104
Regd. Office: Narsingpur, Kherki Daula Post,
Delhi-Jaipur Highway, Gurugram – 122004, Haryana
Website: www.carrierindia.com,
E-mail: secretarial@carrier.com
Tel: +91-124-4825500, Fax: +91-124-2372230

Date: August 23, 2024
Place: Gurugram

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

Sd/-
Ekta
Company Secretary
Membership No.: ACS 72724

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. 09/2023 dated September 25, 2023 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 32nd AGM of the Company will be held though VC / OAVM and the members can attend and participate in the 32nd 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, Delhi-Jaipur Highway, Gurugram - 122004, Haryana, India.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") with respect to the special business(es) 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 a 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 32nd AGM of the Company along with the Annual Report of FY 2023-24 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 2023-24 will also be available on the Company's website **www.carrier.com/building-solutions/en/in/investor/** and on the website of Registrars and Share Transfer Agent of the Company i.e. Link Intime India Private Limited (**"Share Transfer Agent"**) at [https://www.linkintime.co.in/] and also on the website of Central Depositary Services (India) Limited (CDSL), the agency appointed for providing the remote e-voting and e-voting facility during the 32nd 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 the Share Transfer agent of Company i.e. Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi – 110058, India at **delhi@linkintime.co.in**

   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 Depositary.

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 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 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at Company email id **secretarial@carrier.com**. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting for a maximum period of 3 minutes, the members who could not finish speaking during the AGM but have queries may send their queries later to the 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.

15. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

16. The members who do not wish to speak during the AGM but have queries may send their queries in advance 15 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.

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

17. 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.

18. 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.

19. 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.

20. The remote e-voting period begins on **17th September, 2024 at 9.00 AM** and ends on **19th September, 2024 at 5.00 PM** 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 **13th September, 2024** may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted during the remote e-voting period, would not be entitled to vote at the meeting.

21. 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.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with Central Depositary Services India Limited (CDSL)	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.
Individual Shareholders holding securities in Demat mode with National Securities Depositary Limited (NSDL)	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	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 abovementioned 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

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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ Share Transfer Agent or contact Company/ Share Transfer Agent at secretarial@carrier.com or delhi@linkintime.co.in.
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. • 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:

23. The facility for e-voting 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 during the AGM is same as per instructions mentioned above for remote e-voting.

24. If the vote has been cast by a member through the e-voting during the AGM but he has not participated in the meeting through VC/OAVM facility, then the vote casted by such member shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

25. 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., 13th September, 2024.

26. The Board of Directors have appointed DMK Associates 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:

27. 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.

28. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**

29. 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.

30. 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.

31. 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.

32. 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 and the Share Transfer agent of Company on email address at **delhi@linkintime.co.in**.

    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 Share Transfer Agent of Company on email address **delhi@linkintime.co.in**

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

    PROCEDURE FOR INSPECTION OF DOCUMENTS:

33. 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 at **www.carrier.com/building-solutions/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**

34. 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 5th September, 2024 through email on **secretarial@carrier.com**. The same will be replied by the Company suitably.

IEPF RELATED INFORMATION:

35. 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.

36. 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: **www.carrier.com/building-solutions/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**.

37. 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 the dividend declared by the Company for the financial year 2014-15 and 2016-17 was transferred to the Investor Education and Protection Fund in the year 2021 and 2024 respectively within the prescribed time.

38. 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: **www.carrier.com/building-solutions/en/in/investor/** to ascertain details of shares transferred in the name of IEPF authority.

39. **INTIMATION FOR COMPULSORY TRANSFER OF UNPAID/UNCLAIMED DIVIDEND ALONG WITH THE CORRESPONDING EQUITY SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF") ACCOUNT FOR THE FINANCIAL YEAR 2017-18 AND ONWARDS**

    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.

    The members may please note that the unpaid/unclaimed dividend declared by the Company for the financial year 2017-18 will be transferred to the Investor Education and Protection Fund in the year 2025.

    Further, Section 124 (6) read with the IEPF Rules, 2016, requires that all the shares in respect of which unpaid/unclaimed dividend has been transferred to IEPF, shall also be transferred to IEPF. 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 Account. Therefore, we request you to claim the unpaid/unclaimed dividends for financial year 2017-18 and onwards 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 the Share Transfer Agent of Company i.e. LinkIntime India Private Limited , Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi – 110058, India.

As per the abovementioned Rules, shares held in physical form are liable to be transferred to IEPF 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 the shares are held in Demat form and are liable to be transferred to IEPF Account, the Company will give Delivery Instruction Slip to the Depository for transfer of shares to IEPF Account.

However, you can claim from IEPF Authority, both unclaimed dividend amount and the shares transferred to IEPF 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 the Share Transfer agent of Company i.e. Link Intime India Private Limited , Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi – 110058, 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 Account 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 Share Transfer Agents of the Company in respect of unclaimed dividend amount and shares transferred to IEPF account 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 Ministry of Corporate Affairs at www.iepf.gov.in. Please feel free to contact the Company/ Share Transfer Agent in case you have any queries at their following address/email/ telephone number:

To the Company at:
Carrier Airconditioning & Refrigeration Limited
Narsingpur, Kherki Daula post, Delhi-Jaipur Highway,
Gurugram – 122004, Haryana, India
Phone: 0124 4825500
Fax: + 91 124 2372230
Email: secretarial@carrier.com
Website: http://www.carrierindia.com

To the Registrar and Transfer Agents at:
Link Intime India Pvt. Ltd
Noble Heights, 1st Floor, Plot No. NH-2,
C-1 Block, LSC Near Savitri Market, Janakpuri,
New Delhi – 110058
Tel No. +91 11 – 49411000
Email id: delhi@linkintime.co.in
Website: www.Linkintime.co.in

40. **DIVIDEND RELATED INFORMATION FOR THE FINANCIAL YEAR 2023-24**

Subject to approval of members at the AGM, the dividend for the financial year 2023-24 will be paid within the timelines prescribed under law to the members whose names appear on the Company's register of members as on the record 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/ Share Transfer Agent by emailing at **delhi@linkintime.co.in** 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/ 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/ Share Transfer Agent / Depository Participant. All the shareholders are requested to update, on or before September 13, 2024, their PAN with their Depository Participant (if shares are held in electronic form) and Company / 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 13, 2024

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 / Share Transfer Agent / Depository Participant on or before September 13, 2024.

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / (FPIs) / Another 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: 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 WHT 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 WHT 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 **delhi@linkintime.co.in** and **secretarial@carrier.com** on or before **September 13, 2024** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received after **September 14, 2024** 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/ 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/ 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 / Share Transfer Agent (if shares are held in physical form) against all their folio holdings on or before September 13, 2024.

(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

41. The Company's ISIN number is INE040I01011.

42. 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 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.

43. 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.

44. Pursuant to section 72 of the Act, 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 Share Transfer Agents of the Company. Members holding shares in Demat form may contact their respective depository participants for recording of nomination.

45. Non-resident Indian members are requested to inform the Company's Share Transfer Agent 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.

46. 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.

47. The register of members and the share transfer register of the Company will remain closed from **September 14, 2024 till September 20, 2024** (both days inclusive) for the purpose of 32nd AGM. The cut-off date to determine the eligibility for the purpose of remote e-voting and e-voting during the 32nd AGM is September 13, 2024.

48. 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 13, 2024** 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 13, 2024 may obtain their user ID and password for remote e-voting and e-voting during AGM by sending a request to the Share Transfer Agent at **delhi@linkintime.co.in**. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purposes only.

49. The scrutinizer after scrutinizing the votes casted at the AGM (e-voting during 32nd 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 **www.carrier.com/building-solutions/en/in/investor/** 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 appoint Mr. Sundaresan Narayanan (DIN: 06443519) as Managing Director of the Company

The Board of Directors of the Company in its meeting held on November 01, 2023, on the recommendation of the Nomination & Remuneration Committee (**"NRC"**) appointed Mr. Sundaresan Narayanan (DIN: 06443519) as an additional director of the Company with effect from November 01, 2023. The Board of Directors also appointed him as Managing Director of the Company subject to approval of members of the Company for a period of 5 (five) years with effect from November 01, 2023 on such terms and conditions of appointment including remuneration as recommended by NRC and approved by the Board of Directors of the Company.

Mr. Sundaresan Narayanan (DIN: 06443519) has completed his bachelor's in computer engineering from the University of Madras. He has further completed his MS in Engineering from Western Michigan University and an MBA in Finance from Kelly School of Business, United States of America.

Mr. Narayanan satisfies all the conditions set out in section 196(3) and Part I of Schedule V of the Companies Act, 2013 ("Act") for being eligible for his appointment. Mr. Narayanan 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 a Director as well. Mr. Narayanan has given all the necessary declarations and confirmation including his consent to be appointed as a Managing Director of the Company. Further, the Company has received a notice from a Member under Section 160 of the Act proposing the appointment of Mr. Sundaresan Narayanan as the Managing Director.

Mr. Narayanan possesses the core skills/expertise/competencies identified in the Company's business and sectors for it to function effectively. The Board is of the view that Mr. Narayanan's knowledge and experience will be of immense benefit and value to the Company and therefore recommends his appointment to the Members.

In view of the above, it is proposed to seek member's approval for the appointment and remuneration payable to Mr. Narayanan as Managing Director of the Company. Mr. Sundaresan Narayanan shall get remuneration up to ₹ 3,00,00,000/- (Rupees Three Crore Only) per annum as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee in compliance with applicable provisions of Companies Act, 2013 ("Act") during his tenure with the Company.

The above may also be treated as a written memorandum setting out the terms of appointment of Mr. Sundaresan Narayanan under section 190 of the Companies Act.

As a matter of abundant precaution, regarding the loss/inadequacy of profits, if any, of the Company during the term of Mr. Narayanan as Managing Director, and pursuant to the provisions of section 197 read with Schedule V and other applicable provisions, of the Act, the matter has been placed before the shareholders by way of special resolution for their approval and the necessary disclosures as required in Schedule V(II)(II)(B) of the Act, have been enclosed with the explanatory statement.

The relevant documents inter alia notice under section 160 and Articles of Association of the Company are available for inspection by the Members in electronic form as per the instructions provided in the Note No. 33 of this Notice.

Save and except Mr. Narayanan, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. Mr. Narayanan is not related to any other Director/ KMP of the Company.

The Board recommends the Special Resolution at Item No. 5 of the Notice for approval of the Members.

Item No. 6: To ratify remuneration of cost auditors of the Company for the financial year 2024-25:

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 2024-25 at a remuneration of Rs. 3,65,000/- (Rupees Three Lakh 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 2024-25.

The relevant documents referred to in this resolution, if any, will be available electronically for inspection by the Members in electronic form as per the instructions provided in the Note No. 33 of this Notice.

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

The Board recommends the Ordinary Resolution at Item No. 6 of the Notice for approval of the Members.

Item No. 7: To approve sale of commercial refrigeration business to Haier Appliances (India) Private Limited and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

It is proposed to sell the Company's Commercial Refrigeration business as a going concern on a slump sale basis to Haier Appliances (India) Private Limited for a consideration of not less than INR 333 Crore (excluding taxes) on such terms and conditions as the Board may deem fit (the **"Transaction"**). The Board of Directors, at its meeting held on 23 August 2024, have already approved the Transaction subject to approval from members of the Company.

Section 180(1)(a) of the Companies Act, 2013 (the "Act") provides that sale, lease or otherwise dispose of the whole or substantially the whole of an undertaking of a Company requires approval of the shareholders by way of Special Resolution. Although the Transaction does not exceed the limits prescribed under Section 180(1)(a) of the Act, as a matter of abundant precaution and good corporate governance, this matter is being placed before the shareholders for their approval by way of a Special Resolution.

None of the directors(s) and key managerial personnel of the Company or their relatives are concerned or interested directly or indirectly except to the extent of their interest as a shareholder(s).

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

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	Ms. Rahul Jain, Whole time Director	Mr. Sundaresan Narayanan, Managing Director
Director Identification Number	07858457	06443519
Date of Birth (Age in years)	February 21, 1979 (45 years)	February 23, 1981 (43 years)

Original date of appointment	June 27, 2017	November 01, 2023
Qualifications	Master of Science in Mechanical Engineering (Design) and MBA in Finance from USA	Bachelor's in computer engineering. MS in Engineering from Western Michigan University and MBA in Finance from Kelly School of Business, United States of America.
Experience & expertise in specific functional area & Remuneration last drawn from Company in F.Y. 2023-24	He has joined the Company in September 2013 as supply chain head and was elevated to the position of operations head for the Company HVAC Business in year 2015. He is also appointed as factory occupier for Gurgaon factory & Rs. 130 lakhs.	He started in the supply Chain Function in Delphi Corporation, USA. He has been associated with Carrier since 2007 & has worked different roles like Supply Chain, Lean Manufacturing, Ethics and Marketing for HVAC India & Rs. 99 lakhs (Nov 23-March 24)
Shareholding in the Company	Nil	Nil
Number of board meetings attended during the year	3 out of 6	3 out of 3
Terms & conditions of appointment / re-appointment and remuneration	Re-appointed as a whole-time director pursuant to retirement by rotation as per Nomination & Remuneration Policy of the Company.	Appointed as Managing Director liable to retire by rotation. As per Nomination & Remuneration policy forming part of Director's Report
Relationship with other director/ KMP	No relationship with other director / KMP	No relationship with other director / KMP
Directorships held in other companies	Nil	Onity India Private Limited
Members / chairmanship of committees in public limited companies in India	Nil	**Carrier Airconditioning & Refrigeration Limited** Member: Corporate Social Responsibility Committee

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 (THE "ACT") WITH RESPECT TO ITEM NO. 5

I. GENERAL INFORMATION

(a) Nature of industry:

Carrier Airconditioning & Refrigeration Limited is engaged in the business of manufacturing, assembling, converting, altering, maintaining, servicing, repairing, importing, exporting, buying, selling, preparing, marketing and dealing in all types of air conditioning and other business.

(b) Date or expected date of commencement of commercial production:

The Company commenced the business in the year of its incorporation i.e. 1992.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(d) Financial performance based on given indicators

(Amount Rs. In Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	2,13,114	2,01,274
Other Income	2,858	2,265
Total Revenue	**2,15,972**	**2,03,539**
Total expenses	**1,98,427**	**1,91,126**
Profit/(Loss) after tax for the period	**15,052**	**10,993**

(e) Foreign investments or collaborations, if any.

The Company is a subsidiary of Carrier Corporation, USA which holds 96.47% of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background details, job profile and suitability:

He started in the supply Chain Function in Delphi Corporation, USA. He has been associated with Carrier since 2007 & has worked different roles like Supply Chain, Lean Manufacturing, Ethics and Marketing for HVAC India

(b) Past Remuneration:

Rs. 99 lakhs (Nov 23-March 24)

(c) Recognition or awards: NA

(d) Remuneration proposed: Please refer to the resolution no. 5 along with explanatory statement thereof as mentioned above.

(e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):

Taking into consideration the size of the Company, the profile of Mr. Sundaresan Narayanan, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to the Managing Director is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(f) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:

Apart from the remuneration proposed to be paid to him as Managing Director, Mr. Sundaresan Narayanan does not have any pecuniary relationship directly or indirectly with the Company, its managerial personnel or other directors.

III. OTHER INFORMATION:

(a) **Reason of loss or inadequate profits:** As on March 31, 2024, the Company did not have any loss or inadequate profits. The disclosure under Schedule V has been given as a matter of abundant precaution.

(b) **Steps taken or proposed to be taken for improvement:** The Company regularly takes advanced steps for further improvement and growth in the productivity and profits.

(c) **Expected increase in productivity and profits in measurable terms:** The Company regularly takes advanced steps for increase in the productivity and profits.

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

Registered Office:
Carrier Airconditioning & Refrigeration Limited
CIN: U74999HR1992FLC036104
Regd. Office: Narsingpur, Kherki Daula Post,
Delhi-Jaipur Highway, Gurugram – 122004, Haryana
Website: www.carrierindia.com
E-mail: secretarial@carrier.com
Tel: +91-124-4825500
Fax: +91-124-2372230

Date: August 23, 2024
Place: Gurugram

Sd/-
Ekta
Company Secretary
Membership No.: ACS 72724

BOARD'S REPORT

Dear Members,

Your Board of Directors are pleased to present the 32nd Annual Report on the business and operations of your Company along with audited standalone and consolidated financial statements and Auditor's report thereon for the financial year ended March 31, 2024 (**"Financial Year"** or **"Year Under Review"**).

The Company's financial performance for the year ended March 31, 2024 is summarized below:

1. Financial Performance:

(In INR Lacs)

Particulars	Standalone		Consolidated	
	March 31, 2024	**March 31, 2023**	**March 31, 2024**	**March 31, 2023**
Revenue from operations	2,13,114	2,01,274	2,13,114	2,01,274
Other Income	2,858	2,265	2,858	2,265
Total Income	**2,15,972**	**2,03,539**	**2,15,972**	**2,03,539**
Total Expenses	**1,98,427**	**1,91,126**	**1,98,427**	**1,91,126**
Profit before tax from continuing operations	**17,545**	**12,413**	**17,545**	**12,413**
Tax Expense	4,367	2,744	4,367	2,744
Profit for the year from continuing operations(A)	**13,178**	**9,669**	**13,178**	**9,669**
Profit for the year from discontinuing operations(B)	**1,874**	**1,324**	**1,874**	**1,324**
Profit for the year (A)	**15,052**	**10,993**	**15,052**	**10,993**
Other comprehensive income for the year (B)	(341)	(64)	(341)	(64)
Total comprehensive income for the year (A) + (B)	**14,711**	**10,929**	**14,711**	**10,929**
Basic Earnings per Share*	14.15	10.33	14.15	10.33

*** Nominal Value per share Rs.10**

2. State of Affairs of the Company and outlook:

Standalone

During the financial year ended March 31, 2024, your Company has total net revenue from operations (standalone) of Rs. 2,33,114 Lacs (includes continuing and discontinuing operations) as against Rs. 2,18,785 Lacs (includes continuing and discontinuing operations) in the previous financial year. Profit before tax (standalone) for the financial year ended March 31, 2024 was Rs. 20,049 Lacs as against Rs. 14,182 Lacs in the previous financial year. Total comprehensive income (standalone) for the financial year ended March 31, 2024 was Rs. 14,711 Lacs against Rs. 10,929 Lacs in the previous financial year.

Consolidated

During the financial year ended March 31, 2024, your Company has total net revenue from operations (consolidated) of Rs. 2,33,114 Lacs (includes continuing and discontinuing operations) Profit before tax (consolidated) for the financial year ended March 31, 2024 was Rs. 20,049 Lacs. Total comprehensive income (consolidated) for the financial year ended March 31, 2024 was Rs. 14,711 Lacs.

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:

A. HVAC Airconditioning:

Your Company managed to grow faster than market and gained share in VRF & Light Commercial business.

In 2023, VRF market saw a growth of ~14%. We grew faster than the market, increasing our share in this segment. We have been able to retain our share in the Light Commercial segment, maintain our #2 position. In the applied category Carrier strengthened its position by virtue of its strong local chiller portfolio.

We have continued our focus on localized manufacturing with the entire cooling-only Hi Wall range now being manufactured in India. The 5 Star Inverter Hi Wall series was an important series to be localized, given the consumers' expectations of higher efficiency products. In addition to this, we launched a 2.25 TR capacity Inverter Hi Wall in line with the market requirements.

This year, Applied Business has made significant strides in expanding our product offerings with a strong focus on sustainability. We introduced the 30XF air-cooled screw chiller, engineered specifically for data centres to address the surging regional demand. We also added the 30RB scroll modular chiller to our portfolio, proudly manufactured in India. This addition enhances our offerings for Industrial process cooling by prioritizing high reliability and efficiency.

Our 19MV In-House Magnetic Bearing chillers are now available from 200-600 TR. Available with low GWP Refrigerant R515B, the 19MV provides advanced cooling solutions with wide operating envelope with minimal environmental impact. Additionally, our AHU range manufactured in India is now Eurovent certified. This underscores our dedication to high performance and stringent energy efficiency standards.

These innovations reflect Applied Business's ongoing commitment to integrating sustainability into every facet of our operations and product offerings.

We have kickstarted new projects to enable further localized manufacturing for Commercial Applied, VRF & Light Commercial products in India. With our acquisition of Toshiba in 2022, we are speeding up the localization process through concurrent engineering across geographies.

Our training center is now operational in our Gurugram premises. We have done real time installations at the learning center. This center is being used to provide hands on training to our colleagues serving our customers on the field. This has been used to train our people on handling installation and troubleshooting with ease, especially for a technically advance product like VRF.

Our key account customers' management have regularly visited the Expert Center at Gurgaon premises, further strengthening their confidence in trusting our brand. Our team offers expert advice on the latest HVAC technology, which is most suitable for the customer application. Whether customers require zoning with a VRF system, seek to improve the workforce experience, advance their environmental goals, address building needs with applied systems, reimagine building management with controls, or upgrade ventilation and improve the indoor environment – the Expert Center will be a valuable resource to the customers.

The factory at Gurugram premises has been awarded Platinum certification by the Indian Green Building Council (IGBC). The accreditation for maintaining green building standards under the IGBC Green Factory Building Ratings is a milestone for the 34-year-old factory. Acquiring the IGBC Platinum certification requires a concerted and diligent effort to achieve multiple, non-negotiable standards provided by IGBC. These measures include the use of renewable energy with solar power, adding a high-solar reflective coating on the factory roof, partial use of cleaner fuel in the captive generation, rainwater harvesting for recharging the groundwater table, reuse of treated water, and planting of drought-tolerant greenery.

The growth story continued in the fiscal year 2023-24. With the countdown for the election signaled in H2, there was surge in demand for government projects where your company made a good mark on some high profile projects through TKO's. The planning for meeting the demand was ensured with right set of SKU's in stock, not only meeting the optimum inventory requirement of the company but also ensuring the end customer requirement for the respective projects. Your company was well supported by the overseas factories on account of quick production and timely dispatches. Notably, the expansion of Airports, Metro Rail, Railway Stations contributed significantly to upward trajectory. Additionally, heightened government expenditure on public infrastructure and urban development initiatives like the **"Smart Cities Mission"** and the **"Amrit Bharat Station Scheme"** served as catalysts, further stimulating the VRF air conditioner market. The growth trajectory in the Variable Refrigerant Flow (VRF) market soared in double digits, propelled by burgeoning construction activities across a diverse spectrum of sectors.

Furthermore, the market penetration extended to the private sector, as a result of last years Installation and completion of project, with a special mention of booming data centers projects, commercial office spaces. Your company was able to bag multiple small scale Data center projects because of bigger capacity Units available in the portfolio, which is unique when compared to competition. The same is applied for Commercial Projects, Healthcare, Museums, and Sports Complex Projects. The increased demand for VRF systems in these domains underscores their versatility and effectiveness in meeting the diverse needs of modern infrastructure. As a result of your company's strategic positioning within both public and private sectors did solidify the standing as one of the leading player in the VRF market, poised for continued growth and innovation in the years ahead.

The year before your company was able to make a mark in the high end residential market with some big names associations. These projects were again won on merit of the features of the product against the competition. The billing for these projects was in full flow in Q4 resulting in good growth YoY and also increasing the reference in the segment.

Some of the new initiatives taken by your company to meet the requirements of increasing business, your company launched new Learning Center, dedicated to Internal and External trainings of entire portfolio. With specialized programs tailored to industry needs, your company is not only focusing on the internal skill upgrade but also the company's asset "the Channel Partners". This initiative reflects your company's commitment to advancing expertise across the board, fostering collaboration, and driving innovation throughout the HVAC ecosystem. The Commercial Business grew over 15% with Chillers from local factory being over 20% and the Airside terminal units over 50%. The segments which saw major growth were Industrial followed by healthcare segment. The renewable energy segment also witnessed an upswing in investments basis the PLI boost to the manufacturing sector. Tier II and III cities saw a major growth in Real Estate footprint. We will continue to invest in our manufacturing capability in India expanding our Portfolio across product categories.

During the year, the Company executed an asset purchase agreement with CACI Aircon Private Limited (CACIAPL) (previously known as Toshiba Carrier Air-conditioning India Private Limited) a wholly owned subsidiary of Carrier group for a total consideration of Rs 1,837 lakh. CACIAPL was primarily manufacturing Toshiba branded Hi-wall and VRF for exclusive sales to the Company. Post purchase of these assets the Company has started manufacturing Toshiba branded Hi-wall and VRF.

B. SERVICE:

In line with growth requirement of the organization, after market team took various initiatives such as Retrofits, Upgrades, Capture , Recapture (third party equipments) in our contracts. For Commercial Applied Service segment, your company has continued focus on Renewals, Conversions, Capture for adding on Installed base under coverage, Recapture and Retrofits / upgrade of chillers along with annual service agreements / contracts for entire plant room equipments as well solutions to provide better efficiency of the equipments. The focus of the company has also been on the Digital solutions to have the trends available to reduce failure, getting the insights and sharing Performance/ Operation trends.

The success story of channel service business continued during 2023-24 , service revenue grown by 22% VPY and margin growth registered at 23% VPY , service team also initiated several trainings programs to enhance channel partners engineers' technical competencies, Few of the selected carrier team members were provided opportunity for training in China and Thailand factories on new products, A new initiative was introduced for disbursement of service pay outs to the channel using QR code available at each LC product moving out of carrier factory, which is likely to get momentum in current year, Re-engineering of ducted range of product was coordinated with quality and engineering teams to ensure better product quality and lesser failures in the field. Launch of Sound testing lab within carrier engineering building helped us to test and achieve reduction of sound levels by several notches down to provide better customer experience. Introduction of monthly newsletter on service activities was another highlight, which ensures that entire service and sales community within carrier is appraised of critical information's like TAT performance, PM performance, Trainings, used case studies, appreciation letters, service, and technical bulletins, which are now compiled and circulated in an effective manner. some CCN process like SA offering, online spare parts ordering for sales and purchase perspective were introduced to increase band width and productivity of the service team, all this along with highly motivated service professionals is ready to provide higher dividends and team is poised to achieve greater heights in coming financial year.

C. TOTALINE:

The business legacy of strong performance on YOY basis and overcoming both internal and external challenges to grow the business was a key mantra. The strategy for FY 2023-24 was having the strong mindset with in the team to grow the business on high value and high margin sales and Customer connect with dealer engagement and digitization as cash flow and inventory management were the Key challenges. The backbone for 2023-24 was the New product development, localization and supply chain management by the Totaline team. The Totaline brand was a trend setter in the HVAC parts business and lead the market with customer centric products.

D. COMMERCIAL REFRIGERATION:

The Sales cultivated increasingly in last year with highest ever growth coming in from Commercial Refrigeration Business and exponential growth from Cold room & Food retail Market. Carrier retained its SOS with the major Food Retail & Large cold-room customer's. The cold-room business picked up very well with major organized players going in for colossal expansion expecting positivity in government reforms on FDI. Company continued to evolve strategically with key focus on major initiatives like Expertise, Capturing new segments, Channel productivity, cost reduction, geographical development etc.

The Service business has witnessed highest ever growth over last year and commissioned added multinational and local segments. 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 footprint to local retailers/independents entering the fray.

As member of the National Cold Chain Center set up by Ministry of Agriculture, Company continues to be actively involved in various aspects of cold chain evolution in India. Company has been actively participating in various forums and platforms across India organized by PHD, NCCD, CII, Indian Chambers of Food & Agriculture to improve the presence and visibility.

During the year, the Carrier Group at global level has decided to sell its Commercial Refrigeration (**"CR"**) business pursuant to which Company is in process of entering into a business transfer agreement (**"BTA"**) to transfer its operations relating to said division (**"CR"**).

We hereby notify you that upon Completion, the Company will transfer its commercial refrigeration business to Haier Appliances India Private Limited, which is owned (directly or indirectly) by the

Purchaser. Post Completion, all of your commercial refrigeration related sale transactions will be processed solely through Haier Appliances India Private Limited.

E. TRANSICOLD:

The cold chain in India has been growing and is a major focus area for the government and industry. Carrier Transicold India continues to be a market leader in the transport refrigeration industry. We provide innovative and sustainable solutions while engaging with cold chain industry stakeholders to establish robust cold chains in India. Our continuous efforts of policy engagement with various Government bodies and industry stakeholders have enabled better understanding of the cold chain in India.

We are preferred suppliers of transport refrigeration systems to leading third party logistics companies and truck manufacturers due to our key account relations, reliable products, and aftermarket support. The Carrier Transicold service network has now grown to more than 90 service centers across India.

The business introduced several new products in the small refrigerated van. We have 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.

In addition to introduction of new products, Carrier Transicold has been focusing on helping customers improve their services and optimize operations, reduce costs and increase reliability and efficiency.

Carrier Transicold launched its digital monitoring system named **Lynx Fleet**, which provides users with an ability to monitor and manage their refrigerated transport, automate key processes, and reduce logistics failures to increase performance and lower total cost of ownership.

To provide ease of maintenance to customers Carrier Transicold announced the annual maintenance programs called **BluEdge**. These are curated programs help to protect your equipment and keep the Carrier Transicold transport refrigeration units on the road longer.

Carrier Transicold continues to foster strong relations with cold chain stakeholders such as government and industry trade organizations. We are 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.

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.

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.

F. AdvanTEC:

As we expand our presence in India, AdvanTEC Solutions remains steadfast in assisting customers to conserve energy and establish a strong foothold. Through customized retrofits for energy-efficient HVAC plant rooms, we ensure compelling returns on investment. Our collaboration with Commercial Applied Chillers Sales in control strategy bolsters their unique selling proposition in the market. Continually enhancing our toolkit with advanced tools and expertise, AdvanTEC Solutions empowers customers with superior energy-efficient HVAC solutions, thus reducing carbon emissions throughout the lifecycle. Our commitment to innovation, continuous improvement, and delivering value-driven solutions remains unwavering, contributing to greener and more efficient HVAC systems.

3. **Environment, Health & Safety:**

At Carrier India, ensuring the health and safety of our people, planet, and community is our top priority. Through Carrier's Environment, Health & Safety (EH&S) programs, we focus on protecting our workforce, stakeholders, and the environment.

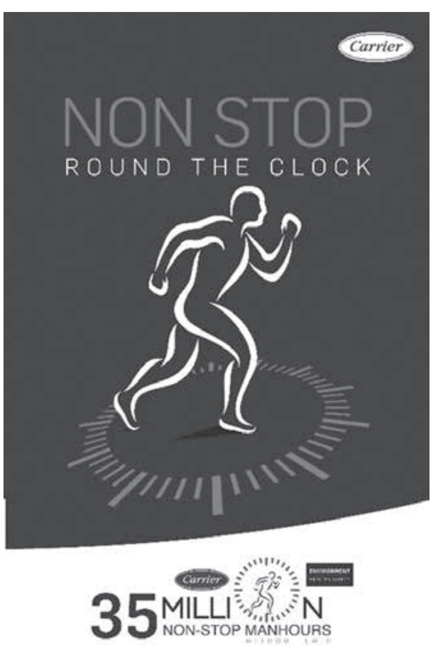
EH&S is a core value at Carrier India, and we are committed to implementing measures and solutions to safeguard health and safety while advancing environmental stewardship.

Reflecting on 2023-24, it was a significant year for Carrier. As we look ahead, our commitment to prioritizing the health and safety of our environment only grows stronger. Some highlights of FY 2023-24 include:

- Introduction of programs for greenhouse gas reduction, water conservation, and waste management at our Gurgaon factory.
- Awareness initiatives on leading indicators like Stop Work and Near-miss reporting, with a 133% increase from 2022-23.
- Sustainability efforts leading to the Mumbai Office achieving an IGBC Platinum rating.
- Safety-first approach with the release of refreshed Lockout Tagout cards, posters, and Lead with Safety cards in 6 languages.
- Leadership engagement through coffee chat sessions with field technicians and Care visits by leaders.
- Adoption of Enablon Go and Inspection app by employees.
- Meeting our E-waste & Plastic Waste targets issued by Central pollution control board.

We extend heartfelt thanks to our 65+ Carrier Technicians and 5000+ channel technicians for their dedication to promoting safe work practices in the field. Let us continue to prioritize the health and safety of our employees across all aspects of business.

Carrier India (HVAC) has clocked more than 17+ years and 35 million man-hours with zero fatalities, serious injuries, LWIR, TRIR & this is possible considering every individual in our organization taking responsibility and be empowered to drive the EH&S culture. We do rely on each employee to report unsafe conditions, potential hazards, near misses, and incidents, whether at Carrier premises or in the field at customer job sites.



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. 110,00,00,000 divided into 11,00,00,000 equity shares having face value of Rs. 10/- each. The issued, subscribed, and paid-up capital of the Company is Rs. 106,37,67,450 divided into 10,63,76,745 equity shares having face value of Rs. 10/- each.

There was no change in the share capital of the Company during the Year Under Review.

6. Change in the nature of business if any:

There were no changes in the nature of 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. 9.5/- on each fully paid-up equity shares of Rs. 10/- each for the financial year 2023-24 total amounting to Rs. 1,01,05,79,077 (Rupees One Hundred One Crore Five Lakh Seventy-Nine Thousand Seventy-Seven Only). The aforesaid Dividend shall be subject to approval/declaration by shareholders of the Company in the 32nd 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, a new company was incorporated in the name of Kiddel Technologies India Private Limited (**"KTIPL"**) on February 11, 2024 as a wholly owned subsidiary of the Company in Gurugram, Haryana, India to carry on the business of Fire Detection and Suppression Systems.

During the Year Under Review, KTIPL did not commence any business. The Statement containing salient features of the financial statements of KTIPL in Form AOC-1 is attached as **Annexure-A**.

Subsequently, KTIPL had ceased to be the subsidiary of the Company **w.e.f. 21 June 2024**.

Further, the Company does not have any joint venture, or associate company.

10. **Compliance certificate with respect to Downstream Investment:**

During the Year Under Review, the Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in Kiddel Technologies India Private Limited.

11. **Changes in Board of Directors and Key Managerial Personnel:**

During the Year Under Review, 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. Chirag Baijal (DIN: 08465289)	Managing Director	June 25, 2019	July 31, 2023	Resignation
2.	**Mr. Sundaresan Narayanan (DIN: 06443519)	Managing Director	November 01, 2023	-	-
3.	Mr. Siraj Azmat Chaudhry (DIN: 00161853)	Independent Director	November 29, 2023 ***(Re-ppointment)	-	-
4.	****Mr. Anurag Gupta (PAN: AXLPG6714B)	Company Secretary	January 1, 2023	June 11, 2024	Resignation
5.	Ms. Ekta (PAN: ACOPE5176F)	Company Secretary	June 12, 2024	-	-

*During the Year Under Review, Mr. Chirag Baijal (DIN: 08465289) had resigned from the position of Managing Director, member of the Board and member of the CSR Committee with effect from July 31, 2023.

**The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Sundaresan Narayanan (DIN: 06443519) as Managing Director of the Company with effect from November 1, 2023. In the opinion of the Board, Mr. Narayanan possesses requisite expertise, integrity, and experience for appointment as Managing Director of the Company.

***Further, the shareholders of the Company at their 31st Annual General Meeting, approved the re-appointment of Mr. Siraj Azmat Chaudhry (DIN: 00161853) as the Independent Director of the Company w.e.f., November 29, 2023 for a second term of 5 (five) consecutive years.

****Mr. Anurag Gupta (PAN: AXLPG6714B) had resigned from the position of Company Secretary with effect from June 11, 2024. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee had appointed Ms. Ekta (PAN: ACOPE5176F) as Company Secretary of the Company with effect from June 12, 2024.

Further, in accordance with the articles of association of the Company and relevant provisions of the Companies Act, 2013, Mr. Rahul Jain (DIN: 07858457) Whole-time Director is liable to retire by rotation at the 32nd Annual General Meeting and being eligible offer himself for re-appointment and the resolution for his re-appointment is proposed in the notice of 32nd Annual General Meeting of the Company. This shall not constitute a break in his office as his existing role in Board of Directors of the Company.

12. Number of meetings of the Board of Directors:

During the Year Under Review the Company had 6 (six) meetings of the Board of Directors in accordance with the provisions of section 173 of Companies Act, 2013 and other applicable laws on June 20, 2023, August 9, 2023, November 01, 2023, January 30, 2024, February 20, 2024, and March 26, 2024. 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 2023-24 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 (DIN: 08465289)	Managing Director (till July 31, 2023)	1	0
2.	Mr. Sundaresan Narayanan (DIN: 06443519)	Managing Director (w.e.f. November 01, 2023)	3	3
3.	Mr. Narendra Singh Sisodia (DIN: 06363951)	Independent Director	6	5
4.	Ms. Simran Thapar (DIN: 09026461)	Whole-time Director	6	5
5.	Mr. Rahul Jain (DIN: 07858457)	Whole-time Director	6	3
6.	Mr. Har Amrit Pal Singh Dhillon (DIN: 07043895)	Non-Executive Director	6	5
7.	Mr. Pritesh Agrawal (DIN: 08757017)	Whole-time Director	6	6
8.	Mr. Siraj Azmat Chaudhry (DIN: 00161853)	Independent Director	6	6

13. 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:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) 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.

(c) 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.

(d) The Directors had prepared the annual accounts on a going concern basis.

(e) 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.

14. Secretarial Standards:

The 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 by the Company.

15. Declaration of independence by Independent Directors:

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet 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 the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors of the Company are the persons of integrity and possess relevant expertise and experience (including the proficiency) and are Independent of the Management.

16. Annual Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013, the Board of Directors had carried out an annual performance evaluation of Independent Directors and its Committees, individual Directors and its own performance for the financial year 2023-24. 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 2023-24 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 Committees of the board contribute its best in the overall growth of the organization and the Independent Directors of the Company are the persons of integrity and possess relevant expertise and experience (including the proficiency) and are Independent of the Management.

17. 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 "C"** forming an integral part of this report. Your Company will continue to support projects that are consistent with the policy. The CSR policy formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors can be accessed at **https://www.carrier.com/commercial/en/in/investor/corporate-social-responsibility/**

18. 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 "D"** forming an integral part of this report and is also available on **https://www.carrier.com/building-solutions/en/in/investor**.

19. 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, 2024 as required under section 92(3) of the Companies Act, 2013 has been placed on the Company's website and can be accessed at **www.carrier.com/building-solutions/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.

20. **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 (Chairman of the Committee)
- 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 4 (four) meetings of Audit Committee were held on June 20, 2023, August 09, 2023, February 20, 2024 and March 26, 2024. The attendance of the members of Audit Committee meetings during the financial year 2023-24 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Independent Director	4	4
Mr. Siraj Azmat Chaudhry	Independent Director	4	4
Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	4	4

21. **Nomination and Remuneration Committee:**

Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee review 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 the following three Directors out of which two are Independent Directors:

- Mr. Siraj Azmat Chaudhry, Independent Director (Chairman of the Committee)
- Mr. Narendra Singh Sisodia, Independent Director and
- Mr. Har Amrit Pal Singh Dhillon, Non-Executive Director

Meetings and Attendance:

During the Year under review, 3 (three) meetings of Nomination and Remuneration Committee were held as on August 09, 2023, November 01, 2023, and February 20, 2024. The attendance of members of Nomination and Remuneration Committee meetings held during the financial year 2023-24 is as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Siraj Azmat Chaudhry	Independent Director	3	3
Mr. Narendra Singh Sisodia	Independent Director	3	2
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	3	3

22. 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. The Committee comprises of following four Directors out of which two are Independent Directors and two are Executive Directors:

- Mr. Siraj Azmat Chaudhry, Independent Director (Chairman of the Committee)
- Mr. Narendra Singh Sisodia, Independent Director
- Mr. Chirag Baijal, Managing Director (1)
- Mr. Pritesh Agrawal, Whole-time Director & Chief Financial Officer; and
- Mr. Sundaresan Narayanan, Managing Director (2)

Meetings and Attendance:

During the Year under review, 3 (three) meetings of Corporate Social Responsibility Committee was held on June 20, 2023, August 09, 2023, and February 20, 2024. The attendance of the members of Corporate Social Responsibility at the meeting during the financial year 2023-24 are as below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	3	3
Mr. Chirag Baijal	Managing Director (till July 31, 2023)	1	0
Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	3	3
Mr. Siraj Azmat Chaudhry	Non-Executive Independent Director	3	3

23. 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 Year under review, the Committee comprises of the following three Directors out of which one is Independent Director, second is Executive Director & chief financial officer and third is non-executive Director:

- Mr. Narendra Singh Sisodia, Independent Director (Chairman of the Committee)
- 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 2 (two) meetings of Stakeholder's Relationship Committee was held on November 01, 2023, February 20, 2024 with following members:

Name of the Members	Category	No. of Meetings	
		Held	**Attended**
Mr. Narendra Singh Sisodia	Non-Executive Independent Director	2	1
Mr. Pritesh Agrawal	Whole-time Director & Chief Financial Officer	2	2
Mr. Har Amrit Pal Singh Dhillon	Non-Executive Director	2	2

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

2. Mr. Sundaresan Narayanan was appointed as the Member of the Board and Managing Director of the Company w.e.f. November 01, 2023, and member of Corporate Social Responsibility Committee w.e.f. February 20, 2024 (after conclusion of the CSR meeting dated February 20, 2024.

24. 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 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, 2024. 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, 2024. Hence no explanation or comments of the Board of Directors is required in this matter.

25. 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 2023-24 and remuneration of Jain Sharma & Associates was ratified by the members of the Company at their 31st Annual General Meeting held on September 08, 2023.The cost audit report for the financial year 2022-23 was filed with the Ministry of Corporate Affairs within prescribed time.

For the financial year ended March 31, 2024, the cost auditor has submited its report to the Board of Directors in Board Meeting. 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, 2024.

26. 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 2023-24 in terms of section 204 of the Companies Act, 2013 and rules framed there under. The report of the secretarial audit is attached as Annexure "E" and forms an integral part of this report. There are no qualifications in secretarial audit report for the financial year ended March 31, 2024. Hence no explanation or comments of the Board of Directors is required in this matter.

27. Internal Auditor:

Pursuant to the provisions of Section 138 of Companies Act, 2013 read with rules framed thereunder, the Board of Directors in its meeting dated March 26, 2024 had appointed Mr. Sourabh Wadhwa as internal auditor of the Company in place of Mr. Lokesh Gupta. Mr. Wadhwa has conducted internal audit of the functions and activities of the Company for the financial year 2023-24 and submitted his report to the Audit Committee, which was further reviewed by the Board of Directors.

28. Deposits:

The 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, there are no deposits in the Company which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

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.

29. Change in Registrar and Share Transfer Agent

During the Year Under Review, the Board of Directors in its meeting dated November 1, 2023 had approved the appointment of Link Intime India Private Limited w.e.f. 1st February, 2024 as the Registrar and Share Transfer Agent (**'RTA'**) of the Company in place of MCS Share Transfer Agent Limited Agent in order to avail better services and efficiency in the matters related to shares registry and investors. The details of Link Intime India Private Limited are as follows:

Link Intime India Pvt. Ltd
Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block,
LSC Near Savitri Market, Janakpuri, New Delhi – 110058
Tel No. +91 11 – 49411000
Email id: delhi@linkintime.co.in
Website: www.Linkintime.co.in

30. 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.

31. Human Resources:

The Carrier Way is the foundation of everything your Company does. It defines our vision, reaffirms our values, describes the behaviours that create a winning culture, and establishes how we work and win together. Your Company introduced a series of new education courses to reinforce behaviours 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 introduced initiatives for all employees & people managers to understand The Carrier Way better & lead by example.

Your Company focused on Diversity, Equity and Inclusion in line with Carrier Global' s D&I goals. Your Company conducted several sessions to create awareness, in addition to forums that have been created for employees to come together and share their thoughts.

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 stakeholders 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 & 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.

32. **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 Complaints 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 related to sexual harassment.

33. **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, 2024, are set out in the **Annexure-F**, and form an integral part of this report.

34. **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.

35. **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-B**.

36. **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 **www.carrier.com/building-solutions/en/in/investor/**.

37. **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.

38. **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 **www.carrier.com/building-solutions/en/in/investor/**. All such matters are disclosed to management as a standard worldwide practice.

39. **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.

40. **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.

i. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

ii. There was no instance of onetime settlement with any Bank or Financial Institution.

41. 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

		Sd/
	Sd/	**Pritesh Agrawal**
	Sundaresan Narayanan	**Whole-time Director &**
Date: 23 August 2024	**Managing Director**	**Chief Financial Officer**
Place: Gurugram	**DIN: 06443519**	**DIN: 08757017**

ANNEXURE "A"

Form No. AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2O14]

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

S. No.	Particulars	Details
1.	Name of the Subsidiary	Kiddel Technologies India Private Limited
2.	The date since when subsidiary was acquired	February 11, 2024 (Incorporation date)
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	February 11, 2024 to March 31, 2024
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR
	Financial Details as on March 31, 2024	**Amount in INR**
5.	Share capital	8,37,00,000
6.	Reserves and surplus	-
7.	Total assets	8,37,00,000
8.	Total Liabilities	8,37,00,000
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

1. Names of subsidiaries which are yet to commence operations- 1 (Kiddel Technologies India Private Limited)
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

Part B: Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2O13 related to Associate Companies and Joint Ventures)

Name of Associates or Joint Ventures	**Name**
1. Latest audited Balance Sheet Date	-
2. Date on which the Associate or Joint Venture was associated or acquired	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-
No.	-
Amount of Investment in Associates or Joint Venture	-
Extent of Holding (in percentage)	-
4. Description of how there is significant influence	-
5. Reason why the associate/Joint venture Is not consolidated.	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-
7. Profit or Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operation- Nil.
2. Names of associates or joint ventures which have been liquidated or sold during the year- Nil

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

Sd/
Sundaresan Narayanan
Managing Director
DIN: 06443519

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

Date: 23 August 2024
Place: Gurugram

ANNEXURE "B"

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 March 31, 2024, which were not at arm's length basis.

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

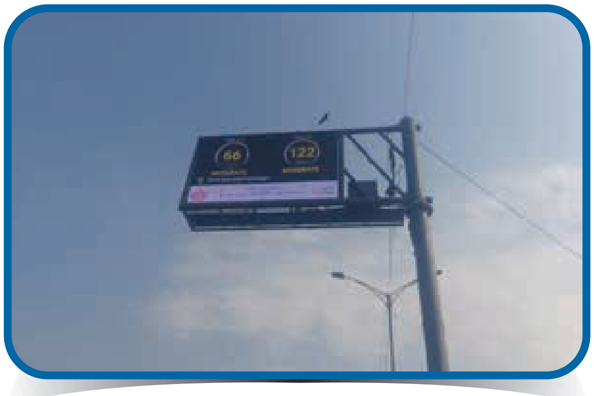
   There were no material contracts or arrangements or transactions for the year ended March 31, 2024.

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

Sd/	**Sd/**
Sundaresan Narayanan	**Pritesh Agrawal**
Managing Director	**Whole-time Director &**
DIN: 06443519	**Chief Financial Officer**
	DIN: 08757017

Date: 23 August 2024
Place: Gurugram

CORPORATE SOCIAL RESPONSIBILITY



ANNEXURE "C"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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 are Independent Directors and two are Executive Directors. The Chairman of the Committee is an Independent Director.

S. No.	Name	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	Chairman	3	3
2.	Mr. Narendra Singh Sisodia	Member	3	3
3.	Mr. Chirag Baijal(1)	Member	1	0
4.	Mr. Sundaresan Narayanan(2)	Member	0	0
5.	Mr. Pritesh Agrawal	Member	3	3

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. **Not Applicable**.

5. (a) Average net profit of the Company as per section 135(5): The Average Net Profit of last three financial years preceding the reporting financial year (i.e. 2022-23, 2021-22, and 2020-21) calculated in accordance with Section 135 of the Companies Act, 2013 is **INR 74,02,12,080**

   (b) Two percent of average net profit of the Company as per section 135(5): **INR 1,48,04,242**

   (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, if any: **INR 42,000**

   (e) Total CSR obligation for the financial year (5b+5c-5d): **INR 1,47,62,242**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 1,44,66,159**

   (b) Amount spent in Administrative Overheads – **INR 2,96,083**

   (c) Amount spent on Impact Assessment, if applicable - **Not Applicable**

   (d) Total amount spent for the Financial Year (6a+6b+6c)- **INR 1,47,62,242**

   (e) CSR amount spent or unspent for the financial year:

1. Mr. Chirag Baijal has resigned from the position of the member of Corporate Social Responsibility Committee w.e.f. 31st July, 2023.

2. Mr. Sundaresan Narayanan was appointed as the member of Corporate Social Responsibility Committee w.e.f. February 20, 2024 (after conclusion of the CSR meeting dated February 20, 2024.

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	Amount	Date of transfer
1,47,62,242	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)	1,48,04,242
(ii)	Total amount spent for the Financial Year	1,48,04,242*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

*including set off of 'the excess amount of Rs. 42,000 spent in the previous year'.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. 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		
(1)	(2)	(3)	(4)	(5)	(6)		
					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 of Directors
For Carrier Airconditioning & Refrigeration Limited

Sd/
Sundaresan Narayanan
Managing Director
DIN: 06443519

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

Date: 23 August 2024
Place: Gurugram

ANNEXURE "D"

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 One Lac 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

	Sd/	**Sd/**
	Sundaresan Narayanan	**Pritesh Agrawal**
	Managing Director	**Whole-time Director &**
Date: 23 August 2024	**DIN: 06443519**	**Chief Financial Officer**
Place: Gurugram		**DIN: 08757017**

ANNEXURE "E"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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,
Delhi-Jaipur Highway, Gurugram, Narsinghpur,
Gurgaon, Narsinghpur, Haryana- 122004

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, 2024 (**"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 herein after 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 fresh ECB & FDI 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 ASIDENTIFIED 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 & Committee Meetings were carried out with requisite majority and recorded in the minutes of the Meetings. Further, as informed and verified from minutes, dissent given by the directors in respect of resolutions passed in the Board & Committee Meetings, wherever applicable were duly recorded in the minutes.

   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.

Place: New Delhi
Date: 23 August, 2024

UDIN: F004140F001033652

FOR DMK ASSOCIATES
COMPANY SECRETARIES

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

ANNEXURE 1

To,
The Members
CARRIER AIRCONDITIONING & REFRIGERATION LIMITED
CIN:U74999HR1992FLC036104
Narsingpur, Kherki Daula Post,
Delhi-Jaipur Highway, Gurugram, Narsinghpur,
Gurgaon, Narsinghpur, Haryana- 122004

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.

Place: New Delhi
Date: 23 August, 2024

UDIN: F004140F001033652

FOR DMK ASSOCIATES
COMPANY SECRETARIES

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

ANNEXURE "F"

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

- **Diesel & PNG consumption for DG sets from 01.04.2023 to 31.03.2024-** Diesel consumption 1.029 Lac liters & PNG consumption is 2.79 Lac Kg (including use for Paint shop)
- **Energy consumption reduction from EE motors from 01.04.2023 to 31.03.2024-** 3% Energy consumption reduction was recorded which is about 3500 units.

Power fuel consumption

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Electricity		
(a) Purchased		
Units (in Lakhs)	31.42	26.39
Total amount (in Lakhs)	279.01	239.29
Rate/unit (Rs)	8.88	9.01
(b) Own generation		
(i) Through diesel generator		
Units (in Lakhs)	4.9	4.8
Units per liter of diesel oil	3.25	3.25
Cost/unit (Rs)	22.9	21.57
(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 Lakhs)	5.84	6.03

B. TECHNOLOGY ABSORPTION

(a) Research and Development (R&D)

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

- Design & Development of Modular Air-cooled scroll chiller range , heaving lower cost than existing product , significantly higher energy efficiency which has resulted in significant improvement and margin gain in this product segment.

- Introduced remaining models with R32, Low GWP refrigerant, having lower cost than existing R410A based products. Energy efficiency of the product range was enhanced & refrigerant consumption per unit was reduced by about 40%. With the result of this effort by program team, there is expectation of significant conversion of sales from R410a to R32 refrigerant products.
- Development & qualification of new heat exchanger having 5mm tube diameter for Cassette & Ducted range, which has helped in reducing the cost significantly as copper content reduces.
- Introduction of new state of art 17TR Psychrometric Test chamber, having capability of testing HVAC products from 1.5 Tr to 17TR as per latest IS standard requirements

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

Readiness for upcoming regulation of QCO & higher efficiency requirement for BEE star labeling program

Sustainable solutions for ESG goals as products have higher energy efficiency, lower GWP refrigerant that too with 40% reduction in refrigerant consumption.

Better supply chain situation (lower copper & refrigerant content)

Competitive advantages in terms of cost and additional revenue generation

Improvement in the performance and reliability of the units.

Incremental revenue & & margins for Air cooled scroll product line.

(iii) Future plan of action:

Develop new products in keeping upcoming technology and market requirements (like BEE star labeling regulation, QCO regulation etc)

Localize more products for cost/lead time benefit to customers.

VAVE to optimize product cost with improved/same performance.

Quality/reliability improvement for products supplied from factory.

Usage of mode advance tools to optimize the cost and bring agility in design cycle.

New investments in R&D facility for additional capabilities

(iv) Expenditure on R&D:

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

a. Capital : Rs 5,46,02,440

b. Recurring : Rs 8,35,39,817

c. Total : Rs.13,81,42,257

d. Total R&D expenditure as a percentage of turnover: 0.59

(b) Technology absorption, adaptation, and innovation

(i) Efforts, in brief, made towards technology absorption, adaptation and innovation: 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 customer. Team has submitted invention disclosures and filed patents from India R&D center.

(ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.

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

(iii) In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year 2010), following information may be furnished: Not applicable

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 Rs Lakhs)

S. No.	Foreign Exchange Earnings and Outgo	2023-24	2022-23
1.	Earnings in foreign exchange	5,583	2,621
2.	Expenditure in foreign currency*	8,066	4,840
3.	CIF Value of Import	78,910	78,603

*Excluding provision

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

Sd/
Sundaresan Narayanan
Managing Director
DIN: 06443519

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

Date: 23 August 2024
Place: Gurugram

Information regarding Production, Purchases, Sales and Closing Stocks:

(a) Production, Sale and Stocks - Manufactured Goods

Products	Opening Stock		Production	Closing Stock	
	Qty (No's)	Amount	Qty (No's)	Qty (No's)	Amount
Compressor					
Current Year	39	2	-	30	@
Previous Year	39	2	-	39	2
Room Airconditioners					
Current Year	4,856	2,922	53,844	17,858	6,595
Previous Year	4,261	2,090	29,413	4,856	2,922
AHU/ FCU & Chillers					
Current Year	764	1,627	7,724	983	2,695
Previous Year	1,067	1,492	5,500	764	1,627
Condenser/Evaporator Module					
Current Year	1,080	595	9,315	1,179	551
Previous Year	593	311	7,389	1,080	595
Freezers / Cold Room Systems					
Current Year	2	5	1	2	2
Previous Year	8	90	9	2	5
Cylinder & Gas & Fluid					
Current Year	698	120	56,029	593	10
Previous Year	2	1	74,083	698	120
Nozzle & Valve					
Current Year	18	@	846	18	@
Previous Year	29	8	1,334	18	@
Suppression Accessories					
Current Year	-	-	67	2	@
Previous Year	-	-	41	-	-

		Compressor	Room Aircon-ditioners ##	AHU/ FCU & Chillers	Condenser/ Evaporator Module	Freezers / Cold Room Systems
Sale #						
Current Year	Qty(Nos)	9	40,837	7,505	9,216	1
	Amount	-	36,230	17,745	6,368	4
Previous Year	Qty(Nos)	-	28,815	5,803	6,902	15
	Amount	-	29,494	12,853	5,042	17

		Cylinder & Gas & Fluid	Nozzle& Valve	Suppression Accessories
Sale #				
Current Year	Qty(Nos)	56,135	846	65
	Amount	1,805	45	8
Previous Year	Qty(Nos)	73,387	1,345	41
	Amount	2,142	63	4

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

The unit sales quantities include Inventory adjustments as well.

Excludes 5 Room Air Conditioners (Previous Year 3) 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	22,276	8,836	1,33,379	45,192	1,32,886	56,200	22,468	8,101
Previous Year	26,901	10,940	1,41,008	47,633	1,45,377	59,975	22,276	8,836
AHU/FCU & Chillers								
Current Year	74	109	3,731	6,814	3,333	8,999	472	542
Previous Year	122	116	1,962	16,942	2,010	20,161	74	109
Stabilizers & others					***			
Current Year	35,242	1,173	74,281	3,236	73,529	3,904	35,900	773
Previous Year	67,047	1,735	1,23,914	3,640	1,55,688	5,739	35,242	1,173
Truck Refrigeration								
Current Year	549	4,251	3,110	15,827	2,993	18,972	666	5,320
Previous Year	661	2,196	2,189	12,474	2,301	12,765	549	4,251
Freezers & System								
Current Year	751	1,287	1,074	1,023	1,258	2,864	567	507
Previous Year	597	1,081	2,616	3,799	2,462	5,262	751	1,287
Condenser/Evaporator								
Current Year	47	38	506	1,675	526	2,185	27	23
Previous Year	55	84	431	867	439	1,203	47	38
Cylinder								
Current Year	119	87	672	375	366	474	425	185
Previous Year	-	-	422	327	303	263	119	87
Nozzle & Valve								
Current Year	414	57	2,358	225	2,216	309	556	76
Previous Year	1,035	9	1,412	115	2,033	105	414	57
Spares								
Current Year	#	10,481	#	27,777	#	34,965	#	9,835
Previous Year	#	8,562	#	24,679	#	29,165	#	10,481

* The unit sales quantities include Inventory adjustments as well.

** Excludes 301 Room Air Conditioners (Previous Year 256) capitalised during the year.

*** Excludes 94 (Previous Year 31) 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, 2024		Year ended March 31, 2023	
	Quantity	**Amount**	**Quantity**	**Amount**
Aluminium (Kgs)	3,88,927	1,165	3,96,243	1,169
Compressor (Nos)	38,243	11,939	34,337	9,631
Copper (Kgs/Nos)	24,69,813	6,205	25,91,369	6,016
Motors (Nos)	88,127	2,273	90,934	2,242
Refrigerant / Gas (Kgs)	2,61,672	2,293	2,76,347	2,529
Valve (Nos)	2,26,332	1,592	2,36,187	1,422
Electrical Parts (Nos)	14,06,341	4,353	15,17,181	4,409
Others*		17,611		12,316
Total	**48,79,455**	**47,431**	**51,42,597**	**39,733**

*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	38	17,944	40	15,949
Indigenous	62	29,487	60	23,785
Total	**100**	**47,431**	**100**	**39,733**

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

Sd/
Sundaresan Narayanan
Managing Director
DIN: 06443519

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

Date: 23 August 2024
Place: Gurugram

INDEPENDENT AUDITOR'S REPORT

To the Members of Carrier Airconditioning & Refrigeration Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report but does not include the standalone financial statements and consolidated financial statements and our auditor's reports thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 Indian 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone 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 except for the matters stated in the paragraph 2 h (vi) below on reporting under Rule 11(g).

   (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 standalone financial statements comply with the Indian 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, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2 h (vi) below on reporting under Rule 11(g).

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

(h) 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 standalone financial statements – Refer Note 14, 28 and 29 to the standalone 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 standalone 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(s) or entity(ies), 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(s) or entity(ies), 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 mis-statement.

v.

a. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with section 123 of the Companies Act 2013, as applicable.

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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable (Refer Note 27 to the standalone financial statements).

vi. Based on our examination which included test check, the Company has used accounting software for maintaining its books of account during the year ended March 31, 2024.

- With respect to accounting software for maintaining the books of account and software for managing procurement, the audit trail feature of recording audit trail (edit log) facility has been enabled and the same has operated throughout the year. The audit trail feature is not enabled for any direct changes made to the database in the accounting software. The database management of procurement software is operated by a third-party software service provider for which we have not been provided the independent service auditor report, hence we are unable to comment whether the audit trail feature on database changes was enabled and operated throughout the year or whether there were any instances of the audit trail feature been tampered with. On application where it was enabled there were no instance of the audit trail feature being tampered with.

- With respect to other software used for payroll processing, it is operated by a third-party software service provider. In the absence of independent service auditors report, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

3. In our opinion, the managerial remuneration for the year ended March 31, 2024 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinod Gupta
Partner
Membership No. 503690
UDIN: 24503690BKEPXS6094

Place: Gurugram
Date: August 23, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024.

Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 adequate internal financial controls with reference to standalone 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 and Board of Directors.

- Conclude on the appropriateness of management and Board of Director'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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinod Gupta
Partner
Membership No.503690
UDIN: 24503690BKEPXS6094

Place: Gurugram
Date: August 23, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024.

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 and relevant details of Right-of-Use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and Right-of-Use assets were physically verified by the management in previous year in accordance with a planned programme of verifying them once in 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) as disclosed in the standalone financial statements 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) and Intangible Assets during the year. Accordingly, the provisions stated under clause 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, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified during the year by the management. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of stocks in transit, the goods have been received subsequent to year end. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. 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.

(a) According to the information and explanations provided to us, the Company has not 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 during the year. The Company has made investments in the wholly owned subsidiary company ('Kiddel Technologies India Private Limited'). Accordingly, the provisions stated under clause 3(iii)(a), (c) to (f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans, provided any guarantee or security to the parties covered under provisions of Section 185 of the Act. Accordingly, the provisions stated under clause 3(v) of the Order insofar as it relates to Section 185 of the Act, is not applicable to the Company. The Company has complied with the provisions of Section 186 of the Act, in respect of investments made by the Company during the year in the wholly owned subsidiary company amounting to Rs. 837 lacs.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order are not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, Professional tax, Tax deducted at Source, Tax collected at Source and other statutory dues have generally been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, Professional tax, Tax deducted at Source, Tax collected at Source and other statutory dues in arrears as at March 31, 2024, outstanding 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, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

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
Income tax Act, 1961	Income tax	538	-	2020-21	Commissioner of Income tax (Appeals)

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
Sales tax					
Sales tax/Value added tax Act of various states	Sales tax/Value added tax	4,888	413	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	341	142	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
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	479	-	2014-15 & 2018-24	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	3,819	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

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
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 represent 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 account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 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 wilful defaulter by any bank or financial institution or government or any government authority.

x.

(a) In our opinion and according to the information and explanations given to us, 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 under clause 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 under clause 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 standalone 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 under clause 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 standalone 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 the internal audit reports of the Company issued till the date of our audit report for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order are not applicable to the Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) In our opinion and according to information and explanations given to us, neither Company nor any company in the group, is a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) to (d) of the Order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 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 clause 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 (as disclosed in note 43 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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.

(a) 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. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinod Gupta
Partner
Membership No. 503690
UDIN: 24503690BKEPXS6094

Place: Gurugram
Date: August 23, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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 Standalone financial statements for the year ended March 31, 2024

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

We have audited the internal financial controls with reference to standalone financial statements of Carrier Airconditioning & Refrigeration Limited ("the Company") as of March 31,2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone 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").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 standalone 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 adequate internal financial controls with reference to standalone 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 adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Vinod Gupta
Partner
Membership No.503690
UDIN: 24503690BKEPXS6094

Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Standalone Balance Sheet as at March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,195	6,499
Right-of-use assets	4.1	1,963	2,402
Capital work-in-progress	4.2	512	783
Intangible under development	4.2	-	96
Other intangible assets	4	1,216	104
Financial assets			
Investments	5.1	1	1
Loans	5.2	256	423
Others	5.3	290	296
Income tax assets (net)	6	1,578	1,248
Deferred tax assets (net)	7	6,004	4,993
Other non-current assets	8	2,176	1,552
Total non-current assets		**21,191**	**18,397**
Current assets			
Inventories	9	37,879	34,364
Financial assets			
Investments in subsidiary (held for sale)	10.1	837	-
Trade receivables	10.2	33,192	32,391
Cash and cash equivalents	10.3	41,989	19,835
Loans	10.4	288	115
Others	10.5	3,386	3,232
Other current assets	11	4,966	5,366
Total current assets		**122,537**	**95,303**
Assets of a disposal group classified as held for sale	37	**4,603**	**-**
TOTAL ASSETS		**148,331**	**113,700**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,638	10,638
Other equity	13	40,273	26,621
Total equity		**50,911**	**37,259**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	1,338	1,714
Provisions	14	6,896	5,929
Other non-current liabilities	15	334	340
Total non-current liabilities		**8,568**	**7,983**
Current liabilities			
Financial liabilities			
Lease liabilities	31	748	789
Trade payables	16.1		
a) total outstanding dues of micro and small enterprises; and		1,539	676
b) total outstanding of creditors other than micro and small enterprises		67,165	52,276
Other current financial liabilities	16.2	1,534	1,507
Other current liabilities	17	10,467	10,803
Provisions	18	2,780	2,407
Total current liabilities		**84,233**	**68,458**
Liabilities of a disposal group classified as held for sale	37	**4,619**	**-**
Total liabilities		**97,420**	**76,441**
TOTAL EQUITY AND LIABILITIES		**148,331**	**113,700**
Material accounting policies	2		

The notes referred above form an integral part of these standalone 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 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519
Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer & Whole Time Director
Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	19	213,114	201,274
Other income	20	2,858	2,265
Total income		**215,972**	**203,539**
Expenses			
Cost of materials consumed		43,525	35,615
Purchase of traded goods (Including spares)		92,815	102,463
Changes in inventories of finished goods, stock-in -trade and work-in-progress	21	(4,489)	(2,379)
Employee benefits expense	22	17,737	15,782
Finance costs	23	211	199
Depreciation and amortization expense	24	2,474	2,096
Other expenses	25	46,154	37,350
Total expenses		**198,427**	**191,126**
Profit before tax from continuing operations		**17,545**	**12,413**
Tax expense/(credit) from continuing operations			
Current tax	7	5,263	3,962
Deferred tax	7	(896)	(1,218)
Total Tax expense/(credit) from continuing operations		**4,367**	**2,744**
Profit for the year from continuing operations(A)		**13,178**	**9,669**
Profit before tax from discontinuing operations	37	2,504	1,769
Tax expense/(credit) from discontinuing operations	37	630	445
Profit for the year from discontinuing operations(B)		**1,874**	**1,324**
Profit for the year C=(A+B)		**15,052**	**10,993**
Other comprehensive income/(loss) (D)			
(i) Items that will not be reclassified to profit or (loss)	34	(456)	(85)
(ii) Income tax related to items that will not be reclassified to profit or (loss)	7	115	21
Other comprehensive income for the year E=(C+D)		**(341)**	**(64)**
Total comprehensive income for the year (C+E)		**14,711**	**10,929**
Earning per share (in Rs.) for continuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	12.39	9.09
Diluted	26	12.39	9.09
Earning per share (in Rs.) for discontinuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	1.76	1.24
Diluted	26	1.76	1.24
Earning per Share for continuing and discontinuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	14.15	10.33
Diluted	26	14.15	10.33
Material accounting policies	2		

The notes referred above form an integral part of these standalone 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 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd-
Pritesh Agrawal
Chief Financial Officer &
Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Standalone Statement of Cash Flow for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities :		
Profit before tax from continuing operations	17,545	12,413
Profit before tax from discontinuing operations	2,504	1,769
Adjustments for :		
Depreciation and amortization expense	2,492	2,107
Share based payments	5	166
Loss/ (Profit) on sale of Property, plant and equipment's (net)	(21)	(15)
Interest on lease liabilities	185	186
Interest income on fixed deposits	(1,622)	(515)
Provision for inventory obsolescence	525	726
Allowance for doubtful debts and advances	150	93
MTM loss/ (gain)on forward contracts	10	32
Unrealised (gain)/ loss on foreign exchange fluctuations	28	5
Liabilities no longer required written back	(748)	(950)
Operating profit before change in assets and liabilities	**21,053**	**16,017**
Adjustments for :		
Decrease/(increase) in other current and non current assets	(125)	(545)
Decrease/(increase) in current and non current loans	5	(54)
Decrease/(increase) in inventories	(5,227)	(1,409)
Decrease/(increase) in current and non current financial assets -other	(186)	(288)
Decrease/(increase) in current financial assets- trade receivables	(3,620)	(6,289)
Increase/(decrease) in current financial liabilities - trade payables	19,830	10,754
Increase/(decrease) in current and non current financial liabilities - others	42	47
Increase/(decrease) in other current and non current liabilities	533	1,270
Increase/ (decrease) in current and non-current provisions	1,345	674
Cash generated from operating activities	**33,650**	**20,177**
Income tax paid, net of refund and interest thereon	(6,338)	(4,024)
Net cash generated from operating activities (A)	**27,312**	**16,153**
Cash flow from investing activities :		
Purchase of property, plant and equipment	(1,755)	(1,293)
Purchase of property, plant and equipment from fellow subsidiary*	(1,837)	-
Proceeds from sale of property, plant and equipment / intangible assets	24	15
Interest received on deposits	1,401	465
Investment in subsidary	(837)	-
Net cash flow used in investing activities (B)	**(3,004)**	**(813)**
Cash flow from financing activities :		
Payment of lease liabilities	(1,090)	(953)
Dividend paid	(1,071)	(1,051)
Net cash used in financing activities (C)	**(2,161)**	**(2,004)**
Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	**22,147**	**13,336**
Cash and cash equivalents at the beginning of the year	**19,835**	**6,488**
Add: Re-instatement gain/(loss) on balance in EEFC account	7	11
Cash and Cash Equivalents at close of the year	**41,989**	**19,835**

Carrier Airconditioning & Refrigeration Limited
Standalone Statement of Cash Flow for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents consists of the following	**As at 31 March 2024**	**As at 31 March 2023**
Bank balance		
-in current account	1,486	732
-in deposit account	40,503	19,103
	41,989	**19,835**

* Refer note 45

Movement in financial liabilities	Lease liabilities
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**
Loan taken during the year	-
Repayment during the year	-
Other non cash transactions	
Lease acquisition during the year	498
Lease terminated during the year	(10)
Interest expense during the year	185
Payment during the year	(1,090)
As at 31 March 2024	**2,086**

1. The standalone 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.

Material accounting policies (Refer note 2)

The notes referred above form an integral part of these standalone 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 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519
Place: Gurugram
Date: August 23, 2024

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Chief Financial Officer &
Whole Time Director
Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

a. Equity share capital

	Number	Amount
As at March 31,2022	106,376,745	10,638
Changes in equity share capital during the year	-	-
As at March 31,2023	106,376,745	10,638
Changes in equity share capital during the year	-	
As at March 31,2024	**106,376,745**	**10,638**

b. Other equity

	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, 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**
Profit for the year				15,052	-	(341)	14,711
Transfer to retained earnings	-	-	-	(341)	(233)	341	(233)
Dividend paid during the year (Refer Note 27)	-	-	-	(1,064)	-	-	(1,064)
Share based payments (Refer Note 42)	-	-	-	233	5	-	238
Balance as at March 31, 2024	**1**	**657**	**895**	**38,375**	**345**	**-**	**40,273**

Material accounting policies (Refer note 2)
The notes referred above form an integral part of these standalone 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/-
Vinod Gupta
Partner
Membership No: 503690
Place: Gurugram
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Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Notes to the standalone financial statements for the year ended March 31, 2024

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 for preparation and measurement of standalone financial statements**

a) **Statement of Compliance with Ind AS**

These standalone 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 standalone financial statements are authorised for issue by the Company's Board of Directors on August 23, 2024.

b) **Basis of measurement**

The standalone 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.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

c) **Functional and presentation currency**

The functional currency of the Company is the Indian rupee. These standalone 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 standalone 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 standalone 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 standalone financial statements, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Company's standalone 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.

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.

(All amounts in Rs. Lacs, unless otherwise stated)

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 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) **Material 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

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.

Notes to the standalone financial statements for the year ended March 31, 2024

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.

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 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 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;
- 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.

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 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.

Notes to the standalone financial statements for the year ended March 31, 2024

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 recongnised 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 risen 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 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.

Notes to the standalone financial statements for the year ended March 31, 2024

(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 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.

Notes to the standalone financial statements for the year ended March 31, 2024

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 ex-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 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 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.

Notes to the standalone financial statements for the year ended March 31, 2024

17) **Assets classified as held for sale**

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation are presented separately in the Statement of Profit and Loss for all the periods presented.

18) **Standards (including amendements) issued but not yet effective**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not identified any new standard or amendments to the existing standards applicable to the Company

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

3. Property, plant and equipment

	Gross block					Depreciation					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**On deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Freehold land	446	-	-	-	446	-	-	-	-	-	446
Buildings	1,257	-	-	-	1,257	365	54	-	-	419	838
Leasehold improvements	495	-	-	-	495	488	2	-	-	490	5
Plant and Equipment	8,596	1,520	114	(147)	9,855	3,997	834	65	(105)	4,661	5,194
Furniture and fixtures	665	120	43	-	742	530	145	89	-	586	156
Computers and office equipment	1,418	444	37	-	1,825	998	307	36	-	1,269	556
Vehicles	5	-	-	-	5	5	-	-	-	5	-
Total	**12,882**	**2,084**	**194**	**(147)**	**14,625**	**6,383**	**1,342**	**190**	**(105)**	**7,430**	**7,195**

* Refer to note 45

	Gross block					Depreciation					Net block
Particulars	**As at April 01, 2022**	**Additions during the year**	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**On deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at March 31, 2023**
Freehold land	446	-	-	-	446	-	-	-	-	-	446
Buildings	1,293	-	36	-	1,257	330	70	35	-	365	892
Leasehold improvements	518	-	23	-	495	509	2	23	-	488	7
Plant and Equipment	8,032	564	-	-	8,596	3,319	678	-	-	3,997	4,599
Furniture and fixtures	626	84	45	-	665	459	116	45	-	530	135
Computers and office equipment	1,188	238	8	-	1,418	720	286	8	-	998	420
Vehicles	5	-	-	-	5	5	-	-	-	5	-
Total	**12,108**	**886**	**112**	**-**	**12,882**	**5,342**	**1,152**	**111**	**-**	**6,383**	**6,499**

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

4. Intangible assets

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**on deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Computer software	575	128	3	-	700	471	71	3	-	539	161
Technical know-how	38	1,206	-	-	1,244	38	151	-	-	189	1,055
Total	**613**	**1,334**	**3**	**-**	**1,944**	**509**	**222**	**3**	**-**	**728**	**1,216**

* Refer to note 45

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2022**	**Additions during the year**	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**on deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**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

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**on deletions/ adjustments***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Right-of-use assets	3,542	498	409	-	3,631	1,140	928	400	-	1,668	1,963
Total	**3,542**	**498**	**409**	**-**	**3,631**	**1,140**	**928**	**400**	**-**	**1,668**	**1,963**

* Addition/deletion includes leases roll forward to further period or completion of original period.

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2022**	**Additions during the year***	**Deletions/ adjustments during the year***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**on deletions/ adjustments***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**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**

(All amounts in Rs. Lacs, unless otherwise stated)

4.2. Capital work in progress/Intangible under development

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	512	783
Intangible under development	-	96
	512	**879**

Ageing schedule

As at March 31, 2024

Capital work in progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress (refer note 1)	505	7	-	-	**512**
Projects temporarily suspended	-	-	-	-	**-**
Intangible under development (refer note 2)	-	-	-	-	**-**
Total	**505**	**7**	**-**	**-**	**512**

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	2-3years	More than 3 years	
Projects in progress (refer note 1)	762	21	-	-	**783**
Projects temporarily suspended	-	-	-	-	**-**
Intangible under development (refer note 2)	-	96	-	-	**96**
Total	**762**	**117**	**-**	**-**	**879**

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.

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

5.1 Non-current financial assets - Investments

	As at March 31, 2024	As at March 31, 2023
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, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	256	423
Unsecured, considered doubtful		
Security deposits	28	27
Impairment allowance for doubtful advances	(28)	(27)
	256	**423**

5.3 Non-current financial assets - others

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unpaid dividend account	290	296
Total	**290**	**296**

6. Income tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source	1,578	1,248
Total	**1,578**	**1,248**

Net of provision for tax Rs 15,574 lacs (as at March 31, 2023 Rs 9,672 lacs).

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

7. Income tax

The major components of tax expense/deferred tax assets recognised as at and for the year ended March 31, 2024 are indicated below:

a) Amounts recognised in profit or loss

	As at March 31, 2024	As at March 31, 2023
Current tax on profit for the year		
Tax expense/(credit) from continuing operations	5,263	3,962
Tax expense/(credit) from discontinuing operations	630	445
Total current tax	**5,893**	**4,407**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(896)	(1,218)
Total deferred tax	**(896)**	**(1,218)**
Tax charge/(credit) for the year	**4,997**	**3,189**

b) Amounts recognised in other comprehensive income

	As at March 31, 2024	As at March 31, 2023
Current tax on defined benefit obligations	-	-
Deferred tax on defined benefit obligations	(115)	(21)
Tax charge/(credit) for the year	**(115)**	**(21)**

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, 2024	As at March 31, 2023
Accounting profit before tax	20,049	14,182
Applicable tax rate	25.17%	25.17%
Tax on profit at statutory tax rate	5,046	3,570
Permanent differences	45	76
Others	(94)	(457)
Tax charge/(credit) for the year	**4,997**	**3,189**

d) Deferred tax assets/liabilities

	As at April 01, 2023	(Charged)/ credited to PL	Credited to OCI	As at March 31, 2024
Property, plant and equipment	(68)	69	-	1
Provision for doubtful debts and advances	1,112	7	-	1,119
Provision for inventory obsolescence	1,089	208	-	1,297
Provision for gratuity and compensated absences	908	112	115	1,135
Provision for litigation/disputes	1,341	212	-	1,553
Others	611	288	-	899
Total	**4,993**	**896**	**115**	**6,004**

	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**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

8. Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	582	33
Amount paid under protest	1,198	1,342
Amount deposited with gratuity fund (refer note 34)	396	177
Unsecured, considered doubtful		
Balances with Government authorities	591	272
Provision for doubtful advances	(591)	(272)
Total	**2,176**	**1,552**

9. Inventories

	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components	6,501	5,008
Stock-in-transit	2,398	2,002
Work-in-progress	108	91
Finished goods	9,853	5,270
Traded goods	19,505	20,800
Stock in transit (traded goods)	5,857	5,518
Provision for inventory obsolescence	(5,157)	(4,325)
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(1,186)	-
Total	**37,879**	**34,364**

Provision for inventory obsolescence relates to provision made for Excess & Obsolete stock amounting to Rs 5,157 lacs (As at March 31, 2023 – Rs 4,325 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. 525 Lacs (March 2023 Rs. 726 lacs).

10.1 Current financial assets - Investments (held for sale)

	As at March 31, 2024	As at March 31, 2023
A. Investment in Subsidiary (at amortised cost)		
Unquoted		
Kiddel Technologies India Private Limited (8,369,999 shares of Rs. 10 each)*	837	-
Total	**837**	**-**

* Refer note 46

Aggregate value of unquoted investments	837	-

10.2 Current financial assets - Trade receivables*

	As at March 31, 2024	As at March 31, 2023
Trade receivable considered good- Unsecured	36,231	32,391
Trade receivable credit impaired	2,370	2,795
Total	**38,601**	**35,186**
Expected credit loss allowance	(2,370)	(2,795)
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(3,039)	-
Total	**33,192**	**32,391**

*refer note 40 for related parties balances

(All amounts in Rs. Lacs, unless otherwise stated)

10.3 Current financial assets - Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- in current accounts	1,486	732
- in deposit accounts (with original maturity of 3 months or less)	40,503	19,103
Total	**41,989**	**19,835**

10.4 Current financial assets - Loans

	As at March 31, 2024	As at March 31, 2023
(At amortised cost)		
Unsecured, considered good		
Security deposits	288	115
Unsecured, considered doubtful		
Security deposits	85	97
Impairment allowance for doubtful security deposits	(85)	(97)
Total	**288**	**115**

10.5 Current financial assets - Others

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unbilled revenue	3,353	2,673
Interest accrued on deposits	272	51
Others*	13	508
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(252)	-
Total	**3,386**	**3,232**

*refer note 40 for related parties balances

11. Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Contract assets #	1,528	1,485
Prepaid expenses	584	505
Contract prepayments	714	462
Advance to suppliers	550	415
Advance to employees	1	4
Balances with Government authorities	1,673	2,495
Unsecured, considered doubtful		
Contract assets #	603	459
Advance to suppliers	93	98
Balances with Government authorities	674	674
Impairment allowance for doubtful advances	(1,370)	(1,231)
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(84)	-
Total	**4,966**	**5,366**

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.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

12. Share capital

	As at March 31, 2024	As at March 31, 2023
A. Authorised share capital		
Equity shares of Rs. 10 each (with voting rights)		
- Number	110,000,000	110,000,000
- Amount	11,000	11,000
B. Issued, subscribed and paid up		
Equity shares of Rs. 10 each (with voting rights)		
- Number	106,376,745	106,376,745
- Amount	10,638	10,638

C. Reconciliation of shares outstanding

Particulars	**Year ended March 31, 2024**		**Year ended March 31, 2023**	
	Number	**Amount**	**Number**	**Amount**
Balance as at beginning of the year	106,376,745	10,638	106,376,745	10,638
Issued during the year	-	-	-	-
Balance as at end of the year	**106,376,745**	**10,638**	**106,376,745**	**10,638**

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

	As at March 31, 2024		
	Numbers	**Amount**	**Holding %**
Holding company			
Carrier Corporation, Delware	102,618,689	10,262	96.5%
% Change during the year			0.0%

	As at March 31, 2023		
	Numbers	**Amount**	**Holding %**
Holding company			
Carrier Corporation, Delware	102,618,689	10,262	96.5%
% Change during the year			0.0%

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.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

13. Other equity

	As at March 31, 2024	As at March 31, 2023
Capital reserve	1	1
Reserves on business combination	657	657
General reserve	895	895
Retained earnings	38,375	24,495
Share options outstanding account	345	573
	40,273	**26,621**

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, 2024	As at March 31, 2023
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	24,495	14,599
Add : Additions made during the year	15,052	10,993
Less: Transfers from other comprehensive income	341	64
Less: Dividends paid (Refer to note 27)	1,064	1,064
Add: Share options outstanding account	233	31
Balance at the end of the year	**38,375**	**24,495**
Other comprehensive income		
Balance at the beginning of the year	-	-
Add : Additions made during the year	(341)	(64)
Transferred to retained earnings	341	64
Balance at the end of the year	**-**	**-**
Share options outstanding account		
Balance at the beginning of the year	573	438
Add : Additions made during the year	5	166
Less : Transferred to retained earnings	(233)	(31)
Balance at the end of the year	**345**	**573**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

14. Non-current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Leave encashment	871	594
Other provisions		
Litigations/disputes (Refer note 28)	6,169	5,335
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(144)	-
Total	**6,896**	**5,929**

Movement in Litigations/disputes

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at beginning of the year	5,335	5,016
Additions	993	440
Disposals/adjustments	159	121
Balance as at end of the year	**6,169**	**5,335**
Current maturity thereof	-	-
Balance of non-current provisions	**6,169**	**5,335**

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, 2024	As at March 31, 2023
Deferred revenue	334	340
Total	**334**	**340**

16.1 Trade payables*#

	As at March 31, 2024	As at March 31, 2023
Micro and small enterprises	1,863	676
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(324)	-
Micro and small enterprises	**1,539**	**676**
Other than micro and small enterprises	70,213	52,276
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(3,048)	-
Other than micro and small enterprises	**67,165**	**52,276**
Total	**68,704**	**52,952**

*Refer note 32 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
#Refer note 40 for related parties balances

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

16.2 Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Security deposits	207	440
Unclaimed/unpaid dividend	290	296
Employee benefits payable	610	570
Payable for purchase of property, plant and equipment	64	57
Royalty payable	322	87
Derivatives not designated as hedges	67	57
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(26)	-
Total	**1,534**	**1,507**

17. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Advances from customers	4,626	5,945
Deferred revenue	4,418	3,360
Statutory dues	2,298	1,498
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(875)	-
Total	**10,467**	**10,803**

18. Current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Leave encashment	8	9
Other provisions		
Warranty	2,974	2,398
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(202)	-
Total	**2,780**	**2,407**

Movement in Warranty provisions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at beginning of the year	2,398	1,384
Additions	2,185	1,971
Disposals/adjustments	1,609	957
Balance as at end of the year	**2,974**	**2,398**
Current maturity thereof	**2,974**	**2,398**
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.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

16.1 Trade payables aging schedule

As at March 31, 2024	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	-	1,842	21	-	-	-	1,863
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	29,009	29,959	10,490	389	130	236	70,213
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Less : Transfer to disposal group classified as liabilities held for sale(refer note 37)	(959)	(568)	(1,816)	(4)	(14)	(11)	(3,372)
Total	**28,050**	**31,233**	**8,695**	**385**	**116**	**225**	**68,704**

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	-	-	-	-	-	-	-
Less : Transfer to disposal group classified as liabilities held for sale(refer note 37)	-	-	-	-	-	-	-
Total	**22,722**	**9,552**	**19,667**	**330**	**175**	**506**	**52,952**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

10.2 Current financial assets - Trade receivables

As at March 31, 2024	Current						
Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,377	11,698	951	205	-	-	36,231
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	41	70	254	448	140	968	1,921
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	449	449
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(41)	(70)	(254)	(448)	(140)	(1,417)	(2,370)
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	(2,056)	(956)	(24)	(3)	-	-	(3,039)
Total	**21,321**	**10,742**	**927**	**202**	**-**	**-**	**33,192**

As at March 31, 2023	Current						
Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(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)
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	-	-	-	-	-	-	-
Total	**18,976**	**12,763**	**653**	**0**	**-**	**-**	**32,391**

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Notes to the standalone financial statements for the year ended March 31, 2024

19. Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of finished goods	62,205	49,616
Sale of traded goods	128,870	134,637
Sale of services #	42,039	34,532
	233,114	**218,785**
Other operating income		
Commission income	1,970	676
Scrap sales	231	258
Less : Transferred to discontinuing operations (refer note 37)	(22,201)	(18,445)
Total	**213,114**	**201,274**

including contract revenue of Rs 4,741 lacs (Previous year Rs.3,955 lacs)

Disclosures required by IND AS 115

a) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in note 19 to the standalone financial statements. Further, the revenue is disclosed in the said note is net of Rs. 2,687 lacs (Previous year Rs. 1,816 lacs) representing incentives given to various customers and Rs. 6 lacs (Previous year Rs. 371 lacs) representing revenue on extended warranty.

b) Aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied amounts to Rs. 334 lacs (Previous year Rs. 340 lacs). The amount does not include the value of performance obligations outstanding as at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

20. Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets measured at amortised cost		
- On fixed deposits	1,622	515
Liabilities and provisions no longer required, written back	748	950
Profit on sale of property, plant and equipment (net)	21	15
Rental income from property leased (refer note 31)	14	18
Miscellaneous income	935	914
Less : Transferred to discontinuing operations (refer note 37)	(482)	(147)
Total	**2,858**	**2,265**

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock		
Work-in-progress	91	128
Finished goods	5,270	3,994
Traded goods	26,318	24,723
	31,679	**28,845**
Closing stock		
Work-in-progress	108	91
Finished goods	9,853	5,270
Traded goods	25,362	26,318
	35,323	**31,679**
Less : Transferred to discontinuing operations (refer note 37)	(845)	455
Net (increase)/decrease	**(4,489)**	**(2,379)**

(All amounts in Rs. Lacs, unless otherwise stated)

22. Employee benefits expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	17,209	15,194
Contribution to provident and other funds (Refer note 34)	917	803
Gratuity and Leave encashment	535	242
Share based payments (Refer note 42)	5	166
Staff welfare	577	519
Less : Transferred to discontinuing operations (refer note 37)	(1,506)	(1,142)
Total	**17,737**	**15,782**

23. Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities (refer note 31)	185	186
Interest-others	26	20
Less : Transferred to discontinuing operations (refer note 37)	-	(7)
Total	**211**	**199**

24. Depreciation and amortization expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment	1,342	1,152
Depreciation of right-of-use assets (refer note 31)	928	861
Amortisation of intangible assets	222	94
Less : Transferred to discontinuing operations (refer note 37)	(18)	(11)
Total	**2,474**	**2,096**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

25. Other expenses

		Year ended March 31, 2024		Year ended March 31, 2023
Power, fuel and water		571		630
Cost of services		23,219		18,132
Communication expenses		1,618		1,126
Rent, including lease rentals (refer note 31)		239		216
Repairs and maintenance:				
Building		112		165
Machinery		68		135
Others		123		134
Insurance		553		585
Rates and taxes		1,468		770
Dealer/ Service commission		1,728		1,485
Travelling and conveyance		1,348		1,037
Advertisement and sales promotion		1,058		1,160
Sales and distribution expenses		5,863		5,358
Warranty		2,185		1,971
Bad debts & advances written off	213		253	
Less- Existing provision utilized	213	-	253	-
Allowance for doubtful debts and advances		150		93
Payment to auditors (excluding Goods and services tax)				
As Auditors:				
Audit fees		28		28
Tax audit fees		1		1
In other capacity:				
Out-of-pocket expenses		1		1
Expenditure towards Corporate Social Responsibility (refer note 35)		148		118
Training		134		92
Legal and professional		2,072		1,694
Group global support services (refer note 36)		5,124		3,092
Royalty		804		427
Provision for inventory obsolescence		525		726
Research and development		835		695
Foreign exchange fluctuation loss (net)		33		778
MTM loss on forward contracts		10		32
Miscellaneous		710		656
Less : Transferred to discontinuing operations (refer note 37)		(4,574)		(3,987)
Total		**46,154**		**37,350**

Notes to the standalone financial statements for the year ended March 31, 2024

26. Earnings per share (EPS)

	Year ended March 31, 2024	Year ended March 31, 2023
Basic and diluted earnings per share		
Profit for the year from continuing operations(Rs in lacs)	13,178	9,669
Profit for the year from discontinuing operations(Rs in lacs)	1,874	1,324
Weighted average number of shares (in numbers)	106,376,745	106,376,745
Nominal value per share (in Rs)	10	10
Earnings per share (Basic and diluted) (in Rs)		
Continuing Operations	12.39	9.09
Discontinuing Operations	1.76	1.24
Earnings per share (Basic and diluted) (in Rs)	**14.15**	**10.33**

27. Dividend Proposed

The Board of Directors of the Company at their meeting held on August 23rd, 2024 considered and recommended a final dividend aggregating Rs.10,106 lacs @ Rs. 9.5 per share for the financial year 2024-25 for approval by the shareholders of the Company in their ensuing Annual General Meeting. (Previous year dividend paid aggregating Rs.1,064 lacs @ Rs 1 per share for the financial year 2023-24).

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28 CONTINGENT LIABILITIES AND COMMITTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Demands from regulatory authorities, (excluding applicable penalties)		
Income tax authorities	807	269
Sales tax authorities	4,514	5,011
Excise, Customs Department and Service Tax#	18,262	19,878
Employee State Insurance (ESI) Department	-	126
(b) Claims against the Company, not acknowledged as debt	738	490
(c) Estimated value of contracts remaining to be executed on capital account (net of advances)	787	128

includes Rs. 17,809 lacs (Previous Year 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 standalone 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 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. 369 lacs (Previous Year Rs. 185 lacs) as of March 31, 2024 and foreign currency receivables from various parties aggregating to Rs. 477 lacs (Previous Year Rs. 25 lacs) which are outstanding for more than respective stipulated time period as of March 31, 2024. The Company is in process of filing 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 Standalone Balance Sheet

The standalone balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets		
Leased premises	1,346	1,801
Leased vehicle	617	601
	1,963	**2,402**

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities		
Current	748	789
Non current	1,338	1,714
	2,086	**2,503**

Movement of lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities at the beginning	2,503	1,968
Lease acquisition during the year	498	1,318
Lease terminated during the year	(10)	(16)
Interest expense during the year	185	186
Payment during the year	(1,090)	(953)
	2,086	**2,503**

ii) Amount recognised in the Standalone Statement of profit and loss

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of right-of-use assets		
Leased premises	586	578
Leased vehicle	342	283
	928	**861**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense (included in finance costs - refer note 23)	185	186
Expense relating to short term/low value leases (included in other expenses - refer note 25)*	239	216
	424	**402**

* 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 1,090 lacs (previous year Rs 953 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.14 lacs (previous year Rs.18 lacs) was recognised as rental income in the Standalone 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, 2024**	**As at March 31, 2023**
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1,863	676
(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.	16	8
(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.	9	12
(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.	-	-

33 The transfer pricing study under the Income Tax Act, 1961 in respect of the transactions with the group companies for the year ended 31 March 2024 is not yet complete and it will be completed before the filling of Income tax return for the Assessment year 2024-2025. The Management believes that these transactions are at arm’s length and does not expect any material adjustment out of the aforesaid. The transfer pricing study in respect of the transactions with group companies for the year ended 31 March 2023 has been completed and the certificate under section 92E of Income tax act, 1961, has been obtained which contains no adverse comments requiring adjustments

34 Employee benefits

A. Defined contribution plans

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

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Superannuation fund	89	80
Employer's contribution to Provident Fund	547	477
Employer's contribution to Employee State Insurance	*	*
Employer's contribution to Employee’s Pension Scheme, 1995	281	246
Total	**917**	**803**

**Amount is below rounding off norm adopted by the Company*

(All amounts in Rs. Lacs, unless otherwise stated)

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, 2024**	**Year ended March 31, 2023**
Balance at the beginning of the year	3,517	3,147
Current Service Cost	295	274
Interest Cost	242	201
Actuarial (Gains) / Losses	498	107
Benefits paid	(322)	(212)
Total	**4,230**	**3,517**

(ii) Fair value of plan assets	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Balance at the beginning of the year	3,694	3,565
Expected return on plan assets	262	239
Actuarial Gains/ (Losses)	42	22
Contribution by the Company	950	80
Benefits paid	(322)	(212)
Total	**4,626**	**3,694**

(iii) Percentage allocation of plan assets	**As at March 31, 2024**	**As at March 31, 2023**
Life Insurance Corporation of India - 79% (Previous year: 100%)	3,639	3,694
ICICI Prudential Life Insurance Co. Ltd.- 21% (Previous year: Nil)	987	-

(iv) Liability/(asset) recognised at Balance Sheet date	**As at March 31, 2024**	**As at March 31, 2023**
Present Value of Defined Benefit Obligation	4,230	3,517
Less: Fair Value of Plan Assets	(4,626)	(3,694)
Amounts recognised as liability/(asset)	**(396)**	**(177)**

(v) Actual return on plan assets	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Actual return on Plan Assets	304	261

(vi) Amounts recognised in Profit or loss	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Current Service Cost	295	274
Interest Cost (net of expected return on plan asset)	(20)	(38)
Net expense	**275**	**236**

(All amounts in Rs. Lacs, unless otherwise stated)

(vii) Amounts recognised in Other Comprehensive Income	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial (gain)/loss from demographic assumptions	(11)	8
Actuarial (gain)/loss from financial assumptions	495	(31)
Actuarial (gain)/loss arising from experience adjustments	14	131
Actuarial return on plan asset less interest on plan assets	(42)	(23)
Total	**456**	**85**

(viii) Actuarial assumptions	Year ended March 31, 2024	Year ended March 31, 2023
Discount Rate	7.20%	7.40%
Expected Return on Plan Assets	7.09%	6.70%
Salary Growth Rate		
0-1 year	10.00%	8.70%
0-2 year	10.00%	8.00%
after 2 year	10.00%	8.00%
Attrition rate		
Age group 21-30 Years	10.00%	11.00%
Age group 31-40 Years	16.00%	11.00%
Age group 41-50 Years	8.00%	7.00%
Age group 51-59 Years	7.00%	8.00%

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.

(ix) Expected contribution in next fiscal year	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity fund	200	200

(x) The expected maturity analysis of gratuity obligation	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months	671	505
Between 1 to 2 years	493	463
Between 2 to 3 years	520	438
Between 3 to 4 years	490	433
Between 4 to 5 years	466	404
Over 5 years	4,481	3,751

(xi) Weighted average duration of defined benefit obligation (in years)	As at March 31, 2024	As at March 31, 2023
Gratuity	5.99	5.94

(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, 2024	Year ended March 31, 2023
Discount rate		
Increase by 0.50%	(123.74)	(101.81)
Decrease by 0.50%	129.58	107.38
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	125.59	106.16
Decrease by 0.50%	(121.22)	(101.61)
Attrition rate		
Increase by 0.50%	(17.43)	(3.76)
Decrease by 0.50%	17.20	3.91

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 standalone 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 ICICI Prudential Life Insurance Co. Ltd.(ICICI Prudential) and the Group does not have any liberty to manage the fund provided to LIC and ICICI Prudential.
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.
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 postemployment 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 Expenditure towards corporate social responsibility

During the year, the Company has spent Rs.148 lacs (2022-23: Rs 118 lacs) towards various schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

The details are:

	Year ended March 31, 2024	**Year ended March 31, 2023**
a) Gross amount required to be spent by the Company	148	118
b) Amount approved by the Board to be spent during the year	148	118
c) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	148	118

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, 2024.

36 During the current year, the Company has received Group global support service charges from Carrier Corporation (Holding company) of Rs.5,124 lacs (Previous year Rs.3,092 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 standalone financial statements particularly on the amount of income tax expense and that of provision for taxes.

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

37. Reorganization and discontinuing operations

During the year, the Carrier Group at global level has decided to sell its Commercial Refrigeration (“CR”) business pursuant to which Company is in process of entering into a business transfer agreement ("BTA") to transfer its operations relating to said division ("CR").

The aforesaid transaction meets the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation and accordingly “assets and liabilities” of CR business have been categorised as “assets and liabilities of disposal group classified as held for sale” and reclassifying the profit and loss account of the Company to results from discontinuing operations.

The financial details for disposal group held for sale is as follows :

a) Balance Sheet of disposal group classified as held for sale as at March 31, 2024

	As at March 31, 2024
ASSETS	
Non-current assets	
Property, plant and equipment	42
Total non-current assets	**42**
Current assets	
Inventories	1,186
Financial assets	
Trade receivables	3,039
Others	252
Other current assets	84
Total current assets	**4,561**
TOTAL ASSETS	**4,603**
EQUITY AND LIABILITIES	
Equity	
Total equity	**-**
Liabilities	
Non-current liabilities	
Provisions	144
Total non-current liabilities	**144**
Current liabilities	
Financial liabilities	
Trade payables	
a) total outstanding dues of micro and small enterprises; and	324
b) total outstanding of creditors other than micro and small enterprises	3,048
Other current financial liabilities	26
Other current liabilities	875
Provisions	202
Total current liabilities	**4,475**
Total liabilities	**4,619**
TOTAL EQUITY AND LIABILITIES	**4,619**

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

b) Statement of Profit and loss for the year ended March 31, 2024 for discontinued operations

	Year ended March 31, 2024	Year ended March 31, 2023
Income		
Revenue from operations	22,201	18,445
Other income	482	147
Total income	**22,683**	**18,592**
Expenses		
Cost of materials consumed	3,906	4,118
Purchase of traded goods (Including spares)	9,330	8,013
Changes in inventories of finished goods, stock-in -trade and work-in-progress	845	(455)
Employee benefits expense	1,506	1,142
Finance costs	-	7
Depreciation and amortization expense	18	11
Other expenses	4,574	3,987
Total expenses	**20,179**	**16,823**
Profit before tax	**2,504**	**1,769**
Tax expense/(credit)		
Current tax	630	445
Profit for the year for discontinued operations	**1,874**	**1,324**

c) Statement of cash flows for the year ended March 31, 2024 for disposal group classified as held for sale

	For the year ended March 31, 2024
Net cash generated from operating activities	**1,577**
Net cash flow used in investing activities	**(37)**
Net cash used in financing activities	**-**

Note

During the year, Carrier group at global level also decided to divest its Fire and Security products business. As size of the business is not material to the Company as per the requirements of Ind AS 105.Accoordingly, it has not been disclosed separately.

(All amounts in Rs. 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 standalone 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.

	As at March 31, 2024					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	256	-	-	256
Others	-	-	290	-	-	290
Current						
Investments	-	-	837	-	-	837
Trade receivables	-	-	36,231	-	-	36,231
Cash and cash equivalents	-	-	41,989	-	-	41,989
Loans	-	-	288	-	-	288
Others	-	-	3,638	-	-	3,638
Total financial assets	**1**	**-**	**83,529**	**-**	**-**	**83,530**
Financial liabilities						
Non-current						
Lease liabilities	-	-	1,338	-	-	1,338
Current						
Lease liabilities	-	-	748	-	-	748
Trade payables	-	-	72,076	-	-	72,076
Others	67	-	1,493	-	67	1,493
Total financial liabilities	**67**	**-**	**75,655**	**-**	**67**	**75,655**

	As at 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**

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: It 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 year ended 31 March 2024.

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.

(All amounts in Rs. Lacs, unless otherwise stated)

38. Financial instruments – Fair values and risk management (continued)

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.

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 2024	**For the year ended 31 March 2023**
Opening balance	2,795	3,291
Addition/(reversal) during the year	(212)	(243)
Utilised during the year	213	253
Closing balance	**2,370**	**2,795**

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.

(All amounts in Rs. Lacs, unless otherwise stated)

38. Financial instruments – Fair values and risk management (continued)

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.

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.

		Contractual cash flows		
As at March 31,2024	**Carrying amount**	**Total**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Lease liabilities (current & non current)	2,382	2,382	938	1,444
Trade payables	72,076	72,076	72,076	-
Other current financial liabilities	1,560	1,560	1,560	-
	76,018	**76,018**	**74,574**	**1,444**

		Contractual cash flows		
As at March 31,2023	**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**

(b) Financing arrangements

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

	As at March 31, 2024	**As at March 31, 2023**
Overdraft facilities and working capital loan from bank	15,200	14,400
	15,200	**14,400**

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.

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:

		As at 31 March ,2024		As at March 31,2023	
	Currency	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	EUR	12	1,115	1	95
(Gross of forward exchange contracts)	GBP	1	125	1	108
	JPY	500	276	120	74
	USD	86	7,172	43	3,505
	CNY	1,252	14,483	719	8,618
	THB	1,480	3,396	-	-
	HKD	1	6	-	-
			26,573		**12,400**
Trade receivables	USD	44	3,693	22	1,814
	JPY	3	1	3	2
	EUR	*	6	*	13
			3,700		**1,829**

		As at March 31,2024		As at March 31,2023	
Forward exchange contracts	**Currency**	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	CNY	575	6,650	332	3,983
	USD	22	1,797	-	-
	THB	261	598	-	-
			9,045		**3,983**

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 31,2024	As at March 31,2023
Not later than 1 month	6,971	693
Later than 1 month but not later than 3 month	2,074	3290
Later than 3 month but not later than 3 month	-	-
	9,045	**3,983**

Sensitivity analysis

A reasonably possible strengthening/weakening of the Indian Rupee against foreign currency at balance sheet date 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.

	(Profit) or loss , net of tax	
Effect in INR	Strengthening	Weakening
As at March 31,2024		
10% movement		
Foreign Currency	(1,382)	1,382
	(1,382)	**1,382**

	(Profit) or loss, net of tax	
Effect in INR	Strengthening	Weakening
As at March 31,2023		
10% movement		
Foreign Currency	(659)	659
	(659)	**659**

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

(All amounts in Rs. Lacs, unless otherwise stated)

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, 2024.

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 2024	**As at 31 March 2023**
Total liabilities	97,420	76,441
Less: cash and cash equivalents	41,989	19,835
Adjusted net debt	**55,431**	**56,606**
Total equity	**50,911**	**37,259**
Adjusted net debt to equity ratio	**1.1**	**1.5**

(This space has been intentionally left blank)

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) Wholly owened Subsidiary
Kiddel Technologies India Private Limited, India

iv) Fellow Subsidiaries / Entities

a) Carrier Asia Limited, Hong Kong
b) Carrier ARCD Pte. Ltd, Singapore
c) UTEC Inc., Delaware
d) Carrier Montluel (SCS), France
e) Carrier Singapore (PTE) Limited, Singapore
f) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China
g) Automated Logic Corporation, Georgia
h) Carrier International Sdn. Berhad, Malaysia
i) Carrier Transicold Syracuse Division, USA
j) Carrier Technologies India Limited (formerly known as UTC Fire & Security India Limited), India
k) Ecoenergy Insights Limited (formerly known as Chubb Alba Control Systems Limited)
l) Carrier Fire & Security Singapore Pte Ltd, Singapore
m) Carrier Airconditioning & Refrigeration System LTG, China
n) CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India - w.e.f August 1, 2022
o) Carrier Commercial Referigeration Limited, Thailand
p) Toshiba Carrier Air Conditioning (China) Co Ltd, China
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
t) Carrier (Thailand) Limited, Thailand
u) Carrier Middle East Limited, Bermuda
v) Onity India Private Limited, India
w) Carrier Transicold Europe, France
x) Shanghai Carrier Transicold Equipment Co., Ltd, China
y) Carrier Transicold Hong Kong Limited, Hong Kong
z) Carrier Kältetechnik Deutschland GmbH, Germany
aa) Carrier Aircon Lanka Private Limited, Sri Lanka
ab) Q-Carrier (B) Sendirian Berhad, Brunei
ac) Carrier Air-Conditioning And Refrigeration System, China
ad) Kidde Products Limited, United Kingdom
ae) Carrier Vietnam Air Conditioning Company Limited, Vietnam
af) Carrier Transicold Industries S.C.S, France
ag) Toshiba Carrier (Thailand) Co Ltd, Thailand - w.e.f August 1, 2022
ah) Toshiba Carrier Corporation, Japan - w.e.f August 1, 2022

v) Key Management Personnel

a) Chirag Baijal (Managing Director) (till July 31, 2023)
b) Sundaresan Narayanan (Managing Director) (w.e.f. November 1,2023)
c) Pritesh Agrawal (Chief Financial Officer & Whole Time Director)
d) Rahul Jain (Whole Time Director)
e) Simran Thapar (Whole Time Director)
f) Narendra Singh Sisodia (Independent director)
g) Siraj Azmat Chaudhry (Independent director)
h) Har Amrit Pal Singh Dhillon (Non-Executive Director)

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

40B - Description of Transactions with the Related Parties

(All amounts in Rs. Lacs, unless otherwise stated)

SI No	Name of the Party	For the year ended	Remuneration Paid	Sale of Goods and Services #	Purchase of Goods	Commission Income	Expenses		Dividend paid	Purchase of Property, Plant and Equiptments and Intangible Assets	Investment made during the year
							Incurred	Re-imbursement			
1	Carrier Corporation, Delaware	31 March, 2024	-	-	600	-	6,355	2,956	872	-	-
		31 March, 2023	(-)	(-)	(674)	(-)	(5,007)	(2,707)	(872)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2024	-	-	4,018	2,440	56	-	-	-	-
		31 March, 2023	(-)	(-)	(11,827)	(962)	(266)	(-)	(-)	(-)	(-)
3	Carrier Technologies India Limited	31 March, 2024	-	6	-	-	138	487	-	-	-
		31 March, 2023	(-)	(15)	(527)	(-)	(112)	(427)	(-)	(-)	(-)
4	CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India	31 March, 2024	-	307	35,277	-	721	373	-	1,837	-
		31 March, 2023	(-)	(443)	(22,785)	(-)	(45)	(188)	(-)	(-)	(-)
5	Ecoenergy Insights Limited	31 March, 2024	-	1	24	-	9	334	-	-	-
		31 March, 2023	(-)	(2)	(15)	(-)	(30)	(281)	(-)	(-)	(-)
6	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2024	-	-	13,760	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(11,084)	(-)	(-)	(-)	(-)	(-)	(-)
7	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2024	-	-	540	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(307)	(-)	(-)	(309)	(-)	(-)	(-)
8	Carrier Singapore (PTE) Limited, Singapore	31 March, 2024	-	-	-	-	-	1,494	-	-	-
		31 March, 2023	(-)	(-)	-	(-)	(-)	(912)	(-)	(-)	(-)
9	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2024	-	-	119	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(81)	(-)	(-)	(-)	(-)	(-)	(-)
10	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2024	-	-	1,223	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(1,974)	(-)	(-)	(-)	(-)	(-)	(-)
11	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2024	-	-	2,891	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(2,227)	(-)	(-)	(-)	(-)	(-)	(-)
12	Toshiba Carrier (Thailand) Co Ltd	31 March, 2024	-	-	7,472	-	1	-	-	-	-
		31 March, 2023	(-)	(-)	(3,328)	(-)	(-)	(-)	(-)	(-)	(-)
13	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2024	-	22	-	-	-	114	-	-	-
		31 March, 2023	(-)	(1)	(-)	(-)	-	(166)	(-)	(-)	(-)
14	Carrier International Sdn. Berhad, Malaysia	31 March, 2024	-	2	-	-	11	-	-	-	-
		31 March, 2023	(-)	(8)	(59)	(-)	(-)	(1)	(-)	(-)	(-)
15	Carrier (Malaysia) SDN. BHD., Malaysia	31 March, 2024	-	61	-	-	-	52	-	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
16	Kiddel Technologies India Private Limited, India	31 March, 2024	-	-	-	-	-	-	-	-	837
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
17	Sundaresan Narayanan	31 March, 2024	100	-	-	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
18	Chirag Baijal	31 March, 2024	56	-	-	-	-	-	-	-	-
		31 March, 2023	(202)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
19	Pritesh Agrawal	31 March, 2024	127	-	-	-	-	-	-	-	-
		31 March, 2023	(115)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Rahul Jain	31 March, 2024	131	-	-	-	-	-	-	-	-
		31 March, 2023	(112)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
21	Simran Thapar	31 March, 2024	77	-	-	-	-	-	-	-	-
		31 March, 2023	(60)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Narendra Singh Sisodia	31 March, 2024	5	-	-	-	-	-	-	-	-
		31 March, 2023	(4)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
23	Siraj Azmat Chaudhry	31 March, 2024	5	-	-	-	-	-	-	-	-
		31 March, 2023	(3)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
24	Others - Fellow subsidiaries	31 March, 2024	-		4,530	24	374	1,142	-	-	-
		31 March, 2023	(-)	(2)	(3,701)	(5)	(14)	(591)	(-)	(-)	(-)

including appliable taxes
Figures in bracket represent previous year's figures

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

40B - Description of Transactions with the Related Parties and balances at year end

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	Investments	Guarantees Outstanding	
1	Carrier Corporation, Delaware	31 March, 2024	783	1,741	-	-	-	-
		31 March, 2023	(896)	(1,576)	(-)	(-)	-	-
2	Carrier Asia Limited, Hong Kong	31 March, 2024	127	2,271	-	-	-	-
		31 March, 2023	(379)	(306)	(-)	(-)	-	-
3	Carrier Technologies India Limited	31 March, 2024	-	-	-	-	-	-
		31 March, 2023	(58)	(33)	(-)	(-)	-	-
4	Carrier Global Corporation, USA	31 March, 2024	-	-	-	-	56,830	-
		31 March, 2023	(-)	(-)	(-)	(-)	(67,175)	(-)
5	Carrier Refrigeration Management Superannuation Fund Trust	31 March, 2024	-	-	-	-	-	63
		31 March, 2023	-	-	(-)	(-)	-	(59)
6	CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India	31 March, 2024	64	214	-	-	-	-
		31 March, 2023	(504)	(3,355)	(-)	(-)	-	-
7	Ecoenergy Insights Limited	31 March, 2024	141	10	-	-	-	-
		31 March, 2023	(44)	-	(-)	(-)	-	-
8	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2024	-	7,005	-	-	-	-
		31 March, 2023	(-)	(6,418)	(-)	(-)	(-)	(-)
9	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2024	-	196	-	-	-	-
		31 March, 2023	(-)	(78)	(-)	(-)	(-)	(-)
10	Carrier Singapore (PTE) Limited, Singapore	31 March, 2024	1,602	-	-	-	-	-
		31 March, 2023	(513)	(-)	(-)	(-)	(-)	(-)
11	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2024	-	10	-	-	-	-
		31 March, 2023	-	(28)	(-)	(-)	-	-
12	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2024	-	172	-	-	-	-
		31 March, 2023	(-)	(410)	(-)	(-)	(-)	(-)
13	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2024	-	378	-	-	-	-
		31 March, 2023	(-)	(596)	(-)	(-)	(-)	(-)
14	Carrier (Malaysia) SDN. BHD., Malaysia	31 March, 2024	-	27	-	-	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)
15	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2024	123	-	-	-	-	-
		31 March, 2023	(116)	(14)	(-)	(-)	(-)	(-)
16	Carrier International Sdn. Berhad, Malaysia	31 March, 2024	-	(6)	-	-	-	-
		31 March, 2023	(19)	(-)	(-)	(-)	(-)	(-)
17	Kiddel Technologies India Private Limited, India	31 March, 2024	-	-	-	837	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)
18	Others - Fellow subsidiaries	31 March, 2024	372	3,945	-	-	-	-
		31 March, 2023	(52)	(902)	(-)	(-)	(-)	(-)

Figures in bracket represent previous year's figures

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

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 as has been classified as disposal group as held for sale.
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)	188,604	44,510	**233,114**	183,984	34,801	**218,785**
	Total Revenue			**233,114**			**218,785**
(ii)	**Segment results**	15,219	3,419	**18,638**	12,123	1,750	**13,873**
	Operating income			**18,638**			**13,873**
	Finance charges			(211)			(206)
	Interest income			1,622			515
	Profit before tax			**20,049**			**14,182**
	Current tax			5,893			4,407
	Deferred tax			(896)			(1,218)
	Net Profit after tax (A)			**15,052**			**10,993**
	Other comprehensive income/(loss) (D)						
	(i) Items that will not be reclassified to profit or loss			(456)			(85)
	(ii) Income tax related to items that will not be reclassified to profit or loss			115			21
	Other comprehensive income for the year (B)			**(341)**			**(64)**
	Total comprehensive income for the year (A+B)			**14,711**			**10,929**
(iii)	**Other information**						
	Segment assets	84,903	13,567	98,470	74,347	13,027	87,374
	Add : Unallocated Assets	-	-	49,861	-	-	26,326
	Total Assets	**84,903**	**13,567**	**148,331**	**74,347**	**13,027**	**113,700**
	Segment liabilities	74,127	23,003	97,130	55,995	20,151	76,146
	Add : Unallocated Liabilities	-	-	290	-	-	295
	Total Liabilities	**74,127**	**23,003**	**97,420**	**55,995**	**20,151**	**76,441**
	Capital expenditure	3,592	-	**3,592**	1,293	-	**1,293**
	Depreciation / Amortization	2,460	32	**2,492**	2,089	18	**2,107**

	Revenue		Assets		Capital Expenditure		Non Current Assets	
	Current Year	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
India	229,995	217,042	144,631	111,871	3,592	1,293	21,233	18,397
Outside India	3,119	1,743	3,700	1,829	-	-	-	-
TOTAL	**233,114**	**218,785**	**148,331**	**113,700**	**3,592**	**1,293**	**21,233**	**18,397**

Information about major customers

No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2024 and 31 March 2023.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

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 ultimate holding company.

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 ultimate holding 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, 2024 and 2023. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31 March 2024	31 March 2023
Expected volatility	30.9%	30.8%-31.3%
Expected term (in years)	5.8	6.1
Expected dividend yield	1.80%	1.50%
Risk-free rate	3.60%	1.7%-3.00%

The weighted-average grant date fair value of SAR's stock options granted during 2023-24 was Rs.Nil USD equivalent -$ Nil (2022-23 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.

C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2024 is as follows:-

RSU's stock options	31 March 2024		31 March 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,684	-	1,760	-
Granted during the year	250	-	890	-
Exercised during the year	-	-	-	
Restructure	(2,684)	-	34	-
Outstanding at the end of the year	250	-	2,684	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 9.84 years (31 March 2023 : 7.61 years)

The weighted average share price at the date of exercise for shares options exercised in 2023-24: Rs.Nil USD equivalent - $ Nil . (31 March 2023 : Rs.Nil USD equivalent - $Nil)

(All amounts in Rs. Lacs, unless otherwise stated)

PSU's stock options	**31 March 2024**		**31 March 2023**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	1,145	-	760	-
Granted during the year	110	-	385	-
Exercised during the year	-	-	-	-
Restructure	(1,145)	-	-	-
Outstanding at the end of the year	110	-	1,145	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 9.84 years (31 March 2023: 7.63 years)

SAR's stock options	**31 March 2024**		**31 March 2023**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	24,209	23.35	25,060	23.10
Granted during the year	-	-	-	-
Exercised during the year	-	-	851	45.49
Restructure	(22,126)	-	-	-
Outstanding at the end of the year	2,083	11.67	24,209	23.35

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 1.34 years (31 March 2023 : 6.07 years)
The weighted average share price at the date of exercise for shares options exercised in 2023-24 was Rs. Nil USD equivalent - Nil (2022-23: Rs.3,654 USD equivalent - $45.49)

D. Expense recognised in standalone statement of profit and loss

For details on the employee benefits expense, refer note 22

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the standalone financial statements for the year ended March 31, 2024

43. Key Financial Ratios

Sr no.	Particulars	Particulars		Ratio as on	Ratio as on	Variation
		Numerator	Denominator	31 March 2024	31 March 2023	
(a)	Current Ratio	Current Assets	Current Liability	1.43	1.39	3%
(b)	Return on Equity Ratio	Net Profits after taxes	Shareholder's Equity*	30%	30%	0%
(c)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory (gross of provision for inventory obsolescence)	3.52	3.89	-10%
(d)	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (gross of expected credit loss allowance)	6.38	6.84	-7%
(e)	Trade Payables Turnover Ratio	Net Credit Purchases	Average trade payable	2.42	3.10	-22%
(f)	Net Capital Turnover Ratio	Revenue from operations	Average Working Capital= Average of Current assets – Current liabilities	7.21	9.91	-27%
(g)	Net Profit Ratio	Net Profits after taxes	Revenue from operations	6%	5%	28%
(h)	Return on Capital Employed	EBIT= Profit before tax + finance costs (other than interest on lease liabilities)	Capital Employed= Total Assets - Current Liabilities	31%	31%	0%

* 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.
2 Decrease in capital turnover ratios is driven by increase in cash and cash equivalents balances as compared to previous year.
3 The above ratios have been computed after considering the financial figures of both continuing and discontinuing operations.

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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.

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 31 March, 2024 (Payable)/Receivable	Balance outstanding as at 31 March, 2023 (Payable)/Receivable
Bsw Aircon Private Limited	Purchase of goods/services	*	(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	-	*
Breeze Airconditioning Private Limited	Purchase of goods/services	*	-
Ashoka Hotels Private Limited	Sales of goods/services	2	6
Ambience Facility Management Private Limited	Sales of goods/services	10	10
Aasthaa Airtech Private Limited	Sales of goods/services	1	*
Martin And Harris Laboratories Limited	Sales of goods/services	-	*
Kirti Films Private Limited	Sales of goods/services	-	*
Welspun India Limited	Sales of goods/services	1	-

* 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. During the year, the Company has executed an asset purchase agreement with CACI Aircon Private Limited (CACIAPL) (formerly known as Toshiba Carrier Air-conditioning India Private Limited) a wholly owned subsidiary of Carrier group for a total consideration of Rs 1,837 lacs for transfer of tangible & intangible assets (Technical know-how - Rs. 1,206 lacs, Plant & Machinery - Rs. 597 lacs and Other assets - Rs. 34 lacs).
CACIAPL was primarily manufacturing Toshiba branded Hi-wall and VRF for exclusive sales to Carrier Airconditioning & Refrigeration Limited (CARL). Post purchase of these assets CARL has started manufacturing Toshiba branded Hi-wall and VRF.

46. Subsequent events

a) During the year, Carrier group at global level decided to divest its Fire and Security products business. In connection with this divesture to facilitate the transaction, the Carrier Airconditioning & Refrigeration Limited (CARL) incorporated a wholly owned subsidiary namely Kiddel Technologies India Private Limited (KTIPL) in India and invested INR 837 lacs representing 8,369,999 Equity Shares of Rs. 10 each. Subsequent to the year end, this entity has been divested and shares held by CARL have been sold off.

b) No significant subsequent events other than as disclosed in note 46(a) above, have been observed which may require adjustments to the standalone financial statements.

47. The Company has used accounting software for maintaining its books of account during the year ended March 31, 2024.

(i) With respect to accounting software for maintaining the books of account and software for managing procurement, the audit trail feature of recording audit trail (edit log) facility has been enabled and the same has operated throughout the year. The audit trail feature is not enabled for any direct changes made to the database in the accounting software. The database management of procurement software is operated by a third-party software service provider for which the independent service auditor report provided to the Company does not include reporting on audit trail (edit log) facility.

(ii) With respect to other software used for payroll processing, it is operated by a third-party software service provider for which the independent service auditor report provided to the Company does not include reporting on audit trail (edit log) facility.

The current version of accounting software for maintaining books of account does not support enablement of audit trail at database level. The Company has a plan to upgrade the accounting software for maintaining books of accounts post which the audit trail (edit log) facility would be enabled in this software. Regarding software for procurement and payroll Company is in the process of working with third party service providers to incorporate the reporting on audit trail (edit log) facility in independent service auditors report.

48. 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

Sd/-
Vinod Gupta
Partner
Membership No: 503690
Place: Gurugram
Date: August 23, 2024

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

Sd/-
Sundaresan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer &
Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Carrier Airconditioning & Refrigeration Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Carrier Airconditioning & Refrigeration Limited (hereinafter referred to as the "Holding Company"), its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

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

The Holding Company's Board of Directors are responsible for the other information. The other information included in Director's report but does not include the standalone and the consolidated financial statements and our auditor's reports thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Other Matter

a. We did not audit the financial statements / financial information of a Subsidiary company, whose financial statements / financial information reflect total assets of Rs. 837 lacs as at March 31, 2024, total revenues of Rs. Nil and net cash inflows amounting to Rs. 837 lacs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiary are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary company and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid Subsidiary company, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, the financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books except for the matters stated in the paragraph (h) (vi) below on reporting under Rule 11(g).

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h) (vi) below on reporting under Rule 11(g).

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 14, 28 and 29 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Refer Note 44(ii) to the Consolidated financial statements.

iv.

a. The Managements of the Holding Company have represented to us that, to the best of their 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 Holding Company to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Managements of the Holding Company have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding 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 that have been considered reasonable and appropriate in the circumstances performed by us and according to the information and explanations provided to us by the Management of the Holding Company 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 mis-statement.

v.

a. The final dividend paid by the Holding 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable (Refer Note 27 to the consolidated financial statements)

vi. Based on our examination which included test check, the Holding Company has used accounting software for maintaining its books of account, during the year ended March 31, 2024.

- With respect to accounting software for maintaining the books of account and software for managing procurement, the audit trail feature of recording audit trail (edit log) facility has been enabled and the same has operated throughout the year. The audit trail feature is not enabled for any direct changes made to the database in the accounting software. The database management of procurement software is operated by a third-party software service provider for which we have not been provided the independent service auditor report, hence we are unable to comment whether the audit trail feature on database changes was enabled and operated throughout the year or whether there were any instances of the audit trail feature been tampered with. On application where it was enabled there were no instance of the audit trail feature being tampered with.

- With respect to other software used for payroll processing, it is operated by a third-party software service provider. In the absence of independent service auditors report, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

2. In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Holding Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinod Gupta
Partner
Membership No. 503690
UDIN: 24503690BKEPXT4858

Place: Gurugram
Date: August 23, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated 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 the management and Board of Directors.

- Conclude on the appropriateness of the management and Board of Directors 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and its subsidiary company included in the consolidated financial statements of which we are the independent auditors 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinod Gupta
Partner
Membership No. 503690
UDIN: 24503690BKEPXT4858

Place: Gurugram
Date: August 23, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CARRIER AIRCONDITIONING & REFRIGERATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Referred to in paragraph 1 (g) 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 Consolidated Financial Statements for the year ended March 31, 2024.

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Carrier Airconditioning & Refrigeration Limited (hereinafter referred to as "the Holding Company").

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding 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 ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The Holding Company's Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Holding 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 adequate internal financial controls with reference to consolidated 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 adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Vinod Gupta
Partner
Membership No. 503690
UDIN: 24503690BKEPXT4858

Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Consolidated Balance Sheet as at March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,195	6,499
Right-of-use assets	4.1	1,963	2,402
Capital work-in-progress	4.2	512	783
Intangible under development	4.2	-	96
Other intangible assets	4	1,216	104
Financial assets			
Investments	5.1	1	1
Loans	5.2	256	423
Others	5.3	290	296
Income tax assets (net)	6	1,578	1,248
Deferred tax assets (net)	7	6,004	4,993
Other non-current assets	8	2,176	1,552
Total non-current assets		**21,191**	**18,397**
Current assets			
Inventories	9	37,879	34,364
Financial assets			
Trade receivables	10.1	33,192	32,391
Cash and cash equivalents	10.2	42,826	19,835
Loans	10.3	288	115
Others	10.4	3,386	3,232
Other current assets	11	4,966	5,366
Total current assets		**122,537**	**95,303**
Assets of a disposal group classified as held for sale	37	**4,603**	**-**
TOTAL ASSETS		**148,331**	**113,700**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,638	10,638
Other equity	13	40,273	26,621
Total equity		**50,911**	**37,259**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	1,338	1,714
Provisions	14	6,896	5,929
Other non-current liabilities	15	334	340
Total non-current liabilities		**8,568**	**7,983**
Current liabilities			
Financial liabilities			
Lease liabilities	31	748	789
Trade payables	16.1		
a) total outstanding dues of micro and small enterprises; and		1,539	676
b) total outstanding of creditors other than micro and small enterprises		67,165	52,276
Other current financial liabilities	16.2	1,534	1,507
Other current liabilities	17	10,467	10,803
Provisions	18	2,780	2,407
Total current liabilities		**84,233**	**68,458**
Liabilities of a disposal group classified as held for sale	37	**4,619**	**-**
Total liabilities		**97,420**	**76,441**
TOTAL EQUITY AND LIABILITIES		**148,331**	**113,700**

Material accounting policies 2

The notes referred above form an integral part of these consolidated 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/-
Vinod Gupta
Partner
Membership No: 503690
Place: Gurugram
Date: August 23, 2024

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer & Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in Rs. Lacs, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	19	213,114	201,274
Other income	20	2,858	2,265
Total income		**215,972**	**203,539**
Expenses			
Cost of materials consumed		43,525	35,615
Purchase of traded goods (Including spares)		92,815	102,463
Changes in inventories of finished goods, stock-in -trade and work-in-progress	21	(4,489)	(2,379)
Employee benefits expense	22	17,737	15,782
Finance costs	23	211	199
Depreciation and amortization expense	24	2,474	2,096
Other expenses	25	46,154	37,350
Total expenses		**198,427**	**191,126**
Profit before tax from continuing operations		**17,545**	**12,413**
Tax expense/(credit) from continuing operations			
Current tax	7	5,263	3,962
Deferred tax	7	(896)	(1,218)
Total Tax expense/(credit) from continuing operations		**4,367**	**2,744**
Profit for the year from continuing operations(A)		**13,178**	**9,669**
Profit before tax from discontinuing operations	37	2,504	1,769
Tax expense/(credit) from discontinuing operations	37	630	445
Profit for the year from discontinuing operations(B)		**1,874**	**1,324**
Profit for the year C=(A+B)		**15,052**	**10,993**
Other comprehensive income/(loss) (D)			
(i) Items that will not be reclassified to profit or (loss)	34	(456)	(85)
(ii) Income tax related to items that will not be reclassified to profit or (loss)	7	115	21
Other comprehensive income for the year E=(C+D)		**(341)**	**(64)**
Total comprehensive income for the year (C+E)		**14,711**	**10,929**
Earning per share (in Rs.) for continuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	12.39	9.09
Diluted	26	12.39	9.09
Earning per share (in Rs.) for discontinuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	1.76	1.24
Diluted	26	1.76	1.24
Earning per Share for continuing and discontinuing operations			
Nominal value of share INR 10 [previous year INR 10]			
Basic	26	14.15	10.33
Diluted	26	14.15	10.33
Material accounting policies	2		

The notes referred above form an integral part of these consolidated 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 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer &
Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities :		
Profit before tax from continuing operations	17,545	12,413
Profit before tax from discontinuing operations	2,504	1,769
Adjustments for :		
Depreciation and amortization expense	2,492	2,107
Share based payments	5	166
Loss/ (Profit) on sale of Property, plant and equipment's (net)	(21)	(15)
Interest on lease liabilities	185	186
Interest income on fixed deposits	(1,622)	(515)
Provision for inventory obsolescence	525	726
Allowance for doubtful debts and advances	150	93
MTM loss/ (gain)on forward contracts	10	32
Unrealised (gain)/ loss on foreign exchange fluctuations	28	5
Liabilities no longer required written back	(748)	(950)
Operating profit before change in assets and liabilities	**21,053**	**16,017**
Adjustments for :		
Decrease/(increase) in other current and non current assets	(125)	(545)
Decrease/(increase) in current and non current loans	5	(54)
Decrease/(increase) in inventories	(5,227)	(1,409)
Decrease/(increase) in current and non current financial assets -other	(186)	(288)
Decrease/(increase) in current financial assets- trade receivables	(3,620)	(6,289)
Increase/(decrease) in current financial liabilities - trade payables	19,830	10,754
Increase/(decrease) in current and non current financial liabilities - others	42	47
Increase/(decrease) in other current and non current liabilities	533	1,270
Increase/ (decrease) in current and non-current provisions	1,345	674
Cash generated from operating activities	**33,650**	**20,177**
Income tax paid, net of refund and interest thereon	(6,338)	(4,024)
Net cash generated from operating activities (A)	**27,312**	**16,153**
Cash flow from investing activities :		
Purchase of property, plant and equipment	(1,755)	(1,293)
Purchase of property, plant and equipment from fellow subsidiary*	(1,837)	-
Proceeds from sale of property, plant and equipment / intangible assets	24	15
Interest received on deposits	1,401	465
Net cash flow used in investing activities (B)	**(2,167)**	**(813)**
Cash flow from financing activities :		
Payment of lease liabilities	(1,090)	(953)
Dividend paid	(1,071)	(1,051)
Net cash used in financing activities (C)	**(2,161)**	**(2,004)**
Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	**22,984**	**13,336**
Cash and cash equivalents at the beginning of the year	**19,835**	**6,488**
Add: Re-instatement gain/(loss) on balance in EEFC account	7	11
Cash and Cash Equivalents at close of the year	**42,826**	**19,835**

Carrier Airconditioning & Refrigeration Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents consists of the following	**As at 31 March 2024**	**As at 31 March 2023**
Bank balance		
-in current account	2,323	732
-in deposit account	40,503	19,103
	42,826	**19,835**

* Refer note 45

Movement in financial liabilities	Lease liabilities
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**
Loan taken during the year	-
Repayment during the year	-
Other non cash transactions	
Lease acquisition during the year	498
Lease terminated during the year	(10)
Interest expense during the year	185
Payment during the year	(1,090)
As at 31 March 2024	**2,086**

1. The consolidated 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.

Material accounting policies (Refer note 2)

The notes referred above form an integral part of these consolidated 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 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer &
Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2024
(All amounts in Rs. Lacs, unless otherwise stated)

a. Equity share capital

	Number	Amount
As at March 31,2022	106,376,745	10,638
Changes in equity share capital during the year	-	-
As at March 31,2023	106,376,745	10,638
Changes in equity share capital during the year	-	
As at March 31,2024	**106,376,745**	**10,638**

b. Other equity

	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, 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**
Profit for the year				15,052	-	(341)	14,711
Transfer to retained earnings	-	-	-	(341)	(233)	341	(233)
Dividend paid during the year (Refer Note 27)	-	-	-	(1,064)	-	-	(1,064)
Share based payments (Refer Note 42)	-	-	-	233	5	-	238
Balance as at March 31, 2024	**1**	**657**	**895**	**38,375**	**345**	**-**	**40,273**

Material accounting policies (Refer note 2)
The notes referred above form an integral part of these consolidated 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/-
Vinod Gupta
Partner
Membership No: 503690
Place: Gurugram
Date: August 23, 2024

Sd/-
Sundaresan Narayanan
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Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

1 **Corporate Information**

Carrier Airconditioning & Refrigeration Limited, (“Carrier” or 'the Company' or ‘Parent Company’) together with its subsidiary (collectively, “the Group”) is 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 Parent Company has been incorporated under the provisions of Indian Companies Act, and is domiciled in India .The registered office of the Parent Company is located at Narsingpur, Kherki Daula Post, Gurugram 122001, Haryana.The Subsidiary, Kiddel Technologies India Private Limited domiciled in India was incorporated on February 11, 2024.

2 **Basis for preparation and measurement of consolidated financial statements**

a) **(i) Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated financial statements are authorised for issue by the Company's Board of Directors on August 23, 2024.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company along with its subsidiary as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(ii) Exposure, or rights, to variable returns from its involvement with the investee, and
(iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee
(ii) Rights arising from other contractual arrangements
(iii) The Group voting rights and potential voting rights
(iv) The size of the group holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31. When the end of the reporting period of the Holding Company is different from that of other group companies, the other group companies prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the group companies, unless it is impracticable to do so.

The Consolidated Financial Statements comprise the Consolidated Financial Statements of the Holding Company and the following subsidiary:

Name of the Company	Relationship	Date of incorporation	Country of incorporation	Effective % of Holding	
				As at 31 March 2024	As at 31 March 2023
Kiddel Technologies India Private Limited	Subsidiary	11 February 2024	India	100.00%	0.00%

(iii) Consolidation Procedures

Subsidiary

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent Company investment in each subsidiary and the Holding Company portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:

(a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
(b) Derecognises the carrying amount of any noncontrolling interests
(c) Derecognises the cumulative translation differences recorded in equity
(d) Recognises the fair value of the consideration received
(e) Recognises the fair value of any investment retained
(f) Recognises any surplus or deficit in profit or loss
(g) Recognise that distribution of shares of subsidiary to Group in Group capacity as owners
(h) Reclassifies the Parent Company share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If the Group share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

b) **Basis of measurement**
The consolidated 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.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

c) **Functional and presentation currency**
The functional currency of the Group is the Indian rupee. These consolidated 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 consolidated 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 Group believes that the estimates used in preparation of consolidated 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 consolidated financial statements, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Group's consolidated 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.

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 Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group 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 Groupy 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.

(All amounts in Rs. Lacs, unless otherwise stated)

f) **Current and non-current classification**

The Group 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 Group'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 Group'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 Group does not have an unconditional right to defer settlement of the liability for at least 12 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 Group has ascertained its operating cycle as less than 1 year for the purpose of current/non-current classification of assets and liabilities.

g) **Material 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 Group 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 Group's property, plant & equipment.

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

However in case of certain assets of the Group 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 theGroup 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 Group 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

Notes to the consolidated financial statements for the year ended March 31, 2024

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.

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 Group 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 Group 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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or 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 Group 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 Group 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 Group 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 Group 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 which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

At each reporting date, the Group 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 Group on terms that the Group would not consider otherwise;
- 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 Group 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 Group 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 Group 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 Group’s historical experience and informed credit assessment and including forward- looking information.

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

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group in accordance with the contract and the cash flows that the Company expects to receive).
The Group follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group recognises impairment loss allowances based on life time ECLs at each reporting date, right from initial recognition.
As a practical expedient, the Group 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.

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 Group 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 Group'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 Group 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 Group as a lessee
The Group's lease asset classes primarily consist of leases for office premises and car leases. The Group 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 Group 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 Group has the right to direct the use of the asset.

At the date of commencement of the lease, theGroup 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 Group 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 Group changes its 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 Group as a lessor

When the Group 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 Group 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, theGroup considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Group 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 Group 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 Group 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 Group 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 recongnised 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 risen 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 Group recognizes revenue when the Group 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 group'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 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 Group estimates the value of discount/incentives based on the terms of the scheme and past experience of the Group. 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 Group'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 Group 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 Group.

(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 Group has a right to invoice.

If the services rendered by the Group 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 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 ex-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 specified contributions and has no obligation to pay any further amounts. The Group has defined contribution plans for post retirement employment benefits' namely provident fund, superannuation fund, employee state insurance scheme and employee pension scheme. The Group makes specified monthly contributions towards these schemes. The Group'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 Group 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 Group. The Group 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 Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk. The Group 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 Group 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 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 Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group 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 Group'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.

17) **Assets classified as held for sale**
The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.
The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset (or disposal group) to be highly probable when:
- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

A discontinued operation is a component of the Group that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation are presented separately in the Statement of Profit and Loss for all the periods presented.

18) **Standards (including amendements) issued but not yet effective**
Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not identified any new standard or amendments to the existing standards applicable to the Group.

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

3. Property, plant and equipment

	Gross block					Depreciation					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**On deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Freehold land	446	-	-	-	446	-	-	-	-	-	446
Buildings	1,257	-	-	-	1,257	365	54	-	-	419	838
Leasehold improvements	495	-	-	-	495	488	2	-	-	490	5
Plant and Equipment	8,596	1,520	114	(147)	9,855	3,997	834	65	(105)	4,661	5,194
Furniture and fixtures	665	120	43	-	742	530	145	89	-	586	156
Computers and office equipment	1,418	444	37	-	1,825	998	307	36	-	1,269	556
Vehicles	5	-	-	-	5	5	-	-	-	5	-
Total	**12,882**	**2,084**	**194**	**(147)**	**14,625**	**6,383**	**1,342**	**190**	**(105)**	**7,430**	**7,195**

* Refer to note 45

	Gross block					Depreciation					Net block
Particulars	**As at April 01, 2022**	**Additions during the year**	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**On deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at March 31, 2023**
Freehold land	446	-	-	-	446	-	-	-	-	-	446
Buildings	1,293	-	36	-	1,257	330	70	35	-	365	892
Leasehold improvements	518	-	23	-	495	509	2	23	-	488	7
Plant and Equipment	8,032	564	-	-	8,596	3,319	678	-	-	3,997	4,599
Furniture and fixtures	626	84	45	-	665	459	116	45	-	530	135
Computers and office equipment	1,188	238	8	-	1,418	720	286	8	-	998	420
Vehicles	5	-	-	-	5	5	-	-	-	5	-
Total	**12,108**	**886**	**112**	**-**	**12,882**	**5,342**	**1,152**	**111**	**-**	**6,383**	**6,499**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

4. Intangible assets

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**on deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Computer software	575	128	3	-	700	471	71	3	-	539	161
Technical know-how	38	1,206	-	-	1,244	38	151	-	-	189	1,055
Total	**613**	**1,334**	**3**	**-**	**1,944**	**509**	**222**	**3**	**-**	**728**	**1,216**

* Refer to note 45

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2022**	**Additions during the year**	**Deletions/ adjustments during the year**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**on deletions/ adjustments**	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**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

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2023**	**Additions during the year***	**Deletions/ adjustments during the year***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at April 01, 2023**	**For the year**	**on deletions/ adjustments***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2024**	**As at March 31, 2024**
Right-of-use assets	3,542	498	409	-	3,631	1,140	928	400	-	1,668	1,963
Total	**3,542**	**498**	**409**	**-**	**3,631**	**1,140**	**928**	**400**	**-**	**1,668**	**1,963**

* Addition/deletion includes leases roll forward to further period or completion of original period.

	Gross block					Amortization					Net block
Particulars	**As at April 01, 2022**	**Additions during the year***	**Deletions/ adjustments during the year***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**on deletions/ adjustments***	**Less :Transfer to disposal group classified as assets held for sale (refer note 37)**	**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**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

4.2. Capital work in progress/Intangible under development

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	512	783
Intangible under development	-	96
	512	**879**

Ageing schedule

As at March 31, 2024

Capital work in progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress (refer note 1)	505	7	-	-	**512**
Projects temporarily suspended	-	-	-	-	-
Intangible under development (refer note 2)	-	-	-	-	-
Total	**505**	**7**	**-**	**-**	**512**

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	2-3years	More than 3 years	
Projects in progress (refer note 1)	762	21	-	-	**783**
Projects temporarily suspended	-	-	-	-	-
Intangible under development (refer note 2)	-	96	-	-	**96**
Total	**762**	**117**	**-**	**-**	**879**

Notes
1. Capital work-in-progress includes upgradation of plant & machinery owned by the group 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.

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

5.1 Non-current financial assets - Investments

	As at March 31, 2024	As at March 31, 2023
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, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	256	423
Unsecured, considered doubtful		
Security deposits	28	27
Impairment allowance for doubtful advances	(28)	(27)
	256	**423**

5.3 Non-current financial assets - others

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unpaid dividend account	290	296
Total	**290**	**296**

6. Income tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source	1,578	1,248
Total	**1,578**	**1,248**

Net of provision for tax Rs 15,574 lacs (as at March 31, 2023 Rs 9,672 lacs).

(All amounts in Rs. Lacs, unless otherwise stated)

7. Income tax

The major components of tax expense/deferred tax assets recognised as at and for the year ended March 31, 2024 are indicated below:

a) Amounts recognised in profit or loss

	As at March 31, 2024	As at March 31, 2023
Current tax on profit for the year		
Tax expense/(credit) from continuing operations	5,263	3,962
Tax expense/(credit) from discontinuing operations	630	445
Total current tax	**5,893**	**4,407**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(896)	(1,218)
Total deferred tax	**(896)**	**(1,218)**
Tax charge/(credit) for the year	**4,997**	**3,189**

b) Amounts recognised in other comprehensive income

	As at March 31, 2024	As at March 31, 2023
Current tax on defined benefit obligations	-	-
Deferred tax on defined benefit obligations	(115)	(21)
Tax charge/(credit) for the year	**(115)**	**(21)**

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, 2024	As at March 31, 2023
Accounting profit before tax	20,049	14,182
Applicable tax rate	25.17%	25.17%
Tax on profit at statutory tax rate	5,046	3,570
Permanent differences	45	76
Others	(94)	(457)
Tax charge/(credit) for the year	**4,997**	**3,189**

d) Deferred tax assets/liabilities

	As at April 01, 2023	(Charged)/ credited to PL	Credited to OCI	As at March 31, 2024
Property, plant and equipment	(68)	69	-	1
Provision for doubtful debts and advances	1,112	7	-	1,119
Provision for inventory obsolescence	1,089	208	-	1,297
Provision for gratuity and compensated absences	908	112	115	1,135
Provision for litigation/disputes	1,341	212	-	1,553
Others	611	288	-	899
Total	**4,993**	**896**	**115**	**6,004**

	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**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

8. Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	582	33
Amount paid under protest	1,198	1,342
Amount deposited with gratuity fund (refer note 34)	396	177
Unsecured, considered doubtful		
Balances with Government authorities	591	272
Provision for doubtful advances	(591)	(272)
Total	**2,176**	**1,552**

9. Inventories

	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components	6,501	5,008
Stock-in-transit	2,398	2,002
Work-in-progress	108	91
Finished goods	9,853	5,270
Traded goods	19,505	20,800
Stock in transit (traded goods)	5,857	5,518
Provision for inventory obsolescence	(5,157)	(4,325)
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(1,186)	-
Total	**37,879**	**34,364**

Provision for inventory obsolescence relates to provision made for Excess & Obsolete stock amounting to Rs 5,157 lacs (As at March 31, 2023 – Rs 4,325 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. 525 Lacs (March 2023 Rs. 726 lacs).

10.1 Current financial assets - Trade receivables*

	As at March 31, 2024	As at March 31, 2023
Trade receivable considered good- Unsecured	36,231	32,391
Trade receivable credit impaired	2,370	2,795
Total	**38,601**	**35,186**
Expected credit loss allowance	(2,370)	(2,795)
Less : Transfer to disposal group classified as assets held for sale(refer note 37)	(3,039)	-
Total	**33,192**	**32,391**

*refer note 40 for related parties balances

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

10.2 Current financial assets - Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- in current accounts	2,323	732
- in deposit accounts (with original maturity of 3 months or less)	40,503	19,103
Total	**42,826**	**19,835**

10.3 Current financial assets - Loans

	As at March 31, 2024	As at March 31, 2023
(At amortised cost)		
Unsecured, considered good		
Security deposits	288	115
Unsecured, considered doubtful		
Security deposits	85	97
Impairment allowance for doubtful security deposits	(85)	(97)
Total	**288**	**115**

10.4 Current financial assets - Others

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unbilled revenue	3,353	2,673
Interest accrued on deposits	272	51
Others*	13	508
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	(252)	-
Total	**3,386**	**3,232**

*refer note 40 for related parties balances

11. Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Contract assets #	1,528	1,485
Prepaid expenses	584	505
Contract prepayments	714	462
Advance to suppliers	550	415
Advance to employees	1	4
Balances with Government authorities	1,673	2,495
Unsecured, considered doubtful		
Contract assets #	603	459
Advance to suppliers	93	98
Balances with Government authorities	674	674
Impairment allowance for doubtful advances	(1,370)	(1,231)
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	(84)	-
Total	**4,966**	**5,366**

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 Group'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.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

12. Share capital

	As at March 31, 2024	As at March 31, 2023
A. Authorised share capital		
Equity shares of Rs. 10 each (with voting rights)		
- Number	110,000,000	110,000,000
- Amount	11,000	11,000
B. Issued, subscribed and paid up		
Equity shares of Rs. 10 each (with voting rights)		
- Number	106,376,745	106,376,745
- Amount	10,638	10,638

C. Reconciliation of shares outstanding

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Number	Amount	Number	Amount
Balance as at beginning of the year	106,376,745	10,638	106,376,745	10,638
Issued during the year	-	-	-	-
Balance as at end of the year	**106,376,745**	**10,638**	**106,376,745**	**10,638**

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

	As at March 31, 2024		
	Numbers	Amount	Holding %
Holding company			
Carrier Corporation, Delware	102,618,689	10,262	96.5%
% Change during the year			0.0%

	As at March 31, 2023		
	Numbers	Amount	Holding %
Holding company			
Carrier Corporation, Delware	102,618,689	10,262	96.5%
% Change during the year			0.0%

E. The Parent 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 Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

13. Other equity

	As at March 31, 2024	As at March 31, 2023
Capital reserve	1	1
Reserves on business combination	657	657
General reserve	895	895
Retained earnings	38,375	24,495
Share options outstanding account	345	573
	40,273	**26,621**

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, 2024	As at March 31, 2023
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	24,495	14,599
Add : Additions made during the year	15,052	10,993
Less: Transfers from other comprehensive income	341	64
Less: Dividends paid (Refer to note 27)	1,064	1,064
Add: Share options outstanding account	233	31
Balance at the end of the year	**38,375**	**24,495**
Other comprehensive income		
Balance at the beginning of the year	-	-
Add : Additions made during the year	(341)	(64)
Transferred to retained earnings	341	64
Balance at the end of the year	**-**	**-**
Share options outstanding account		
Balance at the beginning of the year	573	438
Add : Additions made during the year	5	166
Less : Transferred to retained earnings	(233)	(31)
Balance at the end of the year	**345**	**573**

Carrier Airconditioning & Refrigeration Limited
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Notes to the consolidated financial statements for the year ended March 31, 2024

14. Non-current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Leave encashment	871	594
Other provisions		
Litigations/disputes (Refer note 28)	6,169	5,335
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(144)	-
Total	**6,896**	**5,929**

Movement in Litigations/disputes

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance as at beginning of the year	5,335	5,016
Additions	993	440
Disposals/adjustments	159	121
Balance as at end of the year	**6,169**	**5,335**
Current maturity thereof	-	-
Balance of non-current provisions	**6,169**	**5,335**

Litigation/Disputes

The Group 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, 2024	As at March 31, 2023
Deferred revenue	334	340
Total	**334**	**340**

16.1 Trade payables*#

	As at March 31, 2024	As at March 31, 2023
Micro and small enterprises	1,863	676
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(324)	-
Micro and small enterprises	**1,539**	**676**
Other than micro and small enterprises	70,213	52,276
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(3,048)	-
Other than micro and small enterprises	**67,165**	**52,276**
Total	**68,704**	**52,952**

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

#Refer note 40 for related parties balances

(All amounts in Rs. Lacs, unless otherwise stated)

16.2 Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Security deposits	207	440
Unclaimed/unpaid dividend	290	296
Employee benefits payable	610	570
Payable for purchase of property, plant and equipment	64	57
Royalty payable	322	87
Derivatives not designated as hedges	67	57
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(26)	-
Total	**1,534**	**1,507**

17. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Advances from customers	4,626	5,945
Deferred revenue	4,418	3,360
Statutory dues	2,298	1,498
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(875)	-
Total	**10,467**	**10,803**

18. Current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Leave encashment	8	9
Other provisions		
Warranty	2,974	2,398
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(202)	-
Total	**2,780**	**2,407**

Movement in Warranty provisions

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Balance as at beginning of the year	2,398	1,384
Additions	2,185	1,971
Disposals/adjustments	1,609	957
Balance as at end of the year	**2,974**	**2,398**
Current maturity thereof	**2,974**	**2,398**
Balance of non-current provisions	**-**	**-**

Nature of Provisions

Warranty

The Group 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.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

16.1 Trade payables aging schedule

As at March 31, 2024	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	-	1,842	21	-	-	-	1,863
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	29,009	29,959	10,490	389	130	236	70,213
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	(959)	(568)	(1,816)	(4)	(14)	(11)	(3,372)
Total	**28,050**	**31,233**	**8,695**	**385**	**116**	**225**	**68,704**

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	-	-	-	-	-	-	-
Less : Transfer to disposal group classified as liabilities held for sale (refer note 37)	-	-	-	-	-	-	-
Total	**22,722**	**9,552**	**19,667**	**330**	**175**	**506**	**52,952**

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

10.1 Current financial assets - Trade receivables

As at March 31, 2024	Current						
Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,377	11,698	951	205	-	-	36,231
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	41	70	254	448	140	968	1,921
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	449	449
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(41)	(70)	(254)	(448)	(140)	(1,417)	(2,370)
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	(2,056)	(956)	(24)	(3)	-	-	(3,039)
Total	**21,321**	**10,742**	**927**	**202**	**-**	**-**	**33,192**

As at March 31, 2023	Current						
Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(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)
Less : Transfer to disposal group classified as assets held for sale (refer note 37)	-	-	-	-	-	-	-
Total	**18,976**	**12,763**	**653**	**0**	**-**	**-**	**32,391**

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Notes to the consolidated financial statements for the year ended March 31, 2024

19. Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of finished goods	62,205	49,616
Sale of traded goods	128,870	134,637
Sale of services #	42,039	34,532
	233,114	**218,785**
Other operating income		
Commission income	1,970	676
Scrap sales	231	258
Less : Transferred to discontinuing operations (refer note 37)	(22,201)	(18,445)
Total	**213,114**	**201,274**

including contract revenue of Rs 4,741 lacs (Previous year Rs.3,955 lacs)

Disclosures required by IND AS 115

a) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in note 19 to the consolidated financial statements. Further, the revenue is disclosed in the said note is net of Rs. 2,687 lacs (Previous year Rs. 1,816 lacs) representing incentives given to various customers and Rs. 6 lacs (Previous year Rs. 371 lacs) representing revenue on extended warranty.

b) Aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied amounts to Rs. 334 lacs (Previous year Rs. 340 lacs). The amount does not include the value of performance obligations outstanding as at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

20. Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets measured at amortised cost		
- On fixed deposits	1,622	515
Liabilities and provisions no longer required, written back	748	950
Profit on sale of property, plant and equipment (net)	21	15
Rental income from property leased (refer note 31)	14	18
Miscellaneous income	935	914
Less : Transferred to discontinuing operations (refer note 37)	(482)	(147)
Total	**2,858**	**2,265**

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock		
Work-in-progress	91	128
Finished goods	5,270	3,994
Traded goods	26,318	24,723
	31,679	**28,845**
Closing stock		
Work-in-progress	108	91
Finished goods	9,853	5,270
Traded goods	25,362	26,318
	35,323	**31,679**
Less : Transferred to discontinuing operations (refer note 37)	(845)	455
Net (increase)/decrease	**(4,489)**	**(2,379)**

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

22. Employee benefits expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	17,209	15,194
Contribution to provident and other funds (Refer note 34)	917	803
Gratuity and Leave encashment	535	242
Share based payments (Refer note 42)	5	166
Staff welfare	577	519
Less : Transferred to discontinuing operations (refer note 37)	(1,506)	(1,142)
Total	**17,737**	**15,782**

23. Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities (refer note 31)	185	186
Interest-others	26	20
Less : Transferred to discontinuing operations (refer note 37)	-	(7)
Total	**211**	**199**

24. Depreciation and amortization expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment	1,342	1,152
Depreciation of right-of-use assets (refer note 31)	928	861
Amortisation of intangible assets	222	94
Less : Transferred to discontinuing operations (refer note 37)	(18)	(11)
Total	**2,474**	**2,096**

(All amounts in Rs. Lacs, unless otherwise stated)

25. Other expenses

		Year ended March 31, 2024		Year ended March 31, 2023
Power, fuel and water		571		630
Cost of services		23,219		18,132
Communication expenses		1,618		1,126
Rent, including lease rentals (refer note 31)		239		216
Repairs and maintenance:				
Building		112		165
Machinery		68		135
Others		123		134
Insurance		553		585
Rates and taxes		1,468		770
Dealer/ Service commission		1,728		1,485
Travelling and conveyance		1,348		1,037
Advertisement and sales promotion		1,058		1,160
Sales and distribution expenses		5,863		5,358
Warranty		2,185		1,971
Bad debts & advances written off	213		253	
Less- Existing provision utilized	213	-	253	-
Allowance for doubtful debts and advances		150		93
Payment to auditors (excluding Goods and services tax)				
As Auditors:				
Audit fees		28		28
Tax audit fees		1		1
In other capacity:				
Out-of-pocket expenses		1		1
Expenditure towards Corporate Social Responsibility (refer note 35)		148		118
Training		134		92
Legal and professional		2,072		1,694
Group global support services (refer note 36)		5,124		3,092
Royalty		804		427
Provision for inventory obsolescence		525		726
Research and development		835		695
Foreign exchange fluctuation loss (net)		33		778
MTM loss on forward contracts		10		32
Miscellaneous		710		656
Less : Transferred to discontinuing operations (refer note 37)		(4,574)		(3,987)
Total		**46,154**		**37,350**

26. Earnings per share (EPS)

	Year ended March 31, 2024	Year ended March 31, 2023
Basic and diluted earnings per share		
Profit for the year from continuing operations(Rs in lacs)	13,178	9,669
Profit for the year from discontinuing operations(Rs in lacs)	1,874	1,324
Weighted average number of shares (in numbers)	106,376,745	106,376,745
Nominal value per share (in Rs)	10	10
Earnings per share (Basic and diluted) (in Rs)		
Continuing Operations	12.39	9.09
Discontinuing Operations	1.76	1.24
Earnings per share (Basic and diluted) (in Rs)	**14.15**	**10.33**

27. Dividend Proposed

The Board of Directors of the Parent Company at their meeting held on August 23rd, 2024 considered and recommended a final dividend aggregating Rs.10,106 lacs @ Rs. 9.5 per share for the financial year 2024-25 for approval by the shareholders of the parent company in their ensuing Annual General Meeting. (Previous year dividend paid aggregating Rs.1,064 lacs @ Rs 1 per share for the financial year 2023-24).

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28 CONTINGENT LIABILITIES AND COMMITTMENTS

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
(a) Demands from regulatory authorities, (excluding applicable penalties)		
Income tax authorities	807	269
Sales tax authorities	4,514	5,011
Excise, Customs Department and Service Tax#	18,262	19,878
Employee State Insurance (ESI) Department	-	126
(b) Claims against the Group, not acknowledged as debt	738	490
(c) Estimated value of contracts remaining to be executed on capital account (net of advances)	787	128

includes Rs. 17,809 lacs (Previous Year 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 Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages competent advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

Additionally, the Group is involved in other disputes, claims and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated 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. The 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 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 Group has foreign currency payables to various parties aggregating to Rs. 369 lacs (Previous Year Rs. 185 lacs) as of March 31, 2024 and foreign currency receivables from various parties aggregating to Rs. 477 lacs (Previous Year Rs. 25 lacs) which are outstanding for more than respective stipulated time period as of March 31, 2024. The Group is in process of filing 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 Group 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 Group 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. Group as a lessee

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

i) Amounts recognised in Consolidated Balance Sheet

The consolidated balance sheet shows the following amounts relating to leases:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Right-of-use assets		
Leased premises	1,346	1,801
Leased vehicle	617	601
	1,963	**2,402**

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Lease liabilities		
Current	748	789
Non current	1,338	1,714
	2,086	**2,503**

Movement of lease liability

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Lease liabilities at the beginning	2,503	1,968
Lease acquisition during the year	498	1,318
Lease terminated during the year	(10)	(16)
Interest expense during the year	185	186
Payment during the year	(1,090)	(953)
	2,086	**2,503**

ii) Amount recognised in the Consolidated Statement of profit and loss

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

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Depreciation of right-of-use assets		
Leased premises	586	578
Leased vehicle	342	283
	928	**861**

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Interest expense (included in finance costs - refer note 23)	185	186
Expense relating to short term/low value leases (included in other expenses - refer note 25)*	239	216
	424	**402**

* The Group 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 Group has also taken certain equipment, laptops and mobile phones on leases which are classified as. low value items . The Group 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. 1,090 lacs (previous year Rs 953 lacs).

B. Group as a lessor

The Group 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.14 lacs (previous year Rs.18 lacs) was recognised as rental income in the Consolidated 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 Group has not received any claim for interest from any supplier under the said Act.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1,863	676
(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.	16	8
(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.	9	12
(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.	-	-

Guidance Note to Ind AS compliant Schedule III provides that disclosures related to MSME as prescribed under schedule III is not relevant at the CFS level and hence company need not disclose in the CFS. The group has elected to voluntarily present information on this disclosure

33 The transfer pricing study under the Income Tax Act, 1961 in respect of the transactions with the group companies for the year ended 31 March 2024 is not yet complete and it will be completed before the filling of Income tax return for the Assessment year 2024-2025. The Management believes that these transactions are at arm’s length and does not expect any material adjustment out of the aforesaid. The transfer pricing study in respect of the transactions with group companies for the year ended 31 March 2023 has been completed and the certificate under section 92E of Income tax act, 1961, has been obtained which contains no adverse comments requiring adjustments

(All amounts in Rs. Lacs, unless otherwise stated)

34 Employee benefits

A. Defined contribution plans

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Superannuation fund	89	80
Employer's contribution to Provident Fund	547	477
Employer's contribution to Employee State Insurance	*	*
Employer's contribution to Employee's Pension Scheme, 1995	281	246
Total	**917**	**803**

**Amount is below rounding off norm adopted by the Group*

B. Defined benefit plans

Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, the Group 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 Group.
The Group 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, 2024	Year ended March 31, 2023
Balance at the beginning of the year	3,517	3,147
Current Service Cost	295	274
Interest Cost	242	201
Actuarial (Gains) / Losses	498	107
Benefits paid	(322)	(212)
Total	**4,230**	**3,517**

(ii) Fair value of plan assets	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	3,694	3,565
Expected return on plan assets	262	239
Actuarial Gains/ (Losses)	42	22
Contribution by the Group	950	80
Benefits paid	(322)	(212)
Total	**4,626**	**3,694**

(iii) Percentage allocation of plan assets	As at March 31, 2024	As at March 31, 2023
Life Insurance Corporation of India - 79% (PY 100%)	3,639	3,694
ICICI Prudential Life Insurance Co. Ltd.- 21% (PY - Nil)	987	-

(iv) Liability/(asset) recognised at Balance Sheet date	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation	4,230	3,517
Less: Fair Value of Plan Assets	(4,626)	(3,694)
Amounts recognised as liability/(asset)	**(396)**	**(177)**

(All amounts in Rs. Lacs, unless otherwise stated)

(v) Actual return on plan assets	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Actual return on Plan Assets	304	261

(vi) Amounts recognised in Profit or loss	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Current Service Cost	295	274
Interest Cost (net of expected return on plan asset)	(20)	(38)
Net expense	**275**	**236**

(vii) Amounts recognised in Other Comprehensive Income	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Actuarial (gain)/loss from demographic assumptions	(11)	8
Actuarial (gain)/loss from financial assumptions	495	(31)
Actuarial (gain)/loss arising from experience adjustments	14	131
Actuarial return on plan asset less interest on plan assets	(42)	(23)
Total	**456**	**85**

(viii) Actuarial assumptions	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Discount Rate	7.20%	7.40%
Expected Return on Plan Assets	7.09%	6.70%
Salary Growth Rate		
0-1 year	10.00%	8.70%
0-2 year	10.00%	8.00%
after 2 year	10.00%	8.00%
Attrition rate		
Age group 21-30 Years	10.00%	11.00%
Age group 31-40 Years	16.00%	11.00%
Age group 41-50 Years	8.00%	7.00%
Age group 51-59 Years	7.00%	8.00%

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.

(ix) Expected contribution in next fiscal year	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Gratuity fund	200	200

(x) The expected maturity analysis of gratuity obligation	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Within the next 12 months	671	505
Between 1 to 2 years	493	463
Between 2 to 3 years	520	438
Between 3 to 4 years	490	433
Between 4 to 5 years	466	404
Over 5 years	4,481	3,751

(xi) Weighted average duration of defined benefit obligation (in years)	**As at March 31, 2024**	**As at March 31, 2023**
Gratuity	5.99	5.94

(All amounts in Rs. Lacs, unless otherwise stated)

(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, 2024	Year ended March 31, 2023
Discount rate		
Increase by 0.50%	(123.74)	(101.81)
Decrease by 0.50%	129.58	107.38
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	125.59	106.16
Decrease by 0.50%	(121.22)	(101.61)
Attrition rate		
Increase by 0.50%	(17.43)	(3.76)
Decrease by 0.50%	17.20	3.91

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 consolidated balance sheet.

(xiii) Risk analysis

The Group 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 ICICI Prudential Life Insurance Co. Ltd.(ICICI Prudential) and the Group does not have any liberty to manage the fund provided to LIC and ICICI Prudential.

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.

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 postemployment 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 Group 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 Expenditure towards corporate social responsibility

During the year, the Group has spent Rs.148 lacs (2022-23: Rs 118 lacs) towards various schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

The details are:

	Year ended March 31, 2024	**Year ended March 31, 2023**
a) Gross amount required to be spent by the Group	148	118
b) Amount approved by the Board to be spent during the year	148	118
c) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	148	118

i. The Group does not carry any provisions for Corporate social responsibility expenses for current year and previous year.
ii. The Group does not have any ongoing projects as at 31st March, 2024.
iii. Guidance Note to Ind AS compliant Schedule III provides that disclosures related to corporate social responsibility activities as prescribed under schedule III is not relevant at the CFS level and hence company need not disclose in the CFS. The group has elected to voluntarily present information on this disclosure.

36 During the current year, the Group has received Group global support service charges from Carrier Corporation (Holding company) of Rs.5,124 lacs (Previous year Rs.3,092 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 consolidated financial statements particularly on the amount of income tax expense and that of provision for taxes.

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Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

37. Reorganization and discontinuing operations

During the year, the Carrier Group at global level has decided to sell its Commercial Refrigeration (“CR”) business pursuant to which Parent Company is in process of entering into a business transfer agreement ("BTA") to transfer its operations relating to said division ("CR").

The aforesaid transaction meets the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation and accordingly “assets and liabilities” of CR business have been categorised as “assets and liabilities of disposal group classified as held for sale” and reclassifying the profit and loss account of the Group to results from discontinuing operations.

The financial details for disposal group held for sale is as follows :

a) Balance Sheet of disposal group classified as held for sale as at March 31, 2024

	As at March 31, 2024
ASSETS	
Non-current assets	
Property, plant and equipment	42
Total non-current assets	**42**
Current assets	
Inventories	1,186
Financial assets	
Trade receivables	3,039
Others	252
Other current assets	84
Total current assets	**4,561**
TOTAL ASSETS	**4,603**
EQUITY AND LIABILITIES	
Equity	
Total equity	**-**
Liabilities	
Non-current liabilities	
Provisions	144
Total non-current liabilities	**144**
Current liabilities	
Financial liabilities	
Trade payables	
a) total outstanding dues of micro and small enterprises; and	324
b) total outstanding of creditors other than micro and small enterprises	3,048
Other current financial liabilities	26
Other current liabilities	875
Provisions	202
Total current liabilities	**4,475**
Total liabilities	**4,619**
TOTAL EQUITY AND LIABILITIES	**4,619**

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

b) Statement of Profit and loss for the year ended March 31, 2024 for discontinued operations

	Year ended March 31, 2024	Year ended March 31, 2023
Income		
Revenue from operations	22,201	18,445
Other income	482	147
Total income	**22,683**	**18,592**
Expenses		
Cost of materials consumed	3,906	4,118
Purchase of traded goods (Including spares)	9,330	8,013
Changes in inventories of finished goods, stock-in -trade and work-in-progress	845	(455)
Employee benefits expense	1,506	1,142
Finance costs	-	7
Depreciation and amortization expense	18	11
Other expenses	4,574	3,987
Total expenses	**20,179**	**16,823**
Profit before tax	**2,504**	**1,769**
Tax expense/(credit)		
Current tax	630	445
Profit for the year for discontinued operations	**1,874**	**1,324**

c) Statement of cash flows for the year ended March 31, 2024 for disposal group classified as held for sale

	For the year ended March 31, 2024
Net cash generated from operating activities	**1,577**
Net cash flow used in investing activities	**(37)**
Net cash used in financing activities	**-**

Note
During the year, Carrier group at global level also decided to divest its Fire and Security products business. As size of the business is not material to the Company as per the requirements of Ind AS 105. Accoordingly, it has not been disclosed separately.

(All amounts in Rs. 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 consolidated 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 group has classified its financial instruments into the three levels prescribed under the accounting standard.

	As at March 31, 2024					
	Carrying Amount			Fair Value		
	FVTPL	**FVTOCI**	**Amortised Cost**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Non-current						
Investments	1	-	-	-	-	1
Loans	-	-	256	-	-	256
Others	-	-	290	-	-	290
Current						
Trade receivables	-	-	36,231	-	-	36,231
Cash and cash equivalents	-	-	42,826	-	-	42,826
Loans	-	-	288	-	-	288
Others	-	-	3,638	-	-	3,638
Total financial assets	**1**	**-**	**83,529**	**-**	**-**	**83,530**
Financial liabilities						
Non-current						
Lease liabilities	-	-	1,338	-	-	1,338
Current						
Lease liabilities	-	-	748	-	-	748
Trade payables	-	-	72,076	-	-	72,076
Others	67	-	1,493	-	67	1,493
Total financial liabilities	**67**	**-**	**75,655**	**-**	**67**	**75,655**

	As at 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**

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: It 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 year ended 31 March 2024.

The Group'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.

(All amounts in Rs. Lacs, unless otherwise stated)

38. Financial instruments – Fair values and risk management (continued)

Risk management framework

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

The Group's management under the directions of the board of directors implements financial risk management policies across the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

i. Credit risk

Credit risk is the risk of financial loss to the Group 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 Group 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 Group considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

The Group 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 Group 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 Group 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 2024	For the year ended 31 March 2023
Opening balance	2,795	3,291
Addition/(reversal) during the year	(212)	(243)
Utilised during the year	213	253
Closing balance	**2,370**	**2,795**

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.

(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

38. Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group'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 Group seeks to increase income by maintaining high quality standards resulting into higher sales, while reducing the related costs and by controlling operating expenses.

The Group 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 Group maintains the following line of credit to meet the short term funding requirement:

Consequently, the Group 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.

		Contractual cash flows		
As at March 31,2024	**Carrying amount**	**Total**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Lease liabilities (current & non current)	2,382	2,382	938	1,444
Trade payables	72,076	72,076	72,076	-
Other current financial liabilities	1,560	1,560	1,560	-
	76,018	**76,018**	**74,574**	**1,444**

		Contractual cash flows		
As at March 31,2023	**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**

(b) Financing arrangements

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

	As at March 31, 2024	**As at March 31, 2023**
Overdraft facilities and working capital loan from bank	15,200	14,400
	15,200	**14,400**

38. Financial instruments – Fair values and risk management (continued)

iii. Market risk

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

Currency risk

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

Exposure to currency risk

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

		As at March 31,2024		As at March 31,2023	
	Currency	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	EUR	12	1,115	1	95
(Gross of forward exchange contracts)	GBP	1	125	1	108
	JPY	500	276	120	74
	USD	86	7,172	43	3,505
	CNY	1,252	14,483	719	8,618
	THB	1,480	3,396	-	-
	HKD	1	6	-	-
			26,573		**12,400**
Trade receivables	USD	44	3,693	22	1,814
	JPY	3	1	3	2
	EUR	*	6	*	13
			3,700		**1,829**

		As at March 31,2024		As at March 31,2023	
Forward exchange contracts	**Currency**	**FC (in lacs)**	**INR**	**FC (in lacs)**	**INR**
Trade payables	CNY	575	6,650	332	3,983
	USD	22	1,797	-	-
	THB	261	598	-	-
			9,045		**3,983**

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 31,2024	**As at March 31,2023**
Not later than 1 month	6,971	693
Later than 1 month but not later than 3 month	2,074	3290
Later than 3 month but not later than 3 month	-	-
	9,045	**3,983**

Sensitivity analysis

A reasonably possible strengthening/weakening of the Indian Rupee against foreign currency at balance sheet date 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.

	(Profit) or loss , net of tax	
Effect in INR	Strengthening	Weakening
As at March 31,2024		
10% movement		
Foreign Currency	(1,382)	1,382
	(1,382)	**1,382**

	(Profit) or loss, net of tax	
Effect in INR	Strengthening	Weakening
As at March 31,2023		
10% movement		
Foreign Currency	(659)	659
	(659)	**659**

* Amount is below the rounding off norm adopted by the Group.

(All amounts in Rs. Lacs, unless otherwise stated)

39. Capital management

For the purpose of the Group'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 Group's capital management are to safeguard the Group'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 Group 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, 2024.

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 2024	**As at 31 March 2023**
Total liabilities	97,420	76,441
Less: cash and cash equivalents	42,826	19,835
Adjusted net debt	**54,594**	**56,606**
Total equity	**50,911**	**37,259**
Adjusted net debt to equity ratio	**1.1**	**1.5**

(This space has been intentionally left blank)

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) Wholly owened Subsidiary
Kiddel Technologies India Private Limited, India

iv) Fellow Subsidiaries / Entities

a) Carrier Asia Limited, Hong Kong
b) Carrier ARCD Pte. Ltd, Singapore
c) UTEC Inc., Delaware
d) Carrier Montluel (SCS), France
e) Carrier Singapore (PTE) Limited, Singapore
f) Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China
g) Automated Logic Corporation, Georgia
h) Carrier International Sdn. Berhad, Malaysia
i) Carrier Transicold Syracuse Division, USA
j) Carrier Technologies India Limited (formerly known as UTC Fire & Security India Limited), India
k) Ecoenergy Insights Limited (formerly known as Chubb Alba Control Systems Limited)
l) Carrier Fire & Security Singapore Pte Ltd, Singapore
m) Carrier Airconditioning & Refrigeration System LTG, China
n) CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India - w.e.f August 1, 2022
o) Carrier Commercial Referigeration Limited, Thailand
p) Toshiba Carrier Air Conditioning (China) Co Ltd, China
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
t) Carrier (Thailand) Limited, Thailand
u) Carrier Middle East Limited, Bermuda
v) Onity India Private Limited, India
w) Carrier Transicold Europe, France
x) Shanghai Carrier Transicold Equipment Co., Ltd, China
y) Carrier Transicold Hong Kong Limited, Hong Kong
z) Carrier Kältetechnik Deutschland GmbH, Germany
aa) Carrier Aircon Lanka Private Limited, Sri Lanka
ab) Q-Carrier (B) Sendirian Berhad, Brunei
ac) Carrier Air-Conditioning And Refrigeration System, China
ad) Kidde Products Limited, United Kingdom
ae) Carrier Vietnam Air Conditioning Company Limited, Vietnam
af) Carrier Transicold Industries S.C.S, France
ag) Toshiba Carrier (Thailand) Co Ltd, Thailand - w.e.f August 1, 2022
ah) Toshiba Carrier Corporation, Japan - w.e.f August 1, 2022

v) Key Management Personnel

a) Chirag Baijal (Managing Director) (till July 31, 2023)
b) Sundaresan Narayanan (Managing Director) (w.e.f. November 1,2023)
c) Pritesh Agrawal (Chief Financial Officer & Whole Time Director)
d) Rahul Jain (Whole Time Director)
e) Simran Thapar (Whole Time Director)
f) Narendra Singh Sisodia (Independent director)
g) Siraj Azmat Chaudhry (Independent director)
h) Har Amrit Pal Singh Dhillon (Non-Executive Director)

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

40B - Description of Transactions with the Related Parties

(All amounts in Rs. Lacs, unless otherwise stated)

SI No	Name of the Party	For the year ended	Remuneration Paid	Sale of Goods and Services #	Purchase of Goods	Commission Income	Expenses		Dividend paid	Purchase of Property, Plant and Equiptments and Intangible Assets
							Incurred	Re-imbursement		
1	Carrier Corporation, Delaware	31 March, 2024	-	-	600	-	6,355	2,956	872	-
		31 March, 2023	(-)	(-)	(674)	(-)	(5,007)	(2,707)	(872)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2024	-	-	4,018	2,440	56		-	
		31 March, 2023	(-)	(-)	(11,827)	(962)	(266)	(-)	(-)	(-)
3	Carrier Technologies India Limited	31 March, 2024	-	6	-	-	138	487	-	-
		31 March, 2023	(-)	(15)	(527)	(-)	(112)	(427)	(-)	(-)
4	CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India	31 March, 2024	-	307	35,277	-	721	373	-	1,837
		31 March, 2023	(-)	(443)	(22,785)	(-)	(45)	(188)	(-)	(-)
5	Ecoenergy Insights Limited	31 March, 2024	-	1	24	-	9	334	-	-
		31 March, 2023	(-)	(2)	(15)	(-)	(30)	(281)	(-)	(-)
6	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2024	-	-	13,760	-	-	-	-	-
		31 March, 2023	(-)	(-)	(11,084)	(-)	(-)	(-)	(-)	(-)
7	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2024	-	-	540	-	-	-	-	-
		31 March, 2023	(-)	(-)	(307)	(-)	(-)	(309)	(-)	(-)
8	Carrier Singapore (PTE) Limited, Singapore	31 March, 2024	-	-	-	-	-	1,494	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(912)	(-)	(-)
9	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2024	-	-	119	-	-	-	-	-
		31 March, 2023	(-)	(-)	(81)	(-)	(-)	(-)	(-)	(-)
10	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2024	-	-	1,223	-	-	-	-	-
		31 March, 2023	(-)	(-)	(1,974)	(-)	(-)	(-)	(-)	(-)
11	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2024	-	-	2,891	-	-	-	-	-
		31 March, 2023	(-)	(-)	(2,227)	(-)	(-)	(-)	(-)	(-)
12	Toshiba Carrier (Thailand) Co Ltd	31 March, 2024	-	-	7,472	-	1	-	-	-
		31 March, 2023	(-)	(-)	(3,328)	(-)	(-)	(-)	(-)	(-)
13	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2024	-	22	-	-	-	114	-	-
		31 March, 2023	(-)	(1)	(-)	(-)	(-)	(166)	(-)	(-)
14	Carrier International Sdn. Berhad, Malaysia	31 March, 2024	-	2	-	-	11	-	-	-
		31 March, 2023	(-)	(8)	(59)	(-)	(-)	(1)	(-)	(-)
15	Carrier (Malaysia) SDN. BHD., Malaysia	31 March, 2024	-	61	-	-	-	52	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
16	Sundaresan Narayanan	31 March, 2024	100	-	-	-	-	-	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
17	Chirag Baijal	31 March, 2024	56	-	-	-	-	-	-	-
		31 March, 2023	(202)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
18	Pritesh Agrawal	31 March, 2024	127	-	-	-	-	-	-	-
		31 March, 2023	(115)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
19	Rahul Jain	31 March, 2024	131	-	-	-	-	-	-	-
		31 March, 2023	(112)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Simran Thapar	31 March, 2024	77	-	-	-	-	-	-	-
		31 March, 2023	(60)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
21	Narendra Singh Sisodia	31 March, 2024	5	-	-	-	-	-	-	-
		31 March, 2023	(4)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Pankaj Prakash Sahani	31 March, 2024								
		31 March, 2023	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
22	Siraj Azmat Chaudhry	31 March, 2024	5	-	-	-	-	-	-	-
		31 March, 2023	(3)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
23	Others - Fellow subsidiaries	31 March, 2024	-	8	4,530	24	374	1,142		-
		31 March, 2023	(-)	(2)	(3,701)	(5)	(14)	(591)	(-)	(-)

including appliable taxes
Figures in bracket represent previous year's figures

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

40B - Description of Transactions with the Related Parties and balances at year end

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, 2024	783	1,741	-	-	-
		31 March, 2023	(896)	(1,576)	(-)	(-)	(-)
2	Carrier Asia Limited, Hong Kong	31 March, 2024	127	2,271	-	-	-
		31 March, 2023	(379)	(306)	(-)	(-)	(-)
3	Carrier Technologies India Limited	31 March, 2024	-	-	-	-	-
		31 March, 2023	(58)	(33)	(-)	(-)	(-)
4	Carrier Global Corporation, USA	31 March, 2024	-	-	-	56,830	-
		31 March, 2023	(-)	(-)	(-)	(67,175)	(-)
5	Carrier Refrigeration Management Superannuation Fund Trust	31 March, 2024	-	-	-	-	63
		31 March, 2023	(-)	(-)	(-)	(-)	(59)
6	CACI Aircon Private Limited (formerly known as Toshiba Carrier Air-Conditioning India Private Limited), India	31 March, 2024	64	214	-	-	-
		31 March, 2023	(504)	(3,355)	(-)	(-)	(-)
7	Ecoenergy Insights Limited	31 March, 2024	141	10	-	-	-
		31 March, 2023	(44)	(-)	(-)	(-)	(-)
8	Shanghai Carrier Transicold Equipment Co., Ltd, China	31 March, 2024	-	7,005	-	-	-
		31 March, 2023	(-)	(6,418)	(-)	(-)	(-)
9	Carrier Transicold Hong Kong Limited, Hong Kong	31 March, 2024	-	196	-	-	-
		31 March, 2023	(-)	(78)	(-)	(-)	(-)
10	Carrier Singapore (PTE) Limited, Singapore	31 March, 2024	1,602	-	-	-	-
		31 March, 2023	(513)	(-)	(-)	(-)	(-)
11	Shanghai Yileng Carrier Air Conditioning Equipment Company Limited, China	31 March, 2024	-	10	-	-	-
		31 March, 2023	(-)	(28)	(-)	(-)	(-)
12	Qingdao Haier-Carrier Refrigeration Equipment Company Limited, China	31 March, 2024	-	172	-	-	-
		31 March, 2023	(-)	(410)	(-)	(-)	(-)
13	Carrier Airconditioning & Refrigeration System LTG, China	31 March, 2024	-	378	-	-	-
		31 March, 2023	(-)	(596)	(-)	(-)	(-)
14	Carrier (Malaysia) SDN. BHD., Malaysia	31 March, 2024	-	27	-	-	-
		31 March, 2023	(-)	(-)	(-)	(-)	(-)
15	Carrier Aircon Lanka Private Limited, Sri Lanka	31 March, 2024	123	-	-	-	-
		31 March, 2023	(116)	(14)	(-)	(-)	(-)
16	Carrier International Sdn. Berhad, Malaysia	31 March, 2024	-	(6)	-	-	-
		31 March, 2023	(19)	(-)	(-)	(-)	(-)
17	Others - Fellow subsidiaries	31 March, 2024	372	3,945	-	-	-
		31 March, 2023	(52)	(902)	(-)	(-)	(-)

Figures in bracket represent previous year's figures
** Amount is below the rounding off norm adopted by the Group.*

(All amounts in Rs. Lacs, unless otherwise stated)

41. Segment Reporting
General Information

An operating segment is a component of the Group 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 Group's other components, and for which discrete financial information is available.

The Parent 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 Group 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 as has been classified as disposal group as held for sale.
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)	188,604	44,510	**233,114**	183,984	34,801	**218,785**
	Total Revenue			**233,114**			**218,785**
(ii)	**Segment results**	15,219	3,419	**18,638**	12,123	1,750	**13,873**
	Operating income			**18,638**			**13,873**
	Finance charges			(211)			(206)
	Interest income			1,622			515
	Profit before tax			**20,049**			**14,182**
	Current tax			5,893			4,407
	Deferred tax			(896)			(1,218)
	Net Profit after tax (A)			**15,052**			**10,993**
	Other comprehensive income/(loss) (D)						
	(i) Items that will not be reclassified to profit or loss			(456)			(85)
	(ii) Income tax related to items that will not be reclassified to profit or loss			115			21
	Other comprehensive income for the year (B)			**(341)**			**(64)**
	Total comprehensive income for the year (A+B)			**14,711**			**10,929**
(iii)	**Other information**						
	Segment assets	84,903	13,567	98,470	74,347	13,027	87,374
	Add : Unallocated Assets	-	-	49,861	-	-	26,326
	Total Assets	**84,903**	**13,567**	**148,331**	**74,347**	**13,027**	**113,700**
	Segment liabilities	74,127	23,003	97,130	55,995	20,151	76,146
	Add : Unallocated Liabilities	-	-	290	-	-	295
	Total Liabilities	**74,127**	**23,003**	**97,420**	**55,995**	**20,151**	**76,441**
	Capital expenditure	3,592	-	**3,592**	1,293	-	**1,293**
	Depreciation / Amortization	2,460	32	**2,492**	2,089	18	**2,107**

	Revenue		Assets		Capital Expenditure		Non Current Assets	
	Current Year	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
India	229,995	217,042	144,631	111,871	3,592	1,293	21,233	18,397
Outside India	3,119	1,743	3,700	1,829	-	-	-	-
TOTAL	**233,114**	**218,785**	**148,331**	**113,700**	**3,592**	**1,293**	**21,233**	**18,397**

Information about major customers
No customer individually accounted for more than 10% of the revenues in the year ended 31 March 2024 and 31 March 2023.

Carrier Airconditioning & Refrigeration Limited
(All amounts in Rs. Lacs, unless otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2024

42. Employee Stock Option Scheme (ESOP)

A. Description of share based payment arrangements

The Group 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 Group 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 Group measures the cost of all share-based payments, including stock options, at fair value on grant date, on the basis of information available from ultimate holding company.

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
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
Performance Share Units (PSU's)	3 years service condition	10 years	Settlement is done by delivery common stock of Carrier Global

B. Measurement of fair values

The ultimate holding 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, 2024 and 2023. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31 March 2024	31 March 2023
Expected volatility	30.9%	30.8%-31.3%
Expected term (in years)	5.8	6.1
Expected dividend yield	1.80%	1.50%
Risk-free rate	3.60%	1.7%-3.00%

The weighted-average grant date fair value of SAR's stock options granted during 2023-24 was Rs.Nil USD equivalent -$ Nil (2022-23 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.

C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2024 is as follows:-

RSU's stock options	31 March 2024		31 March 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,684	-	1,760	-
Granted during the year	250	-	890	-
Exercised during the year	-	-	-	
Restructure	(2,684)	-	34	-
Outstanding at the end of the year	250	-	2,684	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 9.84 years (31 March 2023 : 7.61 years)

The weighted average share price at the date of exercise for shares options exercised in 2023-24: Rs.Nil USD equivalent - $ Nil . (31 March 2023 : Rs.Nil USD equivalent - $Nil)

(All amounts in Rs. Lacs, unless otherwise stated)

PSU's stock options	**31 March 2024**		**31 March 2023**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	1,145	-	760	-
Granted during the year	110	-	385	-
Exercised during the year	-	-	-	-
Restructure	(1,145)	-	-	-
Outstanding at the end of the year	110	-	1,145	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 9.84 years (31 March 2023: 7.63 years)

SAR's stock options	**31 March 2024**		**31 March 2023**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	24,209	23.35	25,060	23.10
Granted during the year	-	-	-	-
Exercised during the year	-	-	851	45.49
Restructure	(22,126)	-	-	-
Outstanding at the end of the year	2,083	11.67	24,209	23.35

The options outstanding as at 31 March 2024 have a weighted average remaining contractual life of 1.34 years (31 March 2023 : 6.07 years)
The weighted average share price at the date of exercise for shares options exercised in 2023-24 was Rs. Nil USD equivalent - Nil (2022-23: Rs.3,654 USD equivalent - $45.49)

D. Expense recognised in consolidated statement of profit and loss

For details on the employee benefits expense, refer note 22

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(All amounts in Rs. Lacs, unless otherwise stated)

43. Additional information required by Schedule III

Name of the entity in the group		Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent									
Carrier Airconditioning & Refrigeration Limited									
	Mar-24	99.44%	147,494	100.00%	15,052	100.00%	(341)	100.00%	14,711
	Mar-23	100.00%	113,700	100.00%	10,993	100.00%	(64)	100.00%	10,929
Subsidiary									
Kiddel Technologies India Private Limited									
	Mar-24	0.56%	837	0.00%	-	0.00%	-	0.00%	-
	Mar-23	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment due to consolidation									
	Mar-24	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Mar-23	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total									
	Mar-24	100%	148,331	100%	15,052	100%	(341)	100%	14,711
	Mar-23	100%	113,700	100%	10,993	100%	(64)	100%	10,929

(This space has been intentionally left blank)

44. Other Statutory Information's

i) There are no proceedings initiated or are pending against the Group 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 Group.

iii) The Group 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 31 March, 2024 (Payable)/Receivable	Balance outstanding as at 31 March, 2023 (Payable)/Receivable
Bsw Aircon Private Limited	Purchase of goods/services	*	(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	-	*
Breeze Airconditioning Private Limited	Purchase of goods/services	*	-
Ashoka Hotels Private Limited	Sales of goods/services	2	6
Ambience Facility Management Private Limited	Sales of goods/services	10	10
Aasthaa Airtech Private Limited	Sales of goods/services	1	*
Martin And Harris Laboratories Limited	Sales of goods/services	-	*
Kirti Films Private Limited	Sales of goods/services	-	*
Welspun India Limited	Sales of goods/services	1	-

* Amount is below the rounding off norm adopted by the Group.

v) The Group 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 Group has not traded or invested in crypto currency or virtual currency during the financial year.

45. During the year, the Parent Company has executed an asset purchase agreement with CACI Aircon Private Limited (CACIAPL) (formerly known as Toshiba Carrier Air-conditioning India Private Limited) a wholly owned subsidiary of Carrier group for a total consideration of Rs 1,837 lacs for transfer of tangible & intangible assets (Technical know-how - Rs. 1,206 lacs, Plant & Machinery - Rs. 597 lacs and Other assets - Rs. 34 lacs).
CACIAPL was primarily manufacturing Toshiba branded Hi-wall and VRF for exclusive sales to Carrier Airconditioning & Refrigeration Limited (CARL). Post purchase of these assets CARL has started manufacturing Toshiba branded Hi-wall and VRF.

46. Subsequent events

a) During the year, Carrier group at global level decided to divest its Fire and Security products business. In connection with this divesture to facilitate the transaction, the Carrier Airconditioning & Refrigeration Limited (CARL) incorporated a wholly owned subsidiary namely Kiddel Technologies India Private Limited (KTIPL) in India and invested INR 837 lacs representing 8,369,999 Equity Shares of Rs. 10 each. Subsequent to the year end, this entity has been divested and shares held by CARL have been sold off.

b) No significant subsequent events other than as disclosed in note 46(a) above, have been observed which may require adjustments to the consolidated financial statements.

47. The Parent Company has used accounting software for maintaining its books of account during the year ended March 31, 2024.

(i) With respect to accounting software for maintaining the books of account and software for managing procurement, the audit trail feature of recording audit trail (edit log) facility has been enabled and the same has operated throughout the year. The audit trail feature is not enabled for any direct changes made to the database in the accounting software. The database management of procurement software is operated by a third-party software service provider for which the independent service auditor report provided to the Parent Company does not include reporting on audit trail (edit log) facility.

(ii) With respect to other software used for payroll processing, it is operated by a third-party software service provider for which the independent service auditor report provided to the Parent Company does not include reporting on audit trail (edit log) facility.

The current version of accounting software for maintaining books of account does not support enablement of audit trail at database level. The Parent Company has a plan to upgrade the accounting software for maintaining books of accounts post which the audit trail (edit log) facility would be enabled in this software. Regarding software for procurement and payroll Company is in the process of working with third party service providers to incorporate the reporting on audit trail (edit log) facility in independent service auditors report.

48. 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

Sd/-
Vinod Gupta
Partner
Membership No: 503690
Place: Gurugram
Date: August 23, 2024

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

Sd/-
Sundaresan Narayanan
Managing Director
DIN No. 06443519

Place: Gurugram
Date: August 23, 2024

Sd/-
Pritesh Agrawal
Chief Financial Officer &
Whole Time Director

Place: Gurugram
Date: August 23, 2024

Sd/-
Simran Thapar
Whole Time Director
DIN No. 09026461
Place: Gurugram
Date: August 23, 2024

Sd/-
Ekta
Company Secretary
Membership No: A72724
Place: Gurugram
Date: August 23, 2024

Carrier Airconditioning & Refrigeration Limited

CIN: U74999HR1992FLC036104

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